



理文化工有限公司

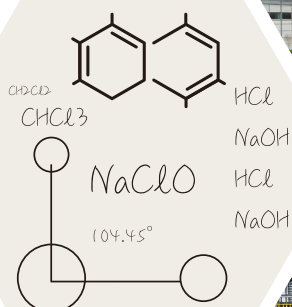
Lee & Man Chemical Company Limited

(Incorporated in the Cayman Islands and its members' liability is limited)

(於開曼群島註冊成立及其成員責任為有限)

Stock Code 股份代號 : 746

Together We Grow



**ANNUAL
REPORT
年報
2023**





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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. Wai Siu Kee (Chairman)
Mr. Lee Man Yan (Chief Executive Officer)
Mr. Yang Zuo Ning

Non-executive Director

Professor Chan Albert Sun Chi JP
(Redesignated from an Executive Director on 8 March 2024)

Independent non-executive Directors

Mr. Wong Kai Tung, Tony (Resigned on 2 August 2023)
Mr. Wan Chi Keung, Aaron BBS JP
Mr. Heng Victor Ja Wei
Mr. Wong King Wai Kirk (Appointed on 1 March 2023)

AUDIT COMMITTEE

Mr. Heng Victor Ja Wei (Chairman)
Mr. Wong Kai Tung, Tony (Resigned on 2 August 2023)
Mr. Wan Chi Keung, Aaron BBS JP
Mr. Wong King Wai Kirk (Appointed on 1 March 2023)

REMUNERATION COMMITTEE

Mr. Heng Victor Ja Wei (Chairman)
Mr. Wong Kai Tung, Tony (Resigned on 2 August 2023)
Mr. Wan Chi Keung, Aaron BBS JP
Mr. Wong King Wai Kirk (Appointed on 1 March 2023)

NOMINATION COMMITTEE

Ms. Wai Siu Kee (Chairman)
Mr. Heng Victor Ja Wei
Mr. Wong Kai Tung, Tony (Resigned on 2 August 2023)
Mr. Wan Chi Keung, Aaron BBS JP
Mr. Wong King Wai Kirk (Appointed on 1 March 2023)

COMPANY SECRETARY

Mr. Ho Chun Ho Jason

AUTHORISED REPRESENTATIVES

Ms. Wai Siu Kee
Mr. Ho Chun Ho Jason

REGISTERED OFFICE

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

董事會

執行董事

衛少琦女士(主席)
李文恩先生(首席執行官)
楊作寧先生

非執行董事

陳新滋教授太平紳士
(於2024年3月8日自執行董事調任)

獨立非執行董事

王啟東先生(於2023年8月2日辭任)
尹志強先生BBS太平紳士
邢家維先生
王經緯先生(於2023年3月1日獲委任)

審核委員會

邢家維先生(主席)
王啟東先生(於2023年8月2日辭任)
尹志強先生BBS太平紳士
王經緯先生(於2023年3月1日獲委任)

薪酬委員會

邢家維先生(主席)
王啟東先生(於2023年8月2日辭任)
尹志強先生BBS太平紳士
王經緯先生(於2023年3月1日獲委任)

提名委員會

衛少琦女士(主席)
邢家維先生
王啟東先生(於2023年8月2日辭任)
尹志強先生BBS太平紳士
王經緯先生(於2023年3月1日獲委任)

公司秘書

何圳浩先生

授權代表

衛少琦女士
何圳浩先生

註冊辦事處

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 35/F
Lee & Man Commercial Center
169 Electric Road
North Point, Hong Kong

PRINCIPAL BANKERS**In Hong Kong:**

Hang Seng Bank Limited
United Overseas Bank Limited, Hong Kong Branch
Bank of China (Hong Kong) Limited

In the PRC:

Bank of China Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited
HSBC Bank (China) Company Limited
Mizuho Bank (China), Ltd.

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

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, KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.leemanchemical.com

總部及香港主要營業地點

香港北角
電氣道169號
理文商業中心
35樓B室

主要往來銀行**香港：**

恒生銀行有限公司
大華銀行·香港分行
中國銀行(香港)有限公司

中國：

中國銀行股份有限公司
中國建設銀行股份有限公司
中國工商銀行股份有限公司
滙豐銀行(中國)有限公司
瑞穗銀行(中國)有限公司

核數師

德勤·關黃陳方會計師行
執業會計師
註冊公共利益實體核數師

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, KY1-1110
Cayman Islands

香港股份過戶登記分處

卓佳秘書商務有限公司
香港夏慤道16號
遠東金融中心17樓

網址

www.leemanchemical.com

Chairman's Statement

主席報告

BUSINESS REVIEW

For the year ended 31 December 2023, the Group recorded total revenue of HK\$4,051 million, down 31.0% year-on-year, and profit for the year was HK\$401 million, a 65.3% plunge year-on-year. Gross profit margin of the chemical operations was 26.0%, 13.1 percentage points less when compared with 2022, and the Group's net profit margin was 9.9%, down by 9.8 percentage points year-on-year.

Regarding the Group's **Chemical operations**, overall sentiment of the manufacturing industry in China remained weak, with prices of industrial raw materials, such as bulk chemical products, lingering on low. The serious fluctuation in the prices of lithium-ion battery raw materials also caused downstream enterprisers to actively adjust their production plans, leading to a significant drop in the selling prices of lithium-ion battery additives this year against the last corresponding period. With the inventory of raw materials purchased earlier gradually digested and at the Group strengthening cost control measures during the year, gross profit of the business rebounded from the first half of the year. As for **Property operations**, the Group sold another 47 residential units at *RIVERDALE* during the year, leaving only 28 held for sale units, and more than 80% of the commercial space were leased out, with the main drive coming from the *RIVERDALE Shangjia Residences* talent apartments. Property operations recorded revenue of approximately HK\$70 million for the period.

PROSPECTS

2024 will be a year testing to the operational resilience of enterprises. Consumption and manufacturing market sentiment will continue to be weak, and high interest rate will eat into the profits of enterprises and dampen their desire to invest. Facing an operating environment ridden with challenges, the Group will continue to promote Automated Production Control in all three of its plants and improve production efficiency and cost-effectiveness. It will also strive to maintain a low borrowing level to make sure its operating profit will not be eroded by high interest rates.

On top of guarding its existing business foundation, the Group will also actively invest resources in R&D of various high value-added chemical products and push for vertical integration of its production chain to give itself unique competitive advantage. The Group firmly believes that affording products of stable and high quality can enable to fortify brand foundation and boost profitability.

業務回顧

截至2023年12月31日止年度，本集團錄得總營業額40.51億港元，按年下跌31.0%，而年內溢利為4.01億港元，按年大幅收窄65.3%。化工業務毛利率按年下跌13.1個百分點至26.0%；本集團淨利潤率亦按年下跌9.8個百分點至9.9%。

化工業務方面，國內製造業整體氣氛仍然疲弱，大宗化工產品等工業材料價格維持於低位徘徊。鋰電池的各種原材料價格的大幅波動，亦導致下游企業積極調整生產計劃應對，致使今年鋰電池添加劑實現的銷售價格亦相對去年同期有明顯下降。由於早前採購的原材料庫存已陸續消化，加上集團年內積極加強成本控制措施，毛利已自上半年有所好轉。物業業務方面，本集團於年內再售出47個「昕悅溪」住宅單位，僅餘28個待售單位，商業樓面出租率亦逾八成，主要由「昕悅溪尚家公寓」人才公寓所帶動，期內來自物業業務收入約7,000萬港元。

展望

2024年將會是考驗企業經營韌性的一年。消費及製造業市場信心持續疲弱，高利率亦抑壓企業利潤和投資意欲。面對充滿挑戰的經營環境，集團繼續推展自動化生產 (Automated Production Control) 到集團三個廠址，持續提升生產效率，加強成本效益。集團亦會積極維持低借貸水平，確保經營利潤不被高利率所蠶食。

集團在穩守現有業務基礎的同時，亦積極投入資源研發各種高附加值的化工產品，並垂直整合集團生產鏈，建立獨特的競爭優勢。本集團深信，穩定高質的產品質素能加固品牌基礎，深化集團盈利能力的護城河。

Although the new energy automobile industry has continued to grow rapidly, the battery material industry saw severe fluctuation last year. Looking ahead, the Group will work hard on enlarging relevant market shares of its battery material-related products, and revisit its future development plans. The Group expects to have the crucial capacity its lithium battery electrolyte additive business needs, when the vinylene carbonate (“VC”) production line at its Changshu plant and the fluoroethylene carbonate (“FEC”) expanded production line at its Zhuhai plant begin operation in the middle of this year. To cope with market changes, the Group is also preparing to adjust the purpose of the new land acquired in Jiangxi and use it to develop high-end fluoropolymers. Armed with years of experience producing fluoropolymers at its Jiangxi plant, the Group believes the transformation will enable it to realise steady development.

The Group will also put resources into studying ways to improve its production processes. It will continue to implement various plans to raise energy efficiency and conserve water, to the end of reducing carbon emissions from its plants during production, helpful for it to achieve sustainable development, while also bringing satisfactory returns to shareholders.

APPRECIATION

On behalf of the Board, I would like to extend our sincere gratitude to the Company’s shareholders, customers and business partners for their strong support throughout the year. I would also like to take this opportunity to thank all colleagues and staff for their persistent efforts and contribution to the Group.

Wai Siu Kee
Chairman

Hong Kong, 8 March 2024

縱使新能源汽車行業仍然保持快速增長，惟以電池材料行業於去年經歷了急遽波動。展望未來，集團在致力提升電池材料行業相關製品市場份額的同時，亦會重新審視未來的發展規劃。集團預期，隨著常熟工廠的碳酸亞乙烯酯(「VC」)的生產線，以及珠海工廠的氟代碳酸乙烯酯(「FEC」)的擴充產能分別於今年中投產，本集團能於鋰電池電解液添加劑取得關鍵規模。應對市場變化，本公司現正籌備將早前於江西取得的新地塊，調整為發展高端氟聚合物產品。集團相信憑藉於江西工廠有關氟聚合物的多年經驗，轉型能實現集團的穩健發展。

集團亦會投放資源，著力研究改善生產流程，繼續推行各種有關提升能源效益和節約用水等計劃，從而在工廠運作過程中致力減少碳排放，邁向可持續發展的同時亦為股東帶來理想回報。

鳴謝

本人謹代表董事會，向本公司股東、客戶及業務夥伴於本年度給予的鼎力支持，致以由衷謝意。此外，本人亦藉此機會感謝各位員工一直努力不懈，持續為本集團作出貢獻。

衛少琦
主席

香港，2024年3月8日

Management Discussion and Analysis

管理層討論及分析

RESULTS OF OPERATION

Revenue and net profit attributable to equity holders of the Group for the year ended 31 December 2023 was HK\$4,051 million and HK\$401 million respectively, representing a decrease of 31.0% and a decrease of 65.3%, as compared to HK\$5,867 million and HK\$1,157 million respectively for the last year.

The basic earnings per share was HK48.6 cents for the year ended 31 December 2023 (2022: HK140.2 cents).

Revenue

Chemical operations

During the year under review, the Group recorded a revenue from Chemical operations of approximately HK\$3,981 million, representing a decrease of HK\$1,792 million or 31.0% as compared to last year. The decrease in revenue was mainly attributable to the decrease in average market prices of the Group's major products due to weak market conditions in most times during the year under review.

During the year under review, the average selling price per ton (including value-added tax, similarly hereinafter) of the products of the Group as compared to last year, the average selling price per ton of Chloromethane ("CMS") products (methyl chloride, methylene chloride and chloroform) was about RMB2,550, RMB2,725 and RMB2,475, decreased by approximately 50%, 31% and 41% respectively. Caustic soda was at about RMB950, decreased by approximately 26%. Polytetrafluoroethylene ("PTFE") was at about RMB47,325, decreased by approximately 13%, while hydrogen peroxide was at about RMB1,025, increased by approximately 10%.

The actual production volume of our primary products for the year (including self-consumption) was approximately 390,000 tons for CMS products, 560,000 tons for 100% dry basis caustic soda, 9,500 tons for polytetrafluoroethylene and 390,000 tons for hydrogen peroxide.

In 2023, prices of major chemical products remained at relatively low levels in recent years due to the weak market sentiment in the manufacturing sector. Combined with the time it takes to digest the inventory of raw materials purchased earlier, the gross profit margin of the Group is squeezed. During the year under review, the Group maintains a stable full-load production of the existing product line-ups while taking opportunities to improve efficiency and enhance processes of the production lines for improved efficiency and improve processes. By actively strengthening cost and efficiency advantages, the Group is laying a solid foundation to seize opportunities to embrace industry recovery in the future.

經營業績

截至2023年12月31日止年度，本集團之收入及股東應佔溢利分別為40.51億港元及4.01億港元，較去年58.67億港元及11.57億港元，分別下跌31.0%及下跌65.3%。

截至2023年12月31日止年度，每股基本盈利為48.6港仙(2022年：140.2港仙)。

收入

化工業務

於回顧年內，本集團從化工業務錄得營業額約39.81億港元，較去年下跌17.92億港元或31.0%。收入下跌主要來自於回顧年內大部份時間本集團主要產品的平均市價受市況疲弱影響而有明顯下跌。

本回顧年內集團產品的每噸平均銷售價(含增值稅，下同)與去年同期比較，甲烷氯化物(一氯甲烷、二氯甲烷和三氯甲烷)分別為約人民幣2,550元、人民幣2,725元及人民幣2,475元，下跌約50%、31%及41%；燒鹼約人民幣950元，下跌約26%；聚四氟乙烯約人民幣47,325元，下跌約13%；過氧化氫約人民幣1,025元，上升約10%。

主要產品的實際生產量(包含自用)為：甲烷氯化物約39萬噸，折百燒鹼約56萬噸，聚四氟乙烯約9,500噸及過氧化氫約39萬噸。

於2023年，製造業市況持續疲弱，化工產品價格一直維持於近年來較低水平，較早前採購的原材料庫存亦需時消化，令本集團的毛利空間備受擠壓。於回顧年內，本集團繼續保持現有產品線的穩定及全產能生產，並適時對生產線作出修繕，提升效能及改良工藝，積極加強成本和效益優勢，為本集團奠定良好基礎，把握機會迎接將來的行業復甦。

Property operations

During the year under review, the Group further sold of 47 residential units of RIVERDALE, recorded a revenue from Property operations of approximately HK\$70 million. At the year end, over 90% of residential units of RIVERDALE has been sold with 28 unsold units.

Gross profit

During the year under review, gross profit amounted to HK\$1,062 million, a decrease of HK\$1,062 million. The decrease in gross margin was mainly attributable to the combined effect during the year under review of the decline in product prices and the time required in digesting the raw material inventories acquired earlier in Chemical operations.

Selling and distribution costs

During the year under review, selling and distribution costs amounted to approximately HK\$209 million, decreased by approximately HK\$45 million as compared to HK\$254 million of the last year. The decrease in expenses during the year under review was mainly due to reduction in packaging and transportation costs. The selling and distribution costs represented approximately 5.2% of total revenue for the year, as compared to 4.3% for the last year.

Administrative expenses

During the year under review, administrative expenses amounted to approximately HK\$259 million, decreased by approximately HK\$18 million as compared to HK\$277 million of the last year. The decrease in administrative expenses during the year under review was mainly due to reduction in value-added tax and surcharges expenses recognised during the year. The administrative expenses represented approximately 6.4% of total revenue for the year, as compared to 4.7% for the last year.

Research and development cost

During the year under review, research and development costs amounted to approximately HK\$121 million and representing 3.0% of total revenue for the year. During the year under review, continuous spending are made to research and development of new products and optimization of technical processes, maintaining a strong team of senior scientists and chemical professionals, procurement of equipment and testing materials, so as to maintain the sustainable development of the Group.

物業業務

於回顧年內，本集團再售出47個「昕悅溪」之住宅單位，從物業業務錄得營業額約7,000萬港元。於年末，「昕悅溪」合共已售出逾九成住宅單位，未售住宅單位為28個。

毛利

於回顧年內，毛利約為10.62億港元，較去年減少10.62億港元。毛利減少主要因於回顧年內化工業務的產品價格下跌，以及需時消化較早前採購的原材料庫存的綜合影響。

銷售及分銷成本

於回顧年內，銷售及分銷成本約為2.09億港元，與去年約2.54億港元比較，下跌約4,500萬港元。回顧年內費用增加，主要是運輸及包裝費用下跌所致。銷售及分銷成本相對年內總收入的佔比約為5.2%，而去年則約為4.3%。

行政費用

於回顧年內，行政費用為約2.59億港元，與去年約2.77億港元比較，減少約1,800萬港元。回顧年內行政費用減少，主要是由於年內確認之增值稅及其他稅費減少所致。行政費用相對年內總收入的佔比約為6.4%，而去年則約為4.7%。

研發成本

於回顧年內，研發成本為約1.21億港元，佔年內總收入約3.0%。於回顧年內集團持續投放資源在新產品研發和優化工藝技術，留聘高級及化工專業人員強大團隊，購置設備和測試物料，保持集團的可持續發展。

Management Discussion and Analysis

管理層討論及分析

Finance costs

During the year under review, the interest expenses incurred was approximately HK\$39 million, which is comparable to HK\$39 million of the last year. The fluctuation in expenses was mainly due to the interests saved from repaying the bank borrowings during the year was being offset by the hiking market interest rates.

Net exchange loss

During the year under review, the net exchange loss was approximately HK\$7 million. The net exchange loss of the Group is mainly driven by the depreciation of Renminbi in second half of 2023.

INVENTORIES, DEBTORS' AND CREDITORS' TURNOVER

The inventory turnover of the Group for the year ended 31 December 2023 was 100 days, increased by 18 days as compared to 82 days of the last year.

The Group's debtors' turnover days was controlled at 22 days for the year ended 31 December 2023 as compared to 18 days for the last year, which is in line with the normal credit period of 7 days to 150 days granted to customers of the Group.

The Group's creditors' turnover days was 21 days for the year ended 31 December 2023 as compared to 19 days for the last year, which is in line with the normal credit terms of 7 days to 45 days granted by the suppliers to the Group.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total shareholders' equity of the Group as at 31 December 2023 was HK\$5,800 million (2022: HK\$5,633 million). As at 31 December 2023, the Group had current assets of HK\$1,513 million (2022: HK\$1,709 million) and current liabilities of HK\$1,172 million (2022: HK\$1,134 million). The current ratio was 1.29 as at 31 December 2023 as compared to 1.51 at 31 December 2022.

The financial resources of the Group remain strong. As at 31 December 2023, the Group's bank balances and cash was HK\$264 million (2022: HK\$422 million) and the net debt amounted to HK\$408 million (2022: HK\$322 million). The net debt to equity ratio of the Group as at 31 December 2023 was 7.04% (2022: 5.72%).

During the year under review, the Group is actively optimizing financing cost structure through moderately increasing borrowings denominated in Renminbi. The Group would continue to maintain sufficient cash and available banking facilities to meet its capital commitments, working capital requirements and future investments for expansion.

融資成本

於回顧年內，利息支出為約3,900萬港元，與去年約3,900萬港元比較大致相若。年內費用變動主要由於年內償還銀行借款所節省的利息被市場息率上升抵銷所致。

匯兌淨虧損

於回顧年內，匯兌淨虧損為約700萬港元。主要由於2023年下半年人民幣的匯價貶值所致。

存貨、應收賬款及應付賬款周轉期

截至2023年12月31日止年度，本集團之存貨周轉期天數為100天，較去年的82天上升了18天。

截至2023年12月31日止年度本集團之應收賬款周轉天數控制於22天，而去年則為18天，與本集團給予客戶的正常賒賬期7天至150天一致。

截至2023年12月31日止年度，本集團之應付賬款周轉天數為21天，而去年則為19天，與供應商給予本集團的正常賒賬期7天至45天一致。

流動資金、財務資源及資本結構

於2023年12月31日，本集團的股東權益總額約為58.00億港元(2022年：56.33億港元)。於2023年12月31日，本集團的流動資產約為15.13億港元(2022年：17.09億港元)，而流動負債則約為11.72億港元(2022年：11.34億港元)。於2023年12月31日的流動比率為1.29，而於2022年12月31日則為1.51。

集團的財務資源保持強勁。於2023年12月31日，本集團之銀行結餘及現金為2.64億港元(2022年：4.22億港元)，而債務淨額為4.08億港元(2022年：3.22億港元)。本集團的債務淨額對權益比率於2023年12月31日為7.04%(2022年：5.72%)。

於回顧年內，本集團積極優化融資成本結構，適度增加人民幣計值貸款比例。本集團會繼續保持充裕的手頭現金及可供動用的銀行信貸額，以應付集團的資本承擔，營運資金需要及未來的投資發展。

CAPITAL AND OTHER COMMITMENTS

As at 31 December 2023, the Group had capital expenditure contracted for but not provided in the consolidated financial statements in respect of the acquisition of property, plant and equipment and acquisition of right-of-use assets in amounts of approximately HK\$285 million and HK\$9 million.

HUMAN RESOURCES

At 31 December 2023, the Group had a workforce of around 2,100 people. The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staffs are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits.

KEY RISKS AND UNCERTAINTIES

Apart from those stated in the Chairman's Statement and Management Discussion and Analysis sections, the Company is exposed to the following key risks and uncertainties which are required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

1. Risks Relating to Our Industry

Some of our raw materials and products fall within the category of hazardous chemicals. Any leakage of such chemicals, due to equipment malfunction or wrongful operations, may result in personal injury. The Company regards safety as the top priority. To minimize risks, regular maintenance of our production equipment is conducted. Important equipment is inspected by "Special Equipment Safety Supervision Inspection Institute", to ensure proper management of our equipment and devices. In addition, the Company strictly executes safety management standardization. The Company regularly conducts safety classes and shares safety management experience to our production teams. Emergency drills are organized twice a year to ensure that our staff members have thorough knowledge in safe production and avoid the occurrence of wrongful operations.

2. Credit Risks Relating to Customers

Exposure to bad debts attributable to customers usually intensifies in a time of weak economic performance. To minimize credit risks, the management of the Group has appointed dedicated staff members to handle procedures for determining credit limits, credit approval and other monitoring procedures, to ensure follow-up with all receivables in a timely manner. In addition, the Group reviews the collectability of receivables at the end of a reporting period, to ensure that sufficient impairment losses are provided for in respect of uncollectible amount.

資本及其他承擔

於2023年12月31日，本集團已訂約而未計入綜合財務報表內的資本性支出，用作購置物業、廠房及設備及購置使用權資產之數額分別約2.85億港元及9百萬港元。

人力資源

於2023年12月31日，本集團員工約2,100名。本集團與員工關係一向良好，並為員工提供足夠培訓、優厚福利及獎勵計劃。員工酬金乃按彼等之工作表現、專業經驗及當時之市場狀況而釐定，除基本薪金外並按員工表現發放花紅。

主要風險及不明朗因素

除主席報告及管理層討論及分析提述事宜以外，本公司根據公司條例(香港法例第622章)須予披露所面對的主要風險及不明朗因素如下。

1. 行業風險

公司部分原材料和產品屬危險化學品，如有設備損壞或操作失誤會產生洩漏，對人員造成傷害。公司視安全生產為企業首要目標，為減低風險，公司在生產裝置上定期做好保養維護，重要設備由「特種設備安全監督檢驗研究院」負責檢查，保證設備裝置的完整性管理。此外，公司實行安全管理標準化，一直推行班組會宣傳安全教育，定期分享其他公司的安全管理，並每年安排兩次應急演練，使員工對安全生產有深刻的認識，避免誤操作現象的發生。

2. 客戶的信貸風險

隨著經濟疲弱，客戶壞帳風險相對增加。為減低信貸風險，本集團管理層已委派特定人員負責釐定信貸限額、信貸審批及其他監控程序，以確保及時跟進所有應收帳款。此外，本集團會於報告期末已檢討債項之可收回款額，以確保就不可收回款額作出足夠之減值虧損。

Management Discussion and Analysis

管理層討論及分析

3. Liquidity Risks

In managing liquidity risks, the Group monitors and maintains bank balances and cash at a level which is considered by the management as sufficient, to satisfy the needs arising from the Group's operations and to mitigate the effect of fluctuations of cash flow. The management closely monitors the use of borrowings to ensure that relevant covenants relating to loans are complied with.

4. Currency Risks

Debts denominated in foreign currencies expose the Group to foreign exchange risks. The Group closely manages and monitors foreign exchange risks to ensure that appropriate measures are taken in a timely manner. The Group will consider entering into forward contracts in respect of foreign currencies to mitigate relevant risks as and when appropriate. As of 31 December 2023, the Group did not have any outstanding forward contracts in respect of foreign currencies.

5. Interest Rate Risks

The Group's interest rate risks are primarily related to its bank balances and bank borrowings carried at floating interest rates. The management will closely monitor interest rate risks and consider hedging material interest rate fluctuations when necessary.

3. 流動資金風險

管理流動資金風險時，本集團會監察及保持管理層視為足夠水平之銀行結餘及現金，以撥付本集團營運所需及減低現金流量波動之影響。管理層會密切監察借貸之使用情況，確保遵守相關借款契約。

4. 貨幣風險

因有外幣負債，以致本集團承受外幣滙兌風險。本集團會密切管理及監察外匯風險，以確保及時地採取適當措施。本集團會在適當時候考慮訂立外幣遠期合約以降低有關風險。截至2023年12月31日，本集團並沒有已訂立而未到期的外幣遠期合約。

5. 利率風險

本集團之利率風險主要與浮息銀行結存及銀行借貸有關。管理層會密切監控利率風險，並將在有需要時考慮對沖重大利率波動。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Board of the Company believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximising shareholders' interests.

During the year, the Company has complied with the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Board is committed to complying with the code provisions as stated in the Code to the extent that the directors of the Company ("Directors") consider it is applicable and practical to the Company.

BOARD OF DIRECTORS

The objectives of the management structures within the Group, headed by the Board and led by the Chairman, are to deliver sustainable value to Shareholders.

The Chairman provides leadership to and oversees the effective functioning of the Board. With support of the Chief Executive Officer and the Company Secretary, the Chairman approves Board meeting agenda, and ensures Directors have proper briefing, and timely receive adequate and reliable information, on all Board matters.

The role of the Chairman is separate from that of the Chief Executive Officer, and different persons hold the separate offices. The Chief Executive Officer heads the management and focuses on the day-to-day operations of the Group.

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

The independent non-executive Directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive Director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive Director an annual confirmation or confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The independent non-executive Directors are explicitly identified in all of the Company's corporate communications. Independent non-executive Directors represent more than one-third of the Board and possess appropriate legal, professional accounting qualifications and financial management expertise.

企業管治常規

本公司致力保持高水準之企業管治。本公司董事會相信，對本集團增長及對保障及提高股東權益而言，完善及合理的企業管治常規實在不可或缺。

本公司於年內一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載之《企業管治守則》(「守則」)。董事局承諾，在本公司董事(「董事」)認為適用於本公司及切實可行的前提下，遵守守則所載的守則條文行事。

董事會

本集團內管理架構以主席領導的董事會為首，其目標是持續不斷為股東創造價值。

主席負責領導並監督董事會，使其得以有效發揮功能。在首席執行官及公司秘書的支援下，主席批准董事會會議議程，並確保董事獲給予恰當簡報，且及時就一切有關董事會的事宜發放充足可靠的資料。

主席與首席執行官的職務明確劃分，職務由不同人士擔任。首席執行官負責領導管理層，專門負責本集團的日常營運。

董事會主要著眼於本集團之整體策略及發展。董事會亦監察本集團之財務表現及經營業務之內部監控。

獨立非執行董事亦在確保及監察有效企業管治之架構中擔當非常重要的角色。董事會相信每一位獨立非執行董事均有其獨立性及判斷力，彼等均符合上市規則規定之特定獨立準則。本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出之年度獨立性確認函。而獨立非執行董事均可在本公司所有企業通訊內明確識別。獨立非執行董事佔董事會成員三分之一以上，並分別具適當之法律、專業會計師資格及財務管理經驗。

Corporate Governance Report

企業管治報告

All Independent non-executive Directors entered into service contracts with the Company, for a term of approximately one year, commencing upon conclusion of the AGM of the year of signing and ending at the next annual general meeting of the Company but, in any event, no later than 30 June to the following year of signing.

Board Composition

As at the date of publication of this Annual Report, the Board comprises seven Directors including three Executive Directors, one Non-executive Director and three Independent Non-executive Directors. The names of the Directors of the Company are as follows:

Executive Directors

Ms. Wai Siu Kee (*Chairman*)
Mr. Lee Man Yan (*Chief Executive Officer*)
Mr. Yang Zuo Ning

Non-executive Director

Professor Chan Albert Sun Chi *JP*

Independent non-executive Directors

Mr. Wan Chi Keung, Aaron *BBS JP*
Mr. Heng Victor Ja Wei
Mr. Wong King Wai Kirk

The change to the composition of the Board during the year and up to the date of this Annual Report was as follows:

Mr. Wong King Wai Kirk was appointed as an Independent Non-executive Director of the Company and a member of the audit committee, remuneration committee and the nomination committee of the Board with effect from 1 March 2023.

Mr. Wong Kai Tung, Tony resigned as an Independent Non-executive Director of the Company and a member of the audit committee, remuneration committee and the nomination committee of the Board with effect from 2 August 2023.

Professor Chan Albert Sun Chi *JP* is re-designated as a Non-executive Director of the Company with effect from 8 March 2024.

所有獨立非執行董事均與本公司簽訂服務合約，彼等之任期約一年，由簽訂當年之股東週年大會結束開始直至下一次股東週年大會日期止，惟無論如何將不會遲於簽訂次年之6月30日。

董事會組成

本公司於截至本年報刊發日期，董事會包括七名董事，當中執行董事三名，非執行董事一名及獨立非執行董事三名。本公司董事之姓名如下：

執行董事

衛少琦女士(*主席*)
李文恩先生(*首席執行官*)
楊作寧先生

非執行董事

陳新滋教授*太平紳士*

獨立非執行董事

尹志強先生*BBS太平紳士*
邢家維先生
王經緯先生

年內及截至本年報日期的董事會成員之變動如下：

王經緯先生獲委任為本公司獨立非執行董事，以及董事會審核委員會、薪酬委員會及提名委員會之成員，自2023年3月1日起生效。

王啟東先生於2023年8月2日辭任本公司之獨立非執行董事，以及董事會審核委員會、薪酬委員會及提名委員會成員。

陳新滋教授*太平紳士*於2024年3月8日起調任本公司之非執行董事。

The biographical details of the Directors are set out on pages 79 to 81 to this annual report. Other than disclosed, the board members have no financial, business, family or other material/relevant relationships with each other.

The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all Directors. Notice of at least 14 days have been given to all Directors for all regular board meetings and the Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all Directors within reasonable time before the meeting. Draft minutes of all board meetings are circulated to Directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to board papers and related materials, and are provided with adequate information in a timely manner, which enable the Board to make an informed decision on matters placed before it.

During the year, the Company held three board meetings, an annual general meeting ("AGM") and one extraordinary general meeting ("EGM"). The attendance of each Director is as follows:

Ms. Wai Siu Kee	衛少琦女士	3/3	✓	✓
Mr. Lee Man Yan	李文恩先生	3/3	✓	✓
Mr. Yang Zuo Ning	楊作寧先生	3/3	✓	✓
Professor Chan Albert Sun Chi JP	陳新滋教授太平紳士	3/3	✓	✓
Mr. Wong Kai Tung, Tony	王啟東先生	3/3	✓	✓
Mr. Wan Chi Keung, Aaron BBS JP	尹志強先生BBS太平紳士	3/3	X	✓
Mr. Heng Victor Ja Wei	邢家維先生	3/3	✓	✓
Mr. Wong King Wai Kirk	王經緯先生	3/3	✓	✓

Apart from the said board meetings, operational matters requiring board approval were arranged by means of circulation of written resolutions with supporting materials, supplemented by additional verbal and/or written information from the company secretary of the Company as and when appropriate.

董事之履歷詳情載於本年報第79至第81頁。除已披露者外，董事會成員彼此之間並無任何財務、業務、家屬或其他重大／相關的關係。

主席經徵詢全體董事，首要負責草擬及審批每次董事會會議之議程。開會通知最少於常務會議14天前發送予各董事，如需要，董事可要求在議程內加插討論事項。召開常務會議時，一套完整議程連同開會文件會在開會前之合理時間內發送予各董事。草擬的會議紀錄亦會於合理時間內送交各董事省閱，方予確認。

董事會及董事委員會之會議紀錄由相關會議所委任之秘書保存，所有董事均有權查閱董事會文件及相關資料及適時地獲提供足夠資料，使董事會可於決策事項前作出有根據的判斷。

年內，本公司共舉行三次董事會會議、一次股東週年大會（「股東週年大會」）及一次股東特別大會（「股東特別大會」）。各董事之出席率載列如下：

	Attended/Eligible meeting held		
	出席會議次數／合資格出席會議次數		
Board Meeting	AGM	EGM	
董事會會議	股東週年大會	股東特別大會	

除上述董事會會議外，需要董事會批准之日常運作上之事宜亦透過書面決議案方式連同相關文件及於有需要時由本公司之公司秘書提供額外口頭及／或書面補充資料於全體董事會成員間傳閱處理。

Corporate Governance Report

企業管治報告

Appointment and Training for Directors

Each newly appointed Director receives comprehensive, formal and tailored induction on his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements. There are also arrangements in place for providing continuing briefing and professional development to Directors at the Company's expenses whenever necessary.

The Company provides regular updates and presentations on changes and developments relating to the Group's business and the legislative and regulatory environments to the Directors at Board meetings or through emails.

All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided a record of training they received for the year ended 31 December 2023 to the Company. The type of training received is summarized below:

Name of Director	董事姓名	Reading regulatory updates 閱讀監管規定更新資料	Attending external seminars/ programmes 參與外界機構舉辦研討會/活動
Ms. Wai Siu Kee	衛少琦女士	✓	✓
Mr. Lee Man Yan	李文恩先生	✓	✓
Mr. Yang Zuo Ning	楊作寧先生	✓	✓
Professor Chan Albert Sun Chi JP	陳新滋教授太平紳士	✓	✓
Mr. Wong Kai Tung, Tony	王啟東先生	✓	✓
Mr. Wan Chi Keung, Aaron BBS JP	尹志強先生BBS太平紳士	✓	✓
Mr. Heng Victor Ja Wai	邢家維先生	✓	✓
Mr. Wong King Wai Kirk	王經緯先生	✓	✓

AUDIT COMMITTEE

Members of the Audit Committee include:

Mr. Heng Victor Ja Wei (Chairman)
 Mr. Wong Kai Tung, Tony (Resigned on 2 August 2023)
 Mr. Wan Chi Keung, Aaron BBS JP
 Mr. Wong King Wai Kirk (Appointed on 1 March 2023)

董事之委任及培訓

各位新任董事獲委任時均會獲得一項全面、正規及切合個人需要的入職指引，以確保彼對本集團業務及運作有適當的了解，並全面知悉其根據上市規則及有關法例規定下之職責及責任。在有需要時，本公司亦會安排向董事提供持續簡介及專業發展，費用由本公司承擔。

本公司就本集團業務發展及立法及監管環境之變動，於董事局會議內或通過發送電子郵件向董事提供定期更新及演示。

截至2023年12月31日止年度，全體董事均有參與發展及更新彼等知識及技能之持續專業發展，並已向本公司提供彼等所接受培訓的類型如下：

審核委員會

審核委員會成員包括：

邢家維先生(主席)
 王啟東先生(於2023年8月2日辭任)
 尹志強先生BBS太平紳士
 王經緯先生(於2023年3月1日獲委任)

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in accounting, business and legal on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. The terms of reference of the Audit Committee is available on the Company's website.

The Audit Committee meets regularly to review the Group's financial reporting and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectiveness of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the financial statements for the year ended 31 December 2023.

During the year, 3 Audit Committee meetings were held and the individual attendance of each member is set out below:

董事會認為各審核委員會成員均具備廣泛營商經驗，審核委員會當中兼備合適之會計、商業及法律專業。審核委員會之架構及成員符合上市規則第3.21條之規定。審核委員會的職權範圍全文已刊載於本公司網頁內。

審核委員會定期開會以檢討本集團之財務匯報及給予股東之其他資料、內部監控系統、風險管理及審核過程之有效性及客觀性。審核委員會並為董事會及公司核數師之間之重要橋樑，在其職權範圍內持續檢討核數師之獨立性及客觀性。

審核委員會已與管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務匯報等事項進行討論，其中包括審閱截至2023年12月31日止年度之財務報表。

年內，共召開三次審核委員會會議，個別成員的出席情況詳列如下：

		Attended/Eligible meeting held 出席會議次數/ 合資格出席會議次數
Mr. Heng Victor Ja Wei (<i>Chairman</i>)	邢家維先生(主席)	3/3
Mr. Wong Kai Tung, Tony	王啟東先生	2/2
Mr. Wan Chi Keung, Aaron <i>BBS JP</i>	尹志強先生 <i>BBS太平紳士</i>	3/3
Mr. Wong King Wai Kirk	王經緯先生	2/2

REMUNERATION COMMITTEE

Members of the Remuneration Committee include:

Mr. Heng Victor Ja Wei (*Chairman*)
Mr. Wong Kai Tung, Tony (*Resigned on 2 August 2023*)
Mr. Wan Chi Keung, Aaron *BBS JP*
Mr. Wong King Wai Kirk (*Appointed on 1 March 2023*)

薪酬委員會

薪酬委員會成員包括：

邢家維先生(主席)
王啟東先生(於2023年8月2日辭任)
尹志強先生*BBS太平紳士*
王經緯先生(於2023年3月1日獲委任)

Corporate Governance Report

企業管治報告

All members of the Remuneration Committee are independent non-executive Directors. The Remuneration Committee makes recommendations to the Board on the Group's overall policy and structure for the remuneration of Directors and senior management. The Remuneration Committee ensures that no Director or any of his associate is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee were revised in January 2023 to reflect the relevant amendments of the Listing Rules. A copy of which is posted on the Company's website.

In determining the emolument payable to Directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

The Remuneration Committee has met during the year to determine the policy for the remuneration of Directors and assess performance of executive Directors and certain senior management. During the year ended 31 December 2023, there were no material matters relating to the share option schemes of the Company which required review or approval by the Remuneration Committee. One Remuneration Committee meeting was held during the year and all members have attended in the meeting.

NOMINATION COMMITTEE

Members of the Nomination Committee include:

Ms. Wai Siu Kee (*Chairman*)
 Mr. Heng Victor Ja Wei
 Mr. Wong Kai Tung, Tony (*Resigned on 2 August 2023*)
 Mr. Wan Chi Keung, Aaron *BBS JP*
 Mr. Wong King Wai Kirk (*Appointed on 1 March 2023*)

The majority members are independent non-executive Directors. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors. The terms of reference of the Nomination Committee is available on the Company's website.

所有薪酬委員會成員均為獨立非執行董事。薪酬委員會為董事及高級管理層之薪酬之整體政策及架構向董事會作出建議。薪酬委員會確保概無董事或其任何聯繫人參與釐定其本身之薪酬。薪酬委員會的職權範圍已於2023年1月經修訂，以反映上市規則之相關修訂。職權範圍全文已刊載於本公司網頁內。

在釐定應付予董事之酬金時，薪酬委員會乃考慮各項因素，包括同業薪金水平，董事所奉獻之時間及其職責，集團內部的僱傭情況及與表現掛鈎之酬金。

薪酬委員會已於本年度開會以釐定董事之酬金政策及評估執行董事及若干高級管理層之表現。於截至2023年12月31日止年度，概無任何有關本公司購股權計劃的重大事宜需提請薪酬委員會審議或批准。年內召開會議一次，所有成員均有出席會議。

提名委員會

提名委員會成員包括：

衛少琦女士(*主席*)
 邢家維先生
 王啟東先生(*於2023年8月2日辭任*)
 尹志強先生*BBS太平紳士*
 王經緯先生(*於2023年3月1日獲委任*)

其大部份成員均為獨立非執行董事。提名委員會主要負責考慮及提名合適人選成為董事會成員，並負責定期檢討董事會構成，及制訂提名及委任董事之有關程序，就董事之委任及繼任計劃向董事會提供推薦意見，以及評估獨立非執行董事之獨立性。提名委員會的職權範圍全文已刊載於本公司網頁內。

The Nomination Committee reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. One Nomination Committee meeting was held during the year and all members have attended in the meeting.

COMPANY SECRETARY

The Company Secretary of the Company is a full-time employee of the Group and he has confirmed that, in compliance with Rule 3.29 of the Listing Rules, he has taken no less than 15 hours of relevant professional training during the year.

Nomination Policy

Objectives

The key objectives of the Nomination Policy (the "Nomination Policy") shall *inter-alia* include the following:

- to set out the criteria and process for the nomination and appointment of Directors of the Company;
- to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business; and
- to ensure the Board's continuity and appropriate leadership at the Board level.

Appointment and Re-appointment of Director

Nomination Committee shall identify and ascertain the integrity, qualification, expertise and experience of the candidate who is considered for being appointed/re-appointed as Director and apply due diligence in compliance with all applicable provisions of the laws of the Cayman Islands and the Listing Rules including any amendments thereto from time to time. Also, the Nomination Committee shall consider recommendations for candidates to the Board from shareholders of the Company.

The Nomination Committee shall obtain all applicable declarations and undertaking as provided under the laws of the Cayman Islands and the Listing Rules. In case of independent non-executive Directors, the Nomination Committee shall ensure that the independent non-executive Directors meet the criteria of independence as laid down in the Listing Rules.

提名委員會已檢討董事會目前之架構、規模及構成，以保證各董事具有適合本公司業務要求的均衡知識、技能及經驗。年內召開會議一次，所有成員均有出席會議。

公司秘書

本公司之公司秘書為本集團全職僱員，彼已確認年內已遵守上市規則第3.29條接受不少於15小時之相關專業培訓。

提名政策

目標

提名政策(「提名政策」)的主要目標應包括(其中包括)以下內容：

- 就提名及委任本公司董事事宜，制定標準及程序；
- 確保董事會具有適用公司業務需要之相應技能、經驗及觀點多樣化的平衡；及
- 確保董事會的連續性及董事會層面的領導質素。

委任及續聘董事

提名委員會應辨識並確定被委任或續聘為董事候選人的誠信、資格、專業知識和經驗，並根據所有適用的開曼群島法例及上市規則及其不時作出的任何修訂來進行盡職調查。此外，提名委員會應考慮本公司股東向董事會提出的候選人建議。

提名委員會應根據開曼群島法例和上市規則的規定獲得所有適用的聲明和承諾。就獨立非執行董事而言，提名委員會應確保獨立非執行董事符合上市規則所載的獨立性之標準。

Corporate Governance Report

企業管治報告

While recommending any potential new Board member(s)/ re-appointment of existing member(s) to the Board, the Nomination Committee shall consider the following:

- candidate's character, integrity, qualifications including professional qualifications, skills, knowledge and experience and diversity criteria under the Board Diversity Policy of the Company which are relevant to the Company's business and corporate strategy, other commitments and the like;
- any measurable objectives adopted for achieving diversity on the Board;
- requirement for the Board to have independent Directors in accordance with the Main Board Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- the potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence, gender diversity and diversity of perspectives;
- willingness and ability to devote sufficient time to discharge duties as a member of the Board and/or Board committee(s);
- such other criteria which are appropriate to the Company's business and corporate strategy and the Board's succession plan and, where applicable, which may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning; and
- any other factors as the Nomination Committee may deem fit to consider in the best interests of the Company and shareholders of the Company.

Once the Nomination Committee determines that an additional or replacement Director is required, the Nomination Committee may take such measures that it considers appropriate in connection with its evaluation of a candidate, including inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the Nomination Committee, the Board or management.

The Nomination Committee may retain the services of other professional third parties to assist in identifying and evaluating potential candidates.

The Nomination Committee and the Board shall ensure that the composition of the Board is in conformity with the laws of the Cayman Islands, the Listing Rules and all other applicable laws and regulations.

在向董事會推薦任何合適的新董事會成員／續聘現有董事會成員時，提名委員會應考慮以下事項：

- 候選人的性格、誠信、資歷包括專業資格、技能、知識、企業經驗、根據公司多元化政策制定的與公司戰略及業務相關的多元化標準及其他承諾等；
- 任何為實現董事會多元化而採取的任何可計量的目標；
- 董事會按上市規則要求設立獨立董事及該候選人是否根據上市規則所載之獨立準則被視為獨立人士；
- 候選人在資歷、技能、經驗、獨立性、多元化性別及多元化觀點方面能為董事會帶來的潛在貢獻；
- 願意並有能力投入足夠的時間履行董事會和／或董事會委員會成員的職責；
- 其他適用於公司業務及公司策略及董事會繼任計劃的準則，以及在適當情況下，董事會及／或提名委員會可不時採納及／或修訂的準則，以提名董事及／或進行繼任計劃；及
- 提名委員會認為對本公司及本公司股東最佳利益的任何其他因素。

當提名委員會確定需要增加或替換董事時，提名委員會可以採取其認為合適及相關的措施評估候選人包括對提出推薦或提名的人員進行查詢、聘用外間調查公司收集其他資訊、或依賴提名委員會、董事會或管理層成員的知識。

提名委員會可以聘用其他專業第三方提供服務以協助辨識和評估合適的候選人。

提名委員會和董事會應確保董事會的組成符合開曼群島法例、上市規則和所有其他適用法律法規。

The Nomination Committee recommended the re-appointment of the Directors standing for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding Directors' securities transactions in 2005. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2023. The Model Code also applies to other specified senior management of the Group.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management and internal control systems provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations effectively.

The Group has established a risk management framework, which consists of the Board of Directors, the Audit Committee and the Risk Management Taskforce (i.e. Senior Management). The Board of Directors evaluates and determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.

The Group has formulated and adopted Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritises the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established and assigned for those risks considered to be significant.

提名委員會建議重新委任願意於本公司應屆股東週年大會上膺選連任之董事。

董事的證券交易

本公司已於2005年採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認於截至2023年12月31日止年度內均遵守標準守則所載之規定守則。標準守則亦適用於本集團之特定高級管理層。

風險管理及內部監控

本集團的風險管理及內部監控系統透過清晰的管治架構、政策及程序及匯報機制，有效地管理本集團各業務範疇的風險。

本集團已成立風險管理組織架構，由董事會、審核委員會及風險管理小組(即高級管理層)組成。董事會負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，並全權負責監督風險管理及內部監控系統的設計、實施及監察其整體有效性。

本集團亦已制訂及採納企業風險管理制度，提供有效的識別、評估及管理重大風險的政策。風險管理小組至少每年一次對影響集團實現業務目標的風險事項進行識別，並通過規範的機制進行評估及排序，對主要風險制訂風險緩解計劃及指定風險負責人。

Corporate Governance Report

企業管治報告

In addition, the Group has engaged an independent professional advisor to provide internal control review services, which assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Board of Directors at least once a year. The Board had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities & Futures Ordinance ("SFO") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

此外，本集團外聘獨立專業機構提供內部監控審閱服務，以協助董事會及審計委員會持續監督本集團的風險管理及內部監控系統，識別內部控制設計及實施的缺陷並提出適當的改進意見。如發現嚴重的內部監控缺失，會及時向審核委員會及董事會匯報，以確保採取及時補救措施。

風險管理報告和內部審計報告均至少每年提交審核委員會及董事會。董事會已就本集團的風險管理及內部監控系統是否有效進行年度檢討，包括但不限於集團應付其業務轉變及外在環境轉變的能力、管理層持續監察風險管理及內部監控系統的工作範疇及素質、內部審計工作結果、向董事會傳達風險及內部監控結果的詳盡程度及次數、期內發生的重大監控失誤或發現的重大監控弱項以及有關影響、集團就上市規則的遵守情況等，並確認現有的風險管理及內部監控系統的有效性。

上述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。因此，該等系統只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

處理及發放內幕消息的程序和內部監控措施

本集團遵循證券及期貨條例和上市規則的規定，於知悉任何內幕消息後，在合理切實可行的範圍內，會盡快向公眾披露該消息，除非有關消息屬於證券及期貨條例下任何安全港條文的範圍。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外洩，會即時向公眾披露該消息。本集團亦致力確保公告中所載的資料不得在某事關重要的事實方面屬虛假或具誤導性，或因遺漏某事關重要的事實而屬虛假或具誤導性，以清晰及均衡方式對正面及反面事實作出披露。

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 December 2023, the directors have selected suitable accounting policies and applied them consistently adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards made adjustments and estimates that are prudent and reasonable and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

AUDITOR'S REMUNERATION

For the year ended 31 December 2023, the fee payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries is set out below:

		HK\$'000 千港元
Audit services	審計服務	2,020
Non-audit services (including tax compliance, review of continued connected transactions and other services)	非審計服務(包括稅務合規, 持續關連交易之審閱及其他服務)	460
		<u>2,480</u>

DIVERSITY

The Company has devised a policy on Board diversity to ensure adequate diversity in its Board, with effect from 1 January 2019.

Vision

The Company believes diversity is important to enhance the Board's effectiveness by encouraging a diversity of perspectives and to maintain high standards of corporate governance. The Company will continue to monitor and develop new objectives for implementing and achieving improved diversity on the Board as and when it considers appropriate with regard to the specific needs of the Company and the market from time to time.

Policy Statement

The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

董事的職責

董事須負責編製各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編製截至2023年12月31日止年度之財務報表時，董事已貫徹採用合適之會計政策，採納合適的香港財務報告準則及香港會計準則，作出審慎及合理的調整及評估，及在持續進行有關業務之基準而編製。董事亦須負責保存適當之會計紀錄，以能合理準確地披露本集團在任何時候之財務狀況。

核數師酬金

於截至2023年12月31日止年度，就本公司及其附屬公司獲提供的審計及非審計服務向本公司外聘核數師應付的費用載列如下：

多元化

本公司已訂定董事會成員多元化政策以確保董事會充分多元化，自2019年1月1日生效。

願景

本公司深信，多元化政策能夠鼓勵不同觀點百花齊放，對提升董事會效能及維持高水平企業管治至關重要。本公司將繼續因應本公司和市場不時的具體需求，在其認為有需要時監察及訂立新目標，藉以提升董事會的多元性。

政策聲明

公司認可到並接納董事會多元化的成效，並將董事會層面的多元化視為保持本公司競爭優勢的一個重要因素。

Corporate Governance Report

企業管治報告

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, which will include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and the like. The ultimate decision will be based on overall contribution that the selected candidates will bring to the Board and the Company.

Review of the Policy

The Nomination Committee will monitor the implementation of the Policy and will from time to time review the Policy, as appropriate, to ensure the effectiveness of the Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

During the year, the Company continued to monitor the board composition with regard to its diversity policy which requires board appointments to be made based on merit and candidates to be considered against an objective criteria, including diversity. In order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board, the Nomination Committee developed measurable objectives to implement this policy and monitored progress towards achieving these objectives during the year ended 31 December 2023.

The current board composition was also evaluated by reference to, among other things, the age, gender, cultural and educational background and professional experience of each director, against the Company's business model and specific needs.

The current Board composition reflects a balanced mix of age, educational background, professional knowledge, industry experience and length of service to the Board. The diversity mix of the Board as at 31 December 2023 is summarized below:

The Current Composition of the Board

Age 年齡	Gender 性別	Year of service as Director 董事服務年資
30–49 years (3 persons) 30歲至49歲(3人)	Male (86%) 男(86%)	1–5 years (1 person) 1年至5年(1人)
60 years and above (4 persons) 60歲及以上(4人)	Female (14%) 女(14%)	Over 10 years (6 persons) 10年以上(6人)

可計量目標

甄選人選將按一系列多元化範疇為基準，當中將包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識等。最終將按入選候選人可為本公司及董事會帶來的整體貢獻而定。

政策檢討

提名委員會將監察該政策的執行，並將不時在適當時候檢討該政策，以確保該政策行之有效。提名委員會將會討論任何或需作出的修訂，供董事會考慮及審批。

年內，本公司繼續監察董事會組成的多元化政策，該政策要求董事會委任以用人唯才為原則，並以多元化等客觀條件考慮董事人選。提名委員會為令董事會保持適當的才能、技能、經驗及背景組合及平衡，已訂立可計量目標以實施上述政策，並於截至2023年12月31日止年度監察達成有關目標的進度。

公司亦參照每名董事的年齡、性別、文化及教育背景以及專業經驗等方面，因應本公司的業務模式及具體需求評核現任董事會的組成。

現時的董事會組成反映年齡、教育背景、專業知識、行業經驗及於董事會的服務年資的均衡組合。董事會於2023年12月31日的多元化組合概要如下：

董事會現時組成

Gender Diversity of Workforce

As set out in the Environmental, Social and Governance Report contained in this Annual Report, among the employees (including senior management) of the Group. The percentage of male employees and female employees are approximately 75% and 25%, respectively. The Board considers that the Group's workforce (including senior management) is diverse in terms of gender.

SHAREHOLDERS' RIGHTS

The Company has only one class of shares. All shares have the same voting rights and are entitled to the dividend declared. The rights of the shareholders of the Company ("Shareholders") are set out in Company's Articles or Association.

Shareholders can: (i) convene an extraordinary general meeting (ii) forward enquiries to the board of directors (iii) forward proposals at shareholders' meetings and (iv) nominate Directors for election. Details of relevant procedures are available on the Company's website.

INVESTOR RELATIONS

The Board is committed to providing clear and full information about the Group's performance to shareholders through the publication of interim results and annual results in a timely manner. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the website of the Company.

The annual general meeting provides a useful platform for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman and Directors and external auditors are available to answer questions on the Company's businesses at the meeting.

Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. In addition, poll voting procedure is included in the circular to shareholders dispatched together with the annual report.

Constitutional Documents

There was no other significant change in the Company's constitutional documents for the year ended 31 December 2023.

員工的性別多元化

誠如本年報內環境、社會及管治報告中所載，本集團僱員(包括高級管理人員)中，男性僱員及女性僱員的百分比分別為75%及25%。董事會認為，本集團的員工(包括高級管理人員)就性別而言屬多元化。

股東權利

本公司僅有一類股份，所有股份均擁有相同的投票權並可獲派已宣派之股息。本公司股東(「股東」)的權利載於本公司公司細則。

股東可以(i)召開股東特別大會；(ii)向董事會提出查詢；及(iii)在股東大會上提出建議；及(iv)提名候選董事；相關程序詳情可於本公司網站查閱。

投資者關係

董事會致力透過刊發中期業績及年度業績，適時地將本集團之表現清晰及全面地提供予股東。除發送通函、通告及財務報告予股東外，股東亦可透過本公司網頁獲取額外資訊。

股東週年大會提供一個良好的平台讓股東向董事會發表及交流意見。本公司發出不少於21天之通告以鼓勵股東出席股東週年大會。主席、董事及外聘核數師均會列席會議以便回答本公司業務上之提問。

各重大獨立事項(包括個別董事之選任)均會於股東週年大會上單獨提呈決議案。此外，載有投票表決程序之通函會與年報一併寄發予股東。

組織章程文件

本公司之組織章程文件於截至2023年12月31日止年度並無其他重大變動。

Corporate Governance Report

企業管治報告

Dividend Policy

The Board considers sustainable returns to shareholders to be one of the main objectives of the Company. Stable dividend payment to shareholders is the primary objective of the Company.

Under the applicable laws of the Cayman Islands and the Articles of Association of the Company, all of the shareholders have equal rights to dividends and distributions. The Board determines the interim dividend and recommends the final dividend which requires the approval of shareholders. In addition to cash, dividends may be distributed in the form of shares. Any distribution of shares also requires the approval of shareholders.

Retained surplus can be used to achieve growth in corporate value. The Board has been making effective use of retained surplus to strengthen the operating base and the development of businesses. According to the dividend policy adopted by the Company on 1 January 2019, the Board takes into account the following factors when considering the declaration/recommendation of dividends:

- financial results;
- cash flow situation;
- availability of distributable profits;
- business conditions and strategies;
- future operations and earnings;
- development plans;
- cash requirements;
- capital requirements and expenditure plans;
- interests of shareholders as a whole;
- any restrictions on declaration and/or payment of dividends; and
- any other factors the Board may deem relevant.

In practice, the Company will not declare/recommend any dividend(s) where:

- there are reasonable grounds for believing that the Company is or would be, after a dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due;
- pursuant to dividend decision date, the Company is insolvent or bankrupt or where, as a result of paying dividends, the Company would be rendered insolvent or bankrupt; or
- there is any other case set forth by any law.

股息政策

董事會認為可持續的股東回報是主要目標之一。向股東支付穩定的股息是本公司的主要方針。

根據開曼群島的適用法律及本公司的組織章程細則，所有股東享有股息及分派的平等權利。董事會釐定中期股息及建議需要股東批准之末期股息。除現金外，股息可以股份形式分派，任何股份分派亦需要股東批准。

保留溢利能用於實現企業價值增長。董事會一直有效地運用保留溢利以鞏固業務基礎和發展業務。根據公司於2019年1月1日所採納的股息政策，董事會在考慮宣派／建議股息時，會考慮以下因素：

- 財務業績；
- 現金流量情況；
- 可分配利潤的可用情況；
- 經營環境和策略；
- 未來經營和收益；
- 發展計劃；
- 現金需求；
- 資本需求及支出計劃；
- 股東的整體利益；
- 任何就股息宣派和／或支付的限制；及
- 董事會可能認為相關的任何其他因素。

在實踐過程中，本公司在以下情況下將不會宣派／建議任何股息：

- 有合理理由相信本公司在支付股息後出現或將會出現無法償還其債務或無法履行其責任；
- 根據股息釐定日期，本公司無力償債或破產、或因支付股息而導致本公司無力償債或破產；或
- 任何法律規定之任何其他情況。

Environmental, Social and Governance Report

環境、社會及管治報告

STATEMENT OF THE BOARD OF DIRECTORS

We are pleased to present the 2023 Environmental, Social and Governance Report (hereinafter referred to as the “Report”) of Lee & Man Chemical Company Limited, which has been prepared in accordance with the requirements of Appendix C2 Environmental, Social and Governance Reporting Guide to the Main Board Listing Rules of the Hong Kong Stock Exchange, showcasing the performance, results and the future course of the sustainable development of the Group.

The Group has always been committed to promoting sustainable development through communication with stakeholders and materiality assessment conducted to identify environmental, social and governance (“ESG”) topics that are important to the Group. The Board of Directors (“the Board”) is fully aware of the importance of controlling and managing ESG-related risks. The strategy and policy direction of the Group in relation to its ESG areas are reviewed continuously, and the Management will work actively to implement the relevant measures to ensure the effectiveness of the risk management, compliance, and corresponding internal control system within the aspects of ESG.

In 2023, the Group enhanced clear and quantitative sustainable development targets for both environmental protection and occupational safety, which shows that we have effectively reviewed the current policy and facilitated the sustainable development of the Group. We have established clear pollutant discharge standards, which include strict compliance with laws and regulations and normative documents. During the year, the Group did not identify any violation of laws or regulations related to environmental protection.

“Safety first” has always been a principle advocated by the Group. We have adopted standardized work procedures for safe production, and implemented safety and occupational health management in every detail of daily operation. The Group has integrated green technology into R & D and production, strengthened research in new fields, and always strived to innovate and make progress. With the implementation of the standardized management system, we always strictly control and continuously improve the quality of our products.

The Group has implemented intelligent transformation to optimize production process, so as to achieve the purpose of seeking efficiency from management and benefit from operation. Through advanced science and technology, we have not only cut the operating cost, but also improved the product quality, and both “energy consumption and pollutant emission” have been reduced.

董事會聲明

我們欣然提呈理文化工有限公司2023年度的環境、社會及管治報告(下稱「本報告」)，並按照香港交易所主版上市規則附錄C2《環境、社會及管治報告指引》的要求編製，展示本集團可持續發展之表現與成果，以及未來發展方向。

本集團一向致力促進可持續發展，透過與持份者溝通，並進行重要性評估分辨出對本集團重要的環境、社會及管治(下稱「ESG」)議題。董事會深知管控ESG相關風險的重要性，持續監督本集團於ESG範疇中的策略和政策方向，由高級管理層積極配合以執行相關措施，確保本集團在ESG方面的風險管理、合規及相應的內部監控系統之有效性。

於2023年度，本集團分別針對環境保護和職業安全完善明確及量化的可持續發展目標，說明我們有效地檢討現行措施和推動本集團的可持續發展。我們訂立明確的污染物排放標準，包括嚴格遵守國家訂立的法律法規和規範性文件。於本年度內，本集團並沒有發現任何違反與環境保護相關的法例法規。

「安全至上」是本集團一貫堅持的宗旨，我們採取了安全生產標準化建設，將安全與職業健康管理，執行在日常運營中每個細節。本集團把綠色科技融入研發及生產中，以及加強在新領域的鑽研，堅持創新和進步，透過執行標準管理系統，嚴格控制和持續改進產品品質。

本集團在生產流程工藝優化方面實施智慧化改造，實現向管理要效率、向經營要效益的目的。透過先進科學技術，不單只有效降低運營成本，同時亦提升產品品質，實現「能耗和污染物排放」的雙下降。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group adheres to the concept of “green supply chain and good low-carbon products”; With the vision of “pursuing excellence and striving for the best”, we actively practice the national concept of “carbon peaking and carbon neutrality”, actively utilizes the integrative development of information technology and manufacturing industry, accelerates the transformation from “manufacturing” to “intelligent manufacturing”, carries out carbon emission inventory in the production process, and strives to reduce carbon emissions in the production and operation process through “prevention at source, process control, end treatment and comprehensive utilization”.

We are grateful to our employees, partners, and various stakeholders for their participation, cooperation and support in achieving sustainable development. Through effective use of resources, we will improve our overall performance of environmental and social management, We look forward to moving ahead together with everyone.

REPORTING SCOPE

This Report covers the environmental and social performance of the Group during the period from 1 January 2023 to 31 December 2023 (hereinafter referred to as the “Reporting Period”). This Report covers the major operations of the Group in relation to the production of chemicals in China, including Jiangsu Lee & Man Chemical Limited (hereinafter referred to as “Jiangsu Chemical”) and Jiangxi Lee & Man Chemical Limited (hereinafter referred to as “Jiangxi Chemical”), and Zhuhai Lee & Man Materials Science Company Limited (hereinafter referred to as “Zhuhai Chemical”).

In defining the reporting scope, the Group has taken into consideration factors such as the risks of facilities in relation to ESG topics, the Group’s investment of resources to control the ESG risks of facilities and the materiality of facilities on the Group’s businesses. The reporting scope has been defined by the Management and submitted to the Board for review.

ESG MANAGEMENT FRAMEWORK

Due to the higher risks of environmental pollution and work safety in the chemical industry, compliance operation, product quality, exhaust gas, and sewage emissions, and hazardous chemical management have been the ESG topics to which the Group pays the greatest attention. Therefore, the Safety and Environmental Protection Department (hereinafter referred to as the “SEPD”) with qualified professionals familiar with relevant environmental protection laws has been set up by the Group to manage compliance and monitoring affairs.

本集團堅持「綠色產業鏈、低碳好產品」理念，本著「追求卓越、力臻至善」的願景，積極踐行國家「碳达峰、碳中和」的理念，積極利用資訊技術和製造業融合發展，加速「製造」向「智造」轉變，開展生產過程碳排放核算工作，通過「源頭預防、程序控制、末端治理、綜合利用」全生命週期的立體化管理，努力減少生產運營過程中的碳排放量。

我們衷心感謝本集團員工、合作夥伴和不同持份者的參與及配合，透過有效運用資源和提升我們的環社管整體表現，攜手推動可持續發展，共同邁步向前。

報告範圍

本報告覆蓋本集團於2023年1月1日至2023年12月31日期間(下稱「報告期間」)的環境及社會績效。本報告涵蓋本集團在中國與生產化工產品有關的主營業務，包括江蘇理文化工有限公司(下稱「江蘇化工」)、江西理文化工有限公司(下稱「江西化工」)和珠海理文新材料有限公司(下稱「珠海化工」)。

在擬定報告範圍時，本集團考慮設施在ESG議題上的風險、本集團在控制設施的ESG風險所投入的資源、設施對本集團業務的重要性等因素。報告範圍由管理層擬定，並交由董事會審閱。

ESG管治架構

由於化工行業的環境保護及工作安全風險較高，合規運營、產品品質、廢氣污水排放和危險性化學品管理皆是本集團較關注的ESG議題。因此本集團已設立安全環保部(下稱「安環部」)，由合資格、熟悉相關環保法律的專業人員管理合規及監測事項。

To address various challenges in sustainable development, the Board spearheaded and led the formulation of the sustainable development governance guidelines and policies for the Group. The development plan of the Group is under the Board's regular supervision; they are issued to relevant departments for implementation by the SEPD and relevant business departments. Every factory will set annual environmental protection targets and emission assessment targets based on the sustainable development governance guidelines established by the Board and take into account their actual production situation. These policies are sent by the directors to every department with reviews conducted regularly to follow up on the progress.

The risk management team set up by the Group will monitor the risks, including ESG-related risks, which affect the Group on a yearly basis. Based on the result of the risk assessment, the Group will plan internal audit work for the risk issues and evaluate the performance and deficiencies of the relevant internal control processes. Risk management reports and internal audit reports will be submitted to the audit committee and the Board.

Further to the top-down governance work, the Group also promotes the bottom-up cooperation concept of "cooperative governance" in a proactive manner. The senior management members of the General Manager's Office (hereinafter referred to as "GMO"), the SEPD, and the Audit department will conduct featured work dispatch meetings every week. Each department reports and discusses the production, and follows up on the production status and the risk trends each week. The result of the meetings is emailed to the representatives of the Board to keep them informed. Based on the discussion, each department needs to formulate relevant policies and implementation measures and review the effectiveness of rectification and maintenance work regularly, so as to ensure the effective implementation of the improvement measures.

Furthermore, the SEPD and the representatives of the Board hold quarterly meetings, where the SEPD reports the environmental protection and occupational safety issues and challenges faced by the Group, follow-up the implementation of measures, and intensifies the cooperation among various departments in driving the sustainable development of the Group. The meetings keep the Board abreast of the latest performance and progress on goal attainment within the aspects of ESG, and in turn, the Board sets the Group's future direction of ESG development and makes continuous improvements to the sustainability performance.

為了應對各種可持續發展挑戰，董事會作為牽頭及領導角色，訂立本集團的可持續發展管治方針及政策，定期審視及監督本集團的發展計劃並下達至各相關部門，由安環部和相關業務部門實行。每間工廠會根據董事會訂立的可持續發展管治方針及自身實際生產狀況，設立年度環境保護目標和排放考核指標，由董事代表簽發下轉各部門，並定期檢視目標進度。

本集團建立的風險管理小組會每年監察影響本集團的風險事項，ESG相關風險已被納入在監察範圍內。根據風險評估結果，本集團會為風險事項計劃內部審計工作，評估相關的內部控制的運行表現及缺陷。風險管理報告和內部審計報告會提交至審核委員會及董事會。

除了由上而下的治理工作，本集團同時積極推行由下而上的「協力治理」合作理念。總經理辦公室(下稱「總經辦」)、安環部和審計部等部門的高級管理層每星期會進行工作專題調度會議，由各部門單位匯報及討論每星期的生產情況，跟進生產狀況及風險趨勢。會議討論結果會以郵件方式抄送至董事會代表，以便他們掌握相關資訊。根據討論內容，各部門需制訂相關政策及實施措施，定期考查整改成效和檢修工作進度，以確保改善措施切實執行。

另外，安環部及董事會代表會舉行季度性會議，由安環部匯報本集團環境保護和職業安全的問題和挑戰，跟進措施落實情況，深化各部門合作驅動本集團的可持續發展。董事會從中掌握ESG範疇最新表現及目標達成狀況，為本集團訂立未來的ESG發展方向，持續改進可持續表現。

Environmental, Social and Governance Report

環境、社會及管治報告

REPORTING PRINCIPLES

This report was prepared following the four principles suggested in the Environmental, Social and Governance Reporting Guide, namely, “Quantitative”, “Consistency”, “Materiality” and “Balance”.

“Quantitative”: with reference to industry practices, guidelines of the Stock Exchange or relevant government authority as well as laws and regulations, the Group formulates internal guidelines and procedures, collects environmental performance data from various business departments, keeps record of relevant monitoring instruments or supporting documents, and submits them to the Board for review upon verification by the Management. Please refer to the relevant sections in the Report for the criteria, methodologies and assumptions (if applicable) for the calculation of performance data.

“Consistency”: the disclosure and statistical methods adopted by this Report are consistent with those adopted last year in which data are summarized and converted in the same manner. Relevant historical data have been disclosed in the report, allowing stakeholders to better understand and benchmark the sustainable development performance of the Group.

“Materiality”: when defining material ESG topics related to the Group’s business and stakeholders, we communicate internally with Group members and externally with stakeholders to understand everyone’s expectations and recommendations. This includes stakeholders who are impacted by or have a material impact on our operations, such as the Management, trade union representatives, employees, customers, suppliers, local government bodies and relevant local organizations.

“Balance”: the Group discloses its major ESG related performance objectively to reflect the true picture of its achievements and challenges, thus enhance operational transparency and build stakeholder trust.

To identify and update material ESG risks and opportunities faced by Lee & Man Chemical, we carry out a materiality assessment of ESG topics every year. Environmental and social ESG topics are identified based on the day-to-day operations of the Group, social trends, and industrial landscape, upon discussions with stakeholders. To understand stakeholders’ level of concern towards each topic, the SEPD and the General Manager’s Office will work together to distribute an ESG Assessment Form to major stakeholders for them to rank the importance of relevant topics. Subsequently, we will create a materiality matrix based on the summarized survey results to prioritize the topics. With reference to topics deemed material by industry peers, we seek to better understand our business performance and prospect through discussions with the Management. We will then classify ESG topics based on their materiality and submit the matrix chart to the Board for review. With the materiality assessment, we expect to develop a long-term development plan that incorporates the suggestions of our stakeholders, so that we can establish a long-term and mutually beneficial business relationship.

匯報原則

本報告遵循《環境、社會及管治報告指引》中的四大匯報原則包括「量化」、「一致性」、「重要性」及「平衡」編寫。

「量化」：本集團參考行業慣例、交易所或相關政府部門之指引及法律法規，建立內部指引及流程，從各業務部門收集有關環境之績效資料，並保留相關之監控儀器記錄或支持文件，經管理層核實後提交予董事會審閱。績效資料計算之標準、方法及假設(如適用)，請參閱報告內相關章節。

「一致性」：報告的披露統計方法與去年一致，沿用相同的資料統計及換算方式。我們也在本報告內披露相關的歷史資料，讓持份者更清楚了解及直接比較本集團的可持續發展表現。

「重要性」：在界定對本集團業務及對持份者相關的重要ESG議題時，我們與本集團內部和外界保持溝通以了解他們的期望和建議。當中包括受我們的營運業務影響，或對我們的營運業務有重大影響的持份者，例如管理層、工會代表、員工、客戶、供應商、當地政府機構和地方關係組織。

「平衡」：本集團客觀披露重大ESG相關績效，務求真實地呈現本集團在有關範疇的成就和挑戰，增強營運透明度，建立持分者信任。

為辨別和更新理文化工的重大ESG風險及機遇，我們會每年進行ESG議題的重要性評估。根據本集團日常營運業務、社會趨勢以及產業狀況，我們與有關持份者討論後識別出環境及社會相關的ESG議題。為了解持份者對各個議題的關注程度，經安環部和總經辦協調後，會向主要的持份者發放ESG議題評估表，讓持份者對相關議題作出評分，隨後根據評估表總結評分結果建立重要性矩陣。為這些議題進行優先排序，理文化工參考同行企業的重要議題、與管理層進行溝通對業務營運狀況、遠景有更深入的了解，然後對ESG議題重要性程度進行劃分，交由董事會作審閱。期望藉著重要性評估，協助我們在建立長期發展方向時，更能採納持分者的意見，以達到互惠互利的長期合作關係。



In the matrix chart, the X and Y axes represent the materiality of ESG topics to the Group's business (Internal Assessment Score) and stakeholders (External Assessment Score), respectively. Topics with the highest materiality are shown on the top-right corner of the matrix chart. Conversely, topics with lower materiality are shown on the bottom-left corner of the chart. In this Report, key topics will be disclosed in detail in accordance with the "materiality" principle stipulated under the ESG Reporting Guide of the HKEX.

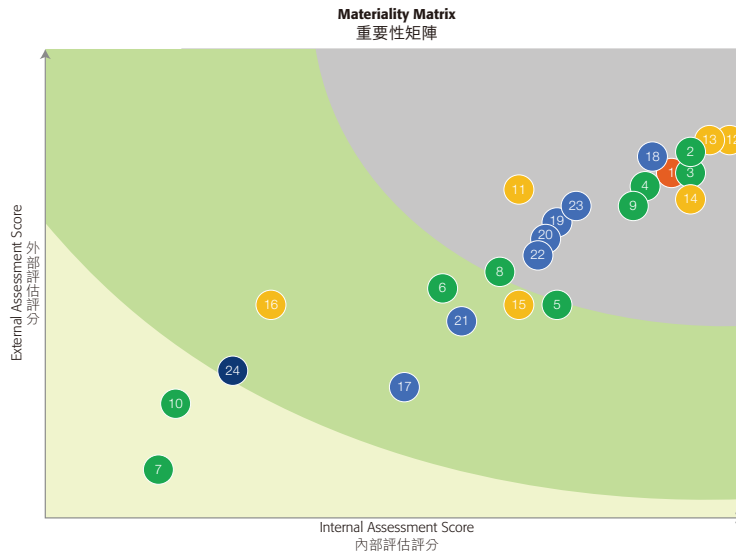
The important issues this year include: compliant operations (including environment, operation, and employment) and operational risk management, hazardous chemicals management, contingency mechanism in plants and product quality.

矩陣圖的X軸及Y軸分別為ESG議題對本集團業務的重要性(內部評估評分)及對持份者的重要性(外部評估評分)。最重要的議題會在矩陣圖的右上方顯示，而次重要的議題則會顯示在左下方。本報告中會依據港交所指引中的「重要性」匯報原則，於報告中較詳細披露重點議題。

本年較重要議題包括：合規運營(包括環境、營運、僱傭)和營運風險管理、大氣污染排放和管理、危險性化學品管理、廠區緊急應變機制及產品質量。

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Area 範圍	No. 編號	ESG Topics ESG議題
General 一般	1	Compliance operation (including environment, operation and employment) and operational risk 合規運營(包括環境、營運、僱傭)和營運風險管理
Environmental 環境	2	Air pollutant emissions and management 大氣污染物排放和管理
	3	Waste and hazardous substance management 廢棄物及有害物質管理
	4	Water resources and wastewater management 水資源及廢水管理
	5	Energy management and renewable energy investment 能源管理及再生能源投資
	6	Environment-friendly products 環保產品
	7	Biodiversity 生物多樣化
	8	Environment and natural resources 環境及天然資源
	9	Environmental accident prevention and handling 環境事故預防及處理
	10	Energy management and climate change 能源管理與氣候變化

Area 範圍	No. 編號	ESG Topics ESG議題
Employment 僱傭	11	Employee benefits and remuneration 員工權益及福祉
	12	Hazardous chemicals management 危險性化學品管理
	13	Contingency mechanism in plants 廠區緊急應變機制
	14	Occupational health and safety 職業健康與安全
	15	Talent attraction, employee training and development 人才吸納、培訓及發展
	16	Child and forced labor 童工及強迫勞工
Operational 營運	17	Green supply chain 綠色供應鏈管理
	18	Product quality 產品質量
	19	Reasonable marketing and promotion 合理的營銷及宣傳
	20	Customer relationship maintenance 客戶關係維護
	21	Information security and digital transformation 信息安全與數字轉型
	22	R & D innovation and intellectual property protection 研發創新和知識產權保障
	23	Commercial ethics and anti-corruption 商業道德及反貪污
Social 社會	24	Community co-construction 社區參與及共建

The Group's production, factory operation and sales are located in the PRC and therefore governed by the following laws and regulations:

本集團的生產、工廠營運和銷售業務位於中國，因此，涉及到的相關法律法規包括有以下：

Laws and Regulations

法律法規

Environmental 環境

- Law of the People's Republic of China on Environmental Protection • 《中華人民共和國環境保護法》
- Law of the People's Republic of China on the Prevention and Control of Water Pollution • 《中華人民共和國水污染防治法》
- Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution • 《中華人民共和國大氣污染防治法》
- Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution • 《中華人民共和國固體廢物污染環境防治法》
- Law of the People's Republic of China on the Prevention and Control of Soil Pollution • 《中華人民共和國土壤污染環境防治法》
- Emission Standards of Air Pollutants for Thermal Power Plants • 《火電廠大氣污染物排放標準》
- The "14th Five-Year Plan" for Greenhouse Gas Emission Control • 《“十四五”節能減排綜合工作方案》
- The Second Revision of Decision of the State Council on Amending the Regulations on the Administration of Ozone-depleting Substances • 《國務院關於修改〈消耗臭氧層物質管理條例〉的決定》第二次修訂
- Environmental Noise Emission Standard for Industrial Enterprises and Factories • 《工業企業廠界環境雜訊排放標準》
- Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Regarding the Application of Laws in Handling Criminal Cases of Environmental Pollution (Fa Shi [2023] No. 7) • 《最高人民法院最高人民檢察院關於辦理環境污染刑事案件適用法律若干問題的解釋（法釋[2023]7號）》
- Law of the People's Republic of China on Noise Pollution Prevention and Control • 《中華人民共和國噪聲污染防治法》
- Emission Standards for Volatile Organic Compounds in the Chemical Industry • 《化學工業揮發性有機物排放標準》
- Emission Standards for Volatile Organic Compounds Part II: Organic Chemical Industry • 《揮發性有機物排放標準第2部分：有機化工行業》
- Emission Standards for Pollutants from the Petrochemical Industry • 《石油化學工業污染物排放標準》
- Safety Specifications of Special Work in Hazardous Chemicals Enterprises • 《危險化學品企業特殊作業安全規範》
- Fire Prevention Law of the People's Republic of China • 《中華人民共和國消防法》辦法

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法律法規

Remuneration and benefits & Equal opportunity and anti-discrimination	薪酬福利、平等機會和反歧視	<ul style="list-style-type: none"> • Labor Law of the People's Republic of China • Labor Contract Law of the People's Republic of China 	<ul style="list-style-type: none"> • 《中華人民共和國勞動法》 • 《中華人民共和國勞動合同法》
Occupational health and safety	職業健康與安全	<ul style="list-style-type: none"> • Work Safety Law of the People's Republic of China • Law of the People's Republic of China on the Prevention and Control of Occupational Diseases • Regulations on Work Safety Permits of the People's Republic of China 	<ul style="list-style-type: none"> • 《中華人民共和國安全生產法》 • 《中華人民共和國職業病防治法》 • 《中華人民共和國安全生產許可證條例》
Child and forced labor	童工和強制勞工	<ul style="list-style-type: none"> • Provisions on the Prohibition of Using Child Labor • Labor Law of the People's Republic of China • Standardization Law of the People's Republic of China 	<ul style="list-style-type: none"> • 《禁止使用童工規定》 • 《中華人民共和國勞動法》 • 《中華人民共和國標準化法》
Product quality & Reasonable sales and promotion	產品質量和合理銷售與推廣	<ul style="list-style-type: none"> • Company Law of the People's Republic of China • Food Safety Law of the People's Republic of China • Regulations of the People's Republic of China on the Administration of Production License for Industrial Products • Advertising Law of the People's Republic of China • Product Quality Law of the People's Republic of China 	<ul style="list-style-type: none"> • 《中華人民共和國公司法》 • 《中華人民共和國食品安全法》 • 《中華人民共和國工業產品生產許可證管理條例》 • 《中華人民共和國廣告法》 • 《中華人民共和國產品質量法》
Anti-corruption	反貪污	<ul style="list-style-type: none"> • Anti-unfair Competition Law of the People's Republic of China • Notice of the Supreme People's Court and the Supreme People's Procuratorate on Issuing the Opinions on Issues Concerning the Application of Law in the Handling of Criminal Cases of Commercial Briberies 	<ul style="list-style-type: none"> • 《中華人民共和國反不正當競爭法》 • 最高人民法院及最高人民檢察院關於印發《關於辦理商業賄賂刑事案件適用法律若干問題的意見》的通知

The Group's norms are significantly affected by the above major laws and regulations. There is no incident of non-compliance which shall be reported in 2023, and the Group affirms the compliance with such laws and regulations.

以上主要的法律法規對本集團規範有比較大的影響，我們在2023年度並沒有發現有違規情況報告，本集團亦申明依法執行和遵守。

GREEN DEVELOPMENT

The Group is committed to environmental protection and has adopted various measures and monitoring methods to fulfil its environmental protection obligations. SEPD has been setup, with dedicated management personnel for handling issues in relation to safety and environmental protection. They continually follow up with relevant environmental laws and regulations and keep themselves abreast of relevant updates, ensuring that various departments of the Company also perform according to the requirements of the government on environmental protection and eliminating any behaviour which is in violation of environmental laws and regulations. We also actively carry out external management system certification and audit to ensure that the Company's environmental management system meets the standards. During the year, the Group did not find any breach of laws and regulations related to environmental protection.

We pooled the wisdom and efforts of everyone to establish a green factory characterized by its economical and intensive use of land, harmless raw materials, clean production, recycling of wastes and low-carbonation of energy sources. In the hope of minimizing the environmental impact of the whole production process, we are committed to applying the green development to optimize the industrial structure, properly reduce the pollution and emission, and increase the resource utilization in daily production.

Jiangsu Chemical has passed the examination of safety production standardization Class-A enterprise (chemical) and won the title of "Suzhou Environmental Protection Demonstration Enterprise" awarded by Suzhou Ecology & Environment Bureau for three consecutive years. Jiangxi Chemical adheres to the energy policy of high-quality development, sustainable clean production, efficient use of resources and benchmarking industry leaders. All cadres and workers attach importance to energy conservation and carbon reduction ideologically, and devote themselves to the road of green, environmental and sustainable development.



The factories under Lee & Man Chemical will continue to actively play the exemplary role of national-level green factories and take high quality development and green and environmental protection as the main line, develop "smart chemical factory" and "green manufacturing" enterprises to meet the national requirements for carbon reduction and energy-saving development and contribute to "carbon peaking and carbon neutrality".

綠色發展

本集團一直致力環境保護，並採取多項措施及監控方法履行對環境保護的責任。公司成立安環部，配備專職安全、環保管理人員，持續跟進並全面識別相關環保法律，了解相關法律條文的更新，並確保公司各部門執行政府對環境保護提出的所有要求，杜絕任何違反環保法律及規定的行為。同時，我們亦積極開展外部管理體系認證和審核，以確保公司環境管理體系達標。於本年度內，本集團並沒有發現任何違反與環境保護相關的法例法規。

我們提出「群策群力，建設綠色工廠」，遵循以用地集約化、原料無害化、生產潔淨化、廢物資源化、能源低碳化為目標的綠色工廠，公司致力將綠色發展運用在日常生產過程中，優化產業結構、在減污、減排和增加資源利用率等方面做好管控，期望在整個生產過程中對環境影響降至最小。

江蘇化工已通過安全生產標準化一級企業(化工)的審核，並連續三年榮獲蘇州市生態環境局授予的「蘇州市環保示範性企業單位」。江西化工履行堅持高品質發展、持續潔淨生產、高效利用資源、對標行業先進的能源方針，全體幹部職工從思想上重視節能降碳工作，致力綠色環保可持續發展之路。

理文化工旗下各工廠將繼續積極發揮國家級綠色工廠的示範帶動作用，以高品質發展、綠色環保為主線，創建「智慧化工廠」、「綠色製造型」企業，滿足國家降碳、節能轉型發展需要，助力為實現「碳達峰、碳中和」貢獻力量。

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Waste and Hazardous Substance Management

Strictly abiding by the Law of the People's Republic of China on the Prevention and Control of Environment Pollution caused by Solid Wastes, the Technical Specifications for Collection, Storage, Transportation of Hazardous Waste and other applicable laws and regulations, the Company has developed the Solid Waste Control Protocol to properly manage the solid waste and try to minimize it from sources. We made efforts to dispose of the wastes in-situ to minimize and prevent environmental pollution, improve the comprehensive utilization level, thereby reducing the quantity of waste and making it recyclable and harmless.

Jiangsu Chemical builds a technological upgrading project for environment-friendly pretreatment of solid waste and the operating temperature of the environment-friendly pretreatment equipment (rotary kiln) is controlled at $450\pm 50^{\circ}\text{C}$ to effectively reduce the amount of generated aluminum oxide waste. The amount of actually generated aluminum oxide waste is reduced by 24% in 2023. In this project, the aromatics and acetates attached to activated aluminum oxide waste are evaporated out by means of drying at high temperature and sent to a tail gas incineration system for disposal by incineration to ensure the safety and reduction of aluminum oxide waste. It is a short-term target for 2023.

At Jiangsu Chemical, raffinate and organic tail gas of carbon tetrachloride undergo non-hazardous incineration, and the ultimate emissions are in compliance with the GB18484-2020 and DB32/4041-2021 standards. According to the commissioned test report, major emissions during normal operation include nitrogen oxides, hydrogen chloride, smoke and dust, carbon monoxide, non-methane hydrocarbon etc.; the amount thereof all comply with emission standards. Our emission data for the whole process is transmitted to the website of the Ecology and Environment Bureau of Changshu, Suzhou, and the Self-monitoring and Information Release Platform of the Sewage Disposal Unit of Jiangsu in real time around the clock.

廢棄物及有害物質管理

公司嚴格遵守《中華人民共和國固體廢物污染環境防治法》、《危險廢物收集、貯存、運輸技術規範》等法律法規要求，已制訂《固體廢物控制流程》，妥善管理固體廢物，盡量做到源頭減廢，就近處置減少和預防對周圍環境的污染，提高綜合利用水準，實現廢物減量化、資源化和無害化。

江蘇化工建設固體廢棄物環保預處理技改項目，為環保預處理設備(回轉窯)運行溫度控制在 $450\pm 50^{\circ}\text{C}$ ，有效令廢氧化鋁產生量減少，2023年度核算廢氧化鋁實際產生量減少24%，該項目是通過高溫烘乾將廢活性氧化鋁中附帶的芳烴、醋酸酯等蒸出並送至尾氣焚燒系統進行焚燒處置，實現廢氧化鋁的安全化和減量化，此屬於2023年完成目標。

江蘇化工就四氯化碳殘液及有機尾氣進行無害化焚燒，最終排放符合GB18484-2020和DB32/4041-2021標準，根據委託檢測報告(報告編號KDHJ234357-1)正常運行時，主要排放物包括氮氧化物、氯化氫、煙塵、一氧化碳、非甲烷總烴等均達標排放。工廠亦實行廿四小時線上及全過程管控，排放數據即時傳送至蘇州市常熟生態環境局網站及江蘇省排污單位自行監測資訊發佈平台。



Jiangxi Chemical uses the salt sludge drying device, and the workshop adopts technology to reduce the amount of bromine-containing raw salt, thus reducing the disposal amount of salt sludge solid waste.

To strengthen the prevention and control of environmental pollution caused by industrial solid waste and hazardous waste, Jiangxi Chemical is committed to managing the whole life cycle of industrial solid waste, covering the whole process of waste generation, collection, storage, transportation, utilization and disposal, so as to minimize environmental pollution. For all new construction, reconstruction and expansion projects that will generate solid waste, carry out environmental impact assessment and environmental protection completion acceptance of prevention and control facilities for solid waste storage, utilization and disposal in accordance with the relevant national regulations on environmental protection management of construction projects, and inform the results to the public. The Company will also ensure that solid waste pollution prevention and control facilities are included as a part during the design, construction and use of the main project.

Following the principles of “resource recycling, reduction and reutilization”, whole process management and classified management adopt production processes and technologies that meet the requirements of cleaner production, reduce the amount of solid waste generated, reduce or eliminate the harm of solid waste to the environment, and make full and rational use of solid waste and harmless disposal of solid waste. The self-built hazardous waste incinerator is used to treat the fluorine chemical residual and high boiling residual hazardous waste generated in the production process. After treatment, the flue gas emission meets the relevant national standards, and the flue gas emission is monitored online in real time. The emission data is timely transmitted to the pollution source system of Jiangxi Province and the automatic monitoring and basic database system platform of key pollution units.

江西化工使用鹽泥烘乾裝置，加上車間採用技術降低含溴原鹽用量，以減少了鹽泥固廢的處置量。

江西化工為加強工業固體廢物及危險廢物對環境污染防治工作，公司致力管理工業固體廢物的全生命週期，涵蓋產生、收集、貯存、運輸、利用、處置全過程，以最大化降低對環境的污染。所有產生固體廢物的新建、改建、擴建項目，均需按照國家有關建設項目環境保護管理的規定，對固廢貯存、利用、處置等防治設施開展環境影響評價和環保竣工驗收，並知會社會大眾。公司亦會確保固體廢物污染防治設施納入主體工程設計、施工及使用的一部分。

公司遵循「資源化、減量化、無害化」以及全過程管理和分類管理原則，採取符合潔淨生產要求的生產工藝和技術，減少固體廢物產生量，降低或者消除固體廢物對環境的危害，充分合理利用固體廢物和無害化處置固體廢物。公司亦採用自建的危險廢物焚燒爐處理生產過程中產生的氟化工殘液及高沸殘液危險廢物，處理後煙氣排放符合國家相關標準，並對煙氣排放實施即時線上監控，排放資料及時傳送至江西省污染源系統及重點污染單位自動監控與基礎資料庫系統平台。

Name 名稱	Unit 單位	2023	2022
Production volume of hazardous waste ^① 有害廢棄物產量 ^①	Ton 噸	5,044.3	3,730.9
Emission intensity 排放密度	Kg/Ton 千克／噸	3.3	2.3
Production volume of general waste ^② 一般廢棄物產量 ^②	Ton 噸	263,724.8	295,168.3
Emission intensity 排放密度	Kg/Ton 千克／噸	173.8	183.9

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Notes:

The emission intensity is calculated based on: the emission amount/the annual production volume of the Company's major products (Note: The production volume of major products refers to the annual production volume (in tons) of chloromethane, caustic soda, hydrogen peroxide, polytetrafluoroethylene and fluorinated industrial products)

- ① The increase in hazardous waste output data is mainly due to the statistic of waste liquid generated in the displacement of hydrogen peroxide production plant as hazardous waste category.
- ② The decrease in general waste output data is mainly due to the decrease in coal consumption controlled by Jiangxi Chemical last year, and the relative decrease in coal ash and cinder in the thermal power workshop.

At Zhuhai Chemical, most of the solid and liquid hazardous wastes were treated by a self-built hazardous waste incinerator. Part of the distillate residues and raffinates were burnt at high temperature through the incinerator, which could effectively reduce the quantity of hazardous waste to be transferred for disposal and reduce environmental pollution. The factory is equipped with sludge drying device, which can reduce the disposal amount of sludge solid waste.

Office waste produced in the Company mainly refers to wastepaper produced by the administrative office. Employees are encouraged to adopt reasonable printing practices such as double-sided printing, and are required to separate paper from other waste for recycling. To create a paperless office, documents are distributed to employees via email and DingTalk, which efficiently reduces the use of printing paper.

Packaging materials used for the Group's products include CMS packaging buckets, hydrogen peroxide buckets, bags for liquid sizing agent etc., which will count towards tare weight. The two factories in the PRC emphasize and encourage their employees to reduce waste during the production and packaging process. Recycling practices are imposed to avoid wastage of resources.

Name 名稱	Unit 單位	2023	2022
Total amount of packaging material used for finished goods 成品用包裝材料總量	Ton 噸	2,782.5	3,738.3
Annual packaging consumption per production unit ^③ 每年生產單位佔量 ^③	Kg/Ton 千克/噸	3.4	4.4

Note:

- ③ Annual packaging consumption per production unit, calculate the net weight of packaging material in the year/production of finished products that need to be packaged in the year.

附註：

排放密度的計算為：該排放量/全年主產品生產量(註：主產品生產量是指包括甲烷氯化物、燒鹼、過氧化氫、聚四氟乙烯和氟化工產品的年生產噸數)

- ① 有害廢棄物產量數據增加，主要由於雙氧水生產裝置置換產生的廢液作為危廢類別統計處置。
- ② 一般廢物產量數據減少，主要在去年江西化工控制耗煤量降低，熱電車間煤灰、煤渣量相對減少。

珠海化工採用自建的危險廢物焚化爐處理大部分固體危險廢物及液體危險廢物。公司部分精餾殘渣及精餾殘液通過焚化爐進行高溫灼燒後，可有效減少危廢轉移處置的數量，降低對環境的污染。廠區備有污泥烘乾裝置，減少了污泥固廢的處置量。

公司產生的辦公廢棄物主要為行政辦公使用的廢紙，公司要求員工在複印時採取合理措施，鼓勵使用紙張的兩面，將紙張與其他廢棄物分開以進行回收；公司提倡使用無紙化辦公，檔案下發通過郵件、釘釘等方式，有效減少印刷紙張的使用。

此外，用於本集團產品的包裝材料有CMS包裝桶、雙氧水噸桶、施膠劑液袋、FEC產品等皮重包裝材料。國內兩廠在生產包裝過程中，重視並鼓勵節約，並加強回收循環利用，防止資源浪費。

附註：

- ③ 每年生產單位佔量，計算來自該年度包裝材料淨重量/該年需要做包裝成品的生產量。

Water Resources and Wastewater Management

At Jiangsu Chemical and Jiangxi Chemical, we have formulated a stringent management system as well as assessment indicators for water consumption and water conservation. Per-unit water consumption of our products is assessed daily. We continue to explore aspects where water consumption can be potentially reduced, and have adopted numerous water-saving measures. We also have made continuous efforts to increase the recycling efficiency of our wastewater. By reusing the inorganic wastewater produced by our caustic soda workshop and our pure water extraction columns in the salt treatment process, we have significantly reduced the amount of wastewater discharged. According to the balanced water tests that we regularly conduct on the whole factory.

The operation of the water reuse equipment at Jiangsu Chemical remains stable. By purifying recirculated water and forced flow water, the equipment enabled us to collect 62,000 tons of purified water in 2023, achieving "zero" discharge of recirculated water.

The water-saving measures implemented by Jiangxi Chemical include: salty wastewater and chilled water from pumps produced by the caustic soda workshop, the pure water extraction columns, and during the regeneration of resins, are reused in salt production, to reduce the discharge of wastewater, and achieve "zero" discharge of wastewater from the caustic soda workshop. The cleaning water from the polymerization workshop is also reused for refilling recirculated water, to reduce sewage discharge; while the purified water from the recirculated water station is reused for the desulphurisation process at power plants, to reduce the water consumption and discharge of wastewater incurred by such process.

Strictly abiding by the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Company enacted the Wastewater Control Protocol to continuously increase the proportion of sewage reuse and reduce the consumption of new water. Besides, as a key pollutant-discharging enterprise, the Company installed online monitoring instruments at the sewage outlet, which was connected with the local environmental protection department through the on-line system to monitor the indicators of pollutants such as chemical oxygen demand (COD), ammonia nitrogen, pH and flow rate of the treated waste water in a timely manner, so as to ensure that the discharge meets the standards.



Jiangxi Chemical won the title of Jiujiang Water-saving Enterprise.
江西化工取得九江市節水型企業稱號。

水資源及廢水管理

江蘇化工和江西化工兩廠制訂了用水、節水管理制度及考核指標，將產品用水單耗考核落實到每一天，持續挖掘節水潛力，實施了多項節水措施。廠區持續加強廢水的循環利用，將燒鹼車間和純水站產生的無機廢水回收用於化鹽工序，大幅度降低廢水的外排量，定期進行全廠水平衡測試。

江蘇化工中水回用裝置穩定運行，2023年通過對循環水強排水的淨化，回收清下水6.2萬噸，實現了清下水的「零」排放。

江西化工實施的節水措施例如有，將燒鹼車間和純水站樹脂再生產生的含鹽廢水、泵冷卻水等回收用於化鹽工序，減少廢水排放，實現燒鹼車間廢水零排放；聚合車間清洗水回收用於循環水補水，減少污水排放量；循環水站清淨下水回收用於電站脫硫，減少電站脫硫水耗和廢水排放。此外，鍋爐定排、聯排水經過收集冷卻之後回收至循環水系統，提高水重複利用率。

公司嚴格遵守《中華人民共和國水污染防治法》，制訂《廢水控制流程》，不斷提高污水回用比例，減少新水量。另外，公司作為重點排污企業，污水排放口均安裝線上監測儀器，並通過線上系統與當地環保部門聯網，即時監測處理後廢水的化學需氧量(COD)、氨氮、pH、流量等污染物指標，確保達標排放。

	Jiangsu Chemical 江蘇化工	Jiangxi Chemical 江西化工
2023		
Water reuse rate 水重複利用率	98.5%	98.6%
Chilled water recycling rate 冷卻水循環利用率	99.2%	99.2%

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Flash evaporators for wastewater are built in the chloromethane workshops of Jiangsu Chemical and Jiangxi Chemical. Making use of the relatively lower boiling points of organic compounds (namely methylene chloride, chloroform and carbon tetrachloride) as compared to that of water, we are able to filter out and recycle organic compounds from wastewater by means of evaporation. Hence, in addition to enjoying increased economic benefits, we can also ensure that the discharge of organic compounds arising from wastewater is up to standard. Triple effect evaporators were also built at the sewage treatment stations in both factories to comprehensively recycle and reuse wastewater coming from the hydrogen peroxide workshops. Floodgates are installed in our rainwater system to prevent wastewater from flowing out of the factory and affecting the nearby ecology in cases of emergency.

Each stand-alone building of Zhuhai Chemical is provided with an independent sewage collection pool and has an independent treatment device, which preliminarily treats industrial sewage and domestic wastewater to reduce some important pollution factors such as fluorides and COD to below the indicators set by the water treatment company cooperating with us in sewage before discharge to the designated site. In 2023, discharge was reduced effectively by improving the process and reducing the use of sewage treatment agents. In the aspect of production process, by using dry vacuum pumps and centrifuges, the overhaul wastewater in the production process was reduced. The factory rainwater drainage systems all adopt reinforced concrete structures to cope with the cracking and leakage caused by ground subsidence in the area. A rainwater monitoring pool is arranged in front of rainwater discharge outlet to collect and detect initial rainwater.

江蘇化工和江西化工在甲烷氯化物車間建設廢水閃蒸裝置通過有機物(二氯甲烷、氯仿、四氯化碳)與水的沸點不同(有機物沸點低)，將廢水中有機物蒸出回用。提升了經濟效益的同時確保了外排廢水中有機物的達標排放。兩廠同時在生產崗位廢水池增設負壓罩及圍堰，污水處理站建設三效蒸發裝置，對雙氧水車間廢水進行回收綜合利用，雨水系統建設了應急閘口，實現了突發情況下將廢水截斷於廠區內，杜絕流入環境，不影響周邊生態。

珠海化工各單體建築設立獨立的污水收集池，並有獨立的處理裝置，把生產及生活中產生的污水進行初步處理，將部分重要的污染因數如氟化物、COD等降至與我司污水合作的水務處理公司指標以下後，才排放至指定地點。在本年度，通過改善工藝，減少污水處理藥劑用量，實現有效減排。生產工藝方面通過使用幹式真空泵和離心機，減少生產過程的檢修廢水。廠區雨水排放系統均採用鋼筋混凝土建構，以應對本地區地面沉降造成的開裂等滲漏情況。雨水排放口前設置雨水監測池，對初期雨水進行收集及檢測。

Name 名稱	Unit 單位	2023	2022
Water discharge 水排放量	m ³ 立方米	333,106.0	354,707.0
Discharge intensity ^④ 排放密度 ^④	m ³ /ton 立方米／噸	0.220	0.221

Note:

^④ Water discharge intensity is calculated based on: the total discharge amount/the annual production volume of the Company's major products (Note: The production volume of major products refers to the annual production volume (in tons) of chloromethane, caustic soda, hydrogen peroxide, polytetrafluoroethylene and fluorinated industrial products)

附註：

^④ 水排放密度的計算為：來自該總量／全年主產品產量(附註：主產品生產量是指包括甲烷氯化物、燒鹼、過氧化氫、聚四氟乙烯和氟化工產品的年生產噸數)

The Group can get suitable water supply without any difficulties. In the current year, all waste gas and sewage were discharged in accordance with the provisions of government departments and laws and regulations to ensure their compliance. The equipment and facilities operated normally, meeting the requirements for up-to-standard emission.

本集團於求取適用水源上沒有任何問題。本年度的各類廢氣污水排放以政府部門及法律法規的規範進行排放，做到本年度各類排污不超標，設備設施運轉正常，能具備處理達標排放的目的。

Air Pollutant Emission and Management

大氣污染物排放和管理

Lee & Man Chemical actively implemented the Action Plan for Air Pollution Prevention and Control, carried out the work of waste gas emission reduction, practiced the concept of green and sustainable development and realized up-to-standard emissions. Some key performance indicators for 2023 are shown in the table below:

理文化工積極落實《大氣污染防治行動計劃》，開展廢氣減排工作，踐行綠色可持續發展理念，實現達標排放。其中2023年度的一些主要關鍵績效指標見下表：

Name 名稱	Unit 單位	2023	2022
Nitrogen oxides emissions ^⑤ 氮氧化物排放量(NO _x) ^⑤			
– from power plants – 來自熱電站	Ton 噸	209.2	220.6
– from chemical production – 來自化工生產	Ton 噸	20.0	36.7
Sulphur dioxide emissions ^⑥ 二氧化硫排放量(SO ₂) ^⑥			
– from power plants – 來自熱電站	Ton 噸	73.2	71.9
– from chemical production – 來自化工生產	Ton 噸	0.8	1.5
Particulates emissions 粒狀物總排放量			
– from power plants, in terms of smoke and dust – 來自熱電站，以煙塵計	Ton 噸	16.4	22.0
– from chemical production – 來自化工生產	Ton 噸	41.2	15.9

Notes:

附註：

⑤ Reasons for the reduction of nitrogen oxide emissions (NO_x) (from chemical production): In 2023, Jiangsu Chemical realized the reduction of nitrogen oxide emissions in tail gas through the reasonable regulation of oxygen content in tail gas and the trial production and operation of the newly-built nitrogen removal unit. The low-nitrogen combustion retrofitting of the steam superheater by Jiangxi Chemical has reduced the concentration of nitrogen oxides, compared with that in previous years.

⑤ 氮氧化物排放量(NO_x)(來自化工生產)的減少原因：江蘇化工在2023年，工廠焚燒裝置通過尾氣氧含量的合理調控和新建脫氮裝置的試生產運行，實現了尾氣中氮氧化物排放量的削減。江西化工蒸汽過熱爐低氮燃燒改造，令氮氧化物濃度亦較之前減少。

⑥ The total amount of sulphur dioxide (SO₂) emissions is calculated based on: the average concentration×hourly emission rate×operating time

⑥ 二氧化硫(SO₂)總量排放計算依據為：平均濃度×小時流量×執行時間

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In 2023, no monitoring conducted by the Company and the monitoring entrusted by the government found out-of-limits, and the pass rate of air pollutant emission was 100%.

Strictly abiding by the "Montreal Protocol" and the "Vienna Convention for the Protection of the Ozone Layer", Jiangsu Chemical and Jiangxi Chemical installed devices for converting carbon tetrachloride into chloroform during the production of chloromethane, thus transforming all ozone-depleting substances into products of the Companies and effectively achieving zero carbon tetrachloride emission.

Jiangsu Chemical, Jiangxi Chemical and Zhuhai Chemical comprehensively reviewed the links involving volatile organic compounds (VOCs) in the whole production process in accordance with the Comprehensive Treatment Plan for Volatile Organic Compounds in Key Industries (H.D.Q. [2019] No. 53), the Standards for Fugitive Emission of Volatile Organic Compounds (GB37822-2019) and other applicable specifications. The review process includes the VOCs emission, the VOCs monitoring system and total quantity estimation, the preparation of the whole-process VOCs treatment plan (one plan for one factory), production process source control measures, customized end VOCs treatment technical solutions, and assessments of treatment effect and emission reduction. Three factories increased investment in environmental protection and improved the environmental protection technique, so the total emission after reduction were 60,116 kg.

Zhuhai Chemical simultaneously designed, constructed and put into operation the environmental protection facilities with the main facilities to ensure effective control of pollution emissions in strict accordance with the Environmental Impact Assessment Law of the People's Republic of China and the Administration Regulations on Environmental Protection for Construction Projects, and carried out regular self-monitoring of pollutants to achieve effective monitoring of pollution sources in accordance with the Self-monitoring Technology Guidelines for Pollution Sources – General Rules and other requirements. It also regularly published environmental monitoring information for the reviews and supervisions of the regulatory departments and the public. Zhuhai Chemical added three storage tanks in 2023 to store aqueous solvents. Through the optimization of distillation column process, these solvent materials were further recovered and reused, effectively reducing the annual consumption of about 28 tons of acetonitrile and the annual emission of about 30 tons of nitrogen oxides.

公司在2023年度的各類自行監測和政府委託監測匯總均無超標情況，大氣污染物排放合格率100%。

江蘇化工和江西化工嚴格按照《蒙特利爾議定書》和維也納保護臭氧層公約，在甲烷氯化物生產中同時配置有四氯化碳轉氣仿裝置，把消耗臭氧層物質全部轉生產為公司產品，有效完全實現四氯化碳零排放。

江蘇化工、江西化工和珠海化工根據《重點行業揮發性有機物綜合治理方案》(環大氣[2019]53號)、《揮發性有機物無組織控制排放標準》(GB37822-2019)等相關規範要求，對公司生產全過程中涉及VOCs環節進行了全面核查，核查過程包含揮發性有機物(「VOCs」)排放環節、VOCs監測體系及總量估算、全過程VOCs治理方案編製(一廠一策方案)、生產工藝源頭控制措施、定制化末端VOCs治理技術方案、治理效果評估及減排量評估，三廠通過加強環保投入及環保技術改造方案的實施，減排後，年度排放量為60,116千克。

珠海化工嚴格按照《中華人民共和國環境影響評價法》及《建設專案環境保護管理條例》，執行環保「三同時」制度(環境保護設施與主體設施同時設計、同時施工、同時投產使用)，確保污染排放得到有效控制，並依據公司按照《排污單位自行監測技術指南總則》等要求定期開展污染物自行監測，實現對污染源的有效監控，定期公示環境監測資訊，接受監管部門審查及公眾監督。珠海化工在2023年增加3台儲罐，用於儲存含水溶劑，通過精餾塔流程優化，把這些溶劑物料進一步回收再用，有效減少了約28噸乙腈年使用量及約30噸氮氧化物年排放量。

In terms with the fugitive exhaust gas emission, the VOCs material storage tanks in the storage tank area were all sealed with nitrogen, and the waste gas after the breathing valves was collected with pipelines for adsorption and treatment with the exhaust gas treatment device. Only after the emission requirements have been met shall the exhaust gas be discharged through the exhaust funnel. All operations such as operational evacuation of all kinds of storage tanks installed in the production facilities, routine sampling emission, opening of storage tanks and pipelines were carried out only after the exhaust gas was suctioned and treated as qualified.

The Company performed the VOCs leak detection and repair (LDAR) and detected the devices involving VOCs in accordance with the specifications. The Company detected and fixed leaks in the airtight production equipment with the help of LDAR detection devices to control the leakage loss of VOCs and reduce environmental pollution.

A negative suction system is installed in the tank storage area of our factories and areas where equipment involving VOCs are placed. Under the system, fugitive exhaust gas containing VOCs produced during the operation of our production plants, tank breathing, and the loading and unloading of materials is collected and delivered to the incinerator for effective treatment.

Greenhouse Gas Emissions and Management

The power plant of Jiangxi Chemical took strict measures to manage coal storage and transport. The Group Company was responsible for selecting coal that was up to the standard; the factory also maintained the power generator sets on a regular basis so that they were operated in the optimum state to burn coal sufficiently and raise energy utilization rate.

在應對無組織廢氣的排放方面，儲罐區的VOCs物料儲罐全部使用氮封密閉，呼吸閥後採用管線收集，通過廢氣處理裝置吸附處理，達到排放要求後，通過排氣筒排放。生產裝置內的各類儲罐的操作排空、日常取樣排放、儲罐、管線打開等操作均使用負壓抽取廢氣，處理合格後方打開。

公司按照規範要求開展VOCs泄漏檢測與修復工作，對涉及揮發性有機物的裝置進行檢測，其中有包括通過LDAR檢測儀，查找出生產裝置的密封泄漏點並及時修復處理，控制VOCs物料泄漏損失，減少對環境造成影響。

公司在全廠涉及VOCs物料的裝置及儲罐區佈設負壓吸收系統，通過負壓系統將生產裝置運行過程、儲罐呼吸及物料裝載等產生的含VOCs的無組織廢氣集中收集至焚燒裝置內進行高效處理。

溫室氣體排放和管理

江西化工熱電站採取嚴格措施管理煤的儲存及運輸，本集團公司負責選取品質達標的煤炭；工廠亦定期保養及維護發電機組，使其在最佳狀態下運作，以充分燃煤，提升能源利用率。

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The data of greenhouse gas emission from the thermal power station was collected and calculated in strict accordance with the applicable national standards and specifications, and the relevant energy data was uploaded to the provincial energy management system platform.

溫室氣體排放嚴格按照國家相關標準及規範進行資料獲取、核算，相關能來源資料已上傳省能源管理系統平台。

Name 名稱	Unit 單位	2023	2022
Carbon dioxide equivalent (CO ₂ e) emissions from power plants ^⑦ 來自熱電站的二氧化碳當量(CO ₂ e)排放 ^⑦	k'Ton 千噸	2,056.7	2,132.8
Greenhouse gas emissions directly attributable to chemical production 直接屬於化工生產的溫室氣體排放	k'Ton 千噸	23.2	21.7
Greenhouse gas emissions indirectly attributable to chemical production 間接屬於化工生產的溫室氣體排放	k'Ton 千噸	1,737.4	1,941.2
Intensity of carbon dioxide emissions from power generators (electricity supply) ^⑧ 發電組合(供電)的二氧化碳排放強度 ^⑧	kg/kWh 千克/千瓦時	1.0	0.9
Purchased electricity 外購電	kWh 千瓦時	7,132,860.0	7,163,880.0

Notes:

附註：

Carbon dioxide equivalent (CO₂e) emissions from power plants are calculated according to the carbon dioxide produced by Jiangxi Chemical from coal and diesel used in power plants.

來自發電廠的二氧化碳當量(CO₂e)排放是統計了江西化工自發電廠用煤和柴油所產生的二氧化碳。

Greenhouse gas emissions directly attributable to chemical production include carbon dioxide emissions from direct use of fuels (including natural gas, diesel, etc.) in chemical production process.

直接屬於化工生產的溫室氣體排放包含化工生產過程直接使用燃料(包括天然氣、柴油等)所產生的二氧化碳排放。

Greenhouse gas emissions indirectly attributable to chemical production include carbon dioxide emissions of the power plant shared by the company due to the use of electricity and steam supplied by the power plant for chemical production.

間接屬於化工生產的溫室氣體排放包含化工生產使用發電廠供應的電和蒸汽從該發電廠分攤的二氧化碳排放。

^⑦ Calculation basis of carbon dioxide equivalent (CO₂e) emissions: (Calorific value × CO₂ emission factor value of raw coal × oxidation rate × relative molecular mass of carbon dioxide)/carbon molecular mass

^⑦ 二氧化碳當量(CO₂e)排放數量計算依據：(熱值量 × 原煤CO₂排放因數值 × 氧化率 × 二氧化碳相對分子品質) / 碳分子品質

^⑧ Calculation basis of carbon dioxide emission intensity: Power supply coal consumption (tce) × CO₂ emission of coal equivalent (t/tce)/(power supply volume (10,000 kWh) × 10,000

^⑧ 二氧化碳排放強度計算依據：供電標準煤消耗量(tce) × 單位標煤CO₂排放量(t/tce) / (供電量(萬kWh) × 10,000)

Energy management and renewable energy investment

With regard to energy consumption in production and manufacturing, we adhere to high standards of regulated energy-saving management, the Law of the People's Republic of China on Conserving Energy and the Circular Economy Promotion Law of the People's Republic of China. We have formulated the Energy Management Program and the Resource Management Program, established an energy management system, and implemented standardized and systematic energy supervision and management to support the promotion of energy conservation and efficiency improvement. In addition, we have set the annual targets for energy conservation and regularly reviewed the achievement of targets. The clean production has been vigorously promoted through management proposals and technological innovations to comprehensively improve the efficiency of energy and resources use.

Jiangsu Chemical has passed GB/T36132 Assessment of Green Factory and won the title of Leading Enterprise of Energy Efficiency in Jiangsu Province. In 2023, Jiangsu Chemical passed the acceptance of mandatory cleaner production audit (MCPA), which made the cleaner production level of the factory reach the domestic advanced level. Jiangsu Chemical has always been promoting the green development of the enterprise through the innovation of environmental protection technology, and keeps the environmental protection credit status as "green and trustworthy" for four consecutive years, and won the title of "2023 Excellent Green Development Enterprise" issued by Changshu Municipal People's Government.

All factories in the PRC assessed the per-unit energy consumption of their products regularly, and revised the assessment indicators at the beginning of each year. In 2023, the per-unit energy consumption values of all products met the relevant standards. The Energy Metrology Office of the technology department is responsible for standardizing and supervising the Company's energy consumption levels, metering work, audit reports and assessments. The Office conducts investigations and provides feedback, wherever unusual energy consumption patterns are identified. It also conducts monthly evaluation on the energy consumption levels of workshops. The control room is responsible for coordinating and balancing the energy consumption levels of each production workshops, while the workshop themselves are responsible for their energy-saving management work, to increase energy efficiency.

Zhuhai Chemical has set up a cleaner production working group to audit and formulate work plans and encourage factories to practice green production. In addition, the Company has carried out audit work, formulated and completed the technical transformation plan for implementing cleaner production as planned. The plan report has also been compiled and summarized, and was submitted to Zhuhai Ecology and Environment Bureau for approval in November 2023. The report was approved at the expert review meeting organized by Zhuhai Ecology and Environment Bureau in December 2023.

能源管理及再生能源投資

在生產製造能耗方面，公司堅持規範節能高標準的管理，依照《中華人民共和國節約能源法》及《中華人民共和國循環經濟促進法》，制訂了《能源管理流程》及《資源管理流程》並建立能源管理體系，實施規範化及系統化能源監督管理，支援推動節約能源及提高能源利用效率。同時，制訂了年度節能目標，定期審核目標達成情況，通過管理提出和技術革新，大力推行潔淨生產，全面提升能源和資源的使用效益。

江蘇化工通過了GB/T36132綠色工廠評價，獲得江蘇省能效領跑者企業。2023年，江蘇化工通過了強制潔淨生產審核的驗收，使工廠潔淨生產水平達到國內先進水平。江蘇化工堅持環保技術創新推動企業綠色發展，連續四年保持環保信用狀態為「綠色守信」，榮獲常熟市人民政府頒發的「2023年度優秀綠色發展企業」稱號。

國內各工廠對產品能源單耗進行考核，會在每年年初制定產品能源單耗考核指標。2023年各產品能源單耗均達到考核指標。生產技術部能源計量辦負責統一監督公司用能的消耗、計量、核算報告和考核工作，對發現能源消耗異常必須進行調查和回饋處理，每月對車間能源單耗進行考核。調度室負責對各生產車間用能的協調和平衡，各車間負責自己份內節約管理，提升能效水準。

珠海化工組建潔淨生產工作小組以審核制定工作計劃，並鼓勵工廠實踐綠色生產。此外，公司已開展審核工作，按計劃制定並完成實施潔淨生產的技術改造方案。方案報告亦已完成編製及總結，於2023年11月份提交至珠海市生態環境局進行報審，並於2023年12月通過了珠海市生態環境局組織的專家評審會議。

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環境、社會及管治報告

In 2023, the unit energy consumption of methane chlorides, a major product of Jiangsu Chemical, was 205 kgce/t, the unit energy consumption of methane chlorides, a major product of Jiangxi Chemical, was 176 kgce/t (the national average value was 255 kgce/t), the unit energy consumption of caustic soda product of Jiangsu Chemical was 306 kgce/t, and the unit energy consumption of caustic soda product of Jiangxi Chemical was 297 kgce/t (the national average value was 325 kgce/t), all better than the industry standards. Some main indicators for 2023 are shown in the table below:

2023年江蘇化工主產品甲烷氯化物的單位能耗在205 kgce/t，江西化工主產品甲烷氯化物的單位能耗在176 kgce/t(全國平均值255 kgce/t)，江蘇化工燒鹼產品的單位能耗在306 kgce/t，江西化工燒鹼產品的單位能耗在297 kgce/t(全國平均值325 kgce/t)，均優於同業標準。其中2023年度的一些主要指標見下表：

Name 名稱	Unit 單位	2023	2022
Total coal consumption 煤消耗總量	TJ 兆兆焦耳	21,137.2	21,947.5
Coal consumption intensity ^① 耗煤密度 ^①	TJ/ton 兆兆焦耳／噸	0.022	0.021
Coal consumption (for electricity supply) 煤消耗量(用於供電)	TJ 兆兆焦耳	13,498.2	14,385.6
Total coal consumption amount attributable to chemical production 屬於化工煤消耗總量	TJ 兆兆焦耳	12,160.5	12,886.1
Total coal consumption amount attributable to chemical production (for electricity supply) 屬於化工煤消耗量(用於供電)	TJ 兆兆焦耳	9,666.6	10,085.9
Fuel consumption (for fire ignition in electrical boilers and power generation in diesel engines) ^② 燃油消耗量(用於熱電鍋爐點火與柴油機發電) ^②	TJ 兆兆焦耳	10.7	6.6

Notes:

附註：

^① Coal consumption intensity is calculated based on: the total consumption amount/ the annual production volume of the Company's major products (Note: The production volume of major products refers to the annual production volume (in tons) of chloromethane, caustic soda, hydrogen peroxide, polytetrafluoroethylene and fluorinated industrial products)

^① 耗煤密度的計算為：來自該總量／全年主產品產量(註：主產品生產量是指包括甲烷氯化物、燒鹼、過氧化氫、聚四氟乙烯和氟化工產品的年生產噸數)

^② Reasons for data difference of fuel consumption (used for ignition of electric boiler and power generation of diesel engine): For Jiangxi Chemical, the ignitions are frequent in 2023 than in 2022

^② 燃油消耗量(用於熱電鍋爐點火與柴油機發電)資料差異原因：江西化工2023年點爐次數較2022年頻繁

At Jiangxi Chemical, we made great efforts to implement energy-saving technology modification and strengthen energy management to actively fulfil the responsibilities of energy saving and emission reduction. Since it was put into operation, nearly 50 clean production programs have been implemented, saving 43,000 tons of standard coal and reducing 112,000 tons of carbon dioxide emissions.

江西化工大力實施節能技術改造以及加強能源管理，積極履行企業節能減排職責。自投產以來實施了近五十項潔淨生產方案，累計節約4.3萬噸標煤，減排二氧化碳11.2萬噸。

In addition, residual heat dissipated from certain production facilities at our factories are recycled and reused to optimize our production efficiency, so as to save energy and ultimately reduce emissions per unit output. The heating system of our industrial park makes use of the residual heat generated from the power station of Jiangxi Chemical. This helps to optimize our energy structure and improve our energy utilization rate. Boilers powered by residual heat or heat exchangers for recycling steam or hot water are installed in places with high temperature reactive gas (e.g. chlorinated reactive gas from our chlorinated methane device) and burning tail gas (e.g. high temperature pyrolysis gas from our tetrafluoroethylene device, incinerator tail gas, tail gas from our anhydrous hydrogen fluoride device and hot blast stove), so as to increase our energy efficiency and reduce the need for steam procurement. Heat generated from our hydrogen peroxide products is also collected and reused in the extraction columns for extracting pure water, hence reducing steam consumption.

In terms of energy efficiency management, the production and technology departments of the factories prepared the Energy Management Manual, which was signed and issued by the General Manager and implemented by the factories. Every year, the factories set aside a specific fund for the modification of energy-saving technologies. Specific measures of energy efficiency management include: formulating indicators used in performance reviews, opting for efficient equipment, upgrading and modifying existing equipment that are low in efficiency, clarifying responsibilities in relation to energy-saving management, and soliciting employee's suggestions on energy conservation via reasonable channels.

此外，工廠對部分生產設施的餘熱進行回收利用，優化生產效率，以節省能源並最終減少單位產值的排放量。江西化工電站餘熱對工業園區供熱，優化能源結構，提高能源利用率。在有高溫反應氣(如甲烷氯化物裝置氯化反應氣)及燃燒尾氣(四氟乙烯裝置高溫裂解氣、焚燒爐尾氣、無水氟化氫裝置熱風爐尾氣等)的地方安裝餘熱鍋爐或換熱器回收蒸汽或熱水，提高能源利用效率，減少外購蒸汽。雙氧水產品熱量回收，供萃取塔純水使用，減少了蒸汽的消耗。

工廠生產技術部門在能源效益管理上，編製了《能源管理手冊》，並由總經理簽發手冊頒發執行。工廠每年投入專項資金進行節能技術改造，能源效益管理具體措施包括有：制訂績效考核指標、優先選用高能效設備、對現有低效能設備進行升級改造、明確節能管理責任、通過合理化建議等管道收集員工節能建議等等。

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環境、社會及管治報告

Renewable Energy Investment

In promoting the green production environment, the Group has explored our potential in energy saving, consumption reduction, pollution reduction and efficiency improvement. The Group actively promotes the use of renewable energy, and utilizes renewable energy such as solar energy, waste heat from production and hydrogen energy to achieve our target of energy conservation and emission reduction. This year, CSI Solar 37.62 kW PV module was installed on the roof of Jiangsu Chemical Office Building, generating 45,000 kWh of electricity annually. In addition, we encourage waste reduction, recycling of surplus energy and replacement of high consumption production modes, keep and build green belts in the factory site, ensuring human activities coexist and interact with the natural environment, and take the protection of blue sky, clear water and pure land as our own responsibility. With the joint efforts of all employees, we will continue to explore new ways to reduce emissions, waste recycling, water recycling, VOC treatment, etc., and promote the upgrading of the Company's environmental protection work.

再生能源投資

在推廣綠色生產環境中，本集團深挖節能、降耗、減污、增效的潛力。本集團積極推進再生能源使用，利用太陽能、生產餘熱、氫能等可再生能源，實現自身的節能減排，在本年度，江蘇化工辦公樓頂部安裝阿特斯陽光電力37.62千瓦光伏組件，年發電量4.5萬千瓦時。同時鼓勵減少浪費、採用回收餘能及取代高耗的方式，廠區保留和建設綠化帶，使人為活動跟自然環境共存互動，以保護藍天碧水淨土為己任。在全體員工的共同努力下，繼續探索減排新途徑，深入開展固廢綜合利用、水資源回收利用、VOCs治理等工作，推動公司環境保護工作提檔升級。



Jiangsu Chemical was awarded the title of Changshu Excellent Green Development Enterprise.
江蘇化工獲評常熟市優秀綠色發展企業。



Jiangxi Chemical was awarded the "Green Factory" demonstration enterprise issued by the Ministry of Industry and Information Technology.
江西化工獲評國家工信部「綠色工廠」示範企業。

Case 1 – The factory has achieved the following achievements in energy efficiency:

- Reduce the heat energy consumption and improve the energy utilization rate by utilizing the waste heat of finished caustic soda and steam condensate in caustic soda workshop.
- Reduce the heat energy consumption and improve the energy utilization rate by utilizing the waste heat of hydrochlorination and chlorination reaction in the methane chloride plant.
- Recycling and cyclic utilization of hydrogen analyzed by the hydrogen purification device in caustic soda workshop.
- Recycling and cyclic utilization of tail hydrogen in CTC conversion unit of methane chloride workshop.
- The electric fans of the circulating water station are transformed into hydraulic turbines to save electricity.
- Energy-saving transformation of motors to save energy.
- Heat recovery of caustic soda products and hydrogen peroxide products to save energy.

Case 2 – The commercial and residential complex RIVERDALE built by the Group in Changshu:

With unique Hong Kong style sky garden building, sculpture landscaping design and connecting corridor platform, creates a feeling of leisure and comfort for the residents and incorporates them in a natural life. Renewable energy technology was applied to build the commercial building: install photovoltaic power generation devices to provide an alternative option for lighting power supply and create an energy-saving environment-friendly smart community.

案例1 – 廠區在能源效益上有以下成果：

- 燒鹼車間成品鹼、蒸汽冷凝水餘熱利用，降低熱能消耗，提高能源利用率。
- 甲烷氯化物裝置氫氯化、氯化反應餘熱利用，降低熱能消耗，提高能源利用效率。
- 燒鹼車間氫氣提純裝置解析氫氣回收循環利用。
- 甲烷氯化物車間CTC轉化裝置尾氫回收循環利用。
- 循環水站電風機改造為水輪機，節約用電。
- 電機節能改造，節約能源。
- 燒鹼產品熱量回收及過氧化氫產品熱量回收，節約能源。

案例2 – 本集團在常熟市建設的商住項目「昕悅溪」：

以獨特的港式空中花園建築，雕塑造景設計和連廊平台，令入住的居民能感受休憩舒適融於自然生活中。商業樓的建造亦利用了再生能源科技：安裝光伏發電，提供部份照明供電的選擇，開創節能和營造一個環保智慧型社區。



Environmental, Social and Governance Report

環境、社會及管治報告

Environment-Friendly Products

Caustic soda is present in our products; hence we make use of advanced energy-saving industrial equipment and modified technology such as the membrane polar distance electrolytic cell, the deployment of residual heat dissipated from our finished goods, and the optimization of our cold-water system, to reduce our energy consumption per product unit. We also conduct energy audits, clean production audits and carbon emission tests etc. on a regular basis, and develop, improve, and implement energy-saving plans.

Jiangsu Chemical passed the rating audit of Suzhou Changshu Ecology and Environment Bureau and was rated as "Excellent Enterprise in Environmental Management" in Changshu City. The company carried out persistent technological innovation in the field of cyclic utilization of byproduct hydrochloric acid, developed the key technology for conversion and production of high-purity methane chlorides, and took the lead in building China's first set of plant for using recovered byproduct hydrochloric acid to produce high-purity methane chlorides, which evaded the environmental risk possibly caused by improper disposal of byproducts, pointed out a direction for high-value utilization of byproduct hydrochloric acid in the industry, also filled in the gap of the methane chloride market after withdrawal of glyphosate and was a matter of significance to the sustainable development and environmental protection in the domestic byproduct hydrochloric acid and organic silicone industries.

Products produced by Jiangxi Chemical, such as Chloromethane products (dichloromethane and trichloromethane), hydrogen peroxide, polyaluminium chloride, hexafluoropropylene and polytetrafluoroethylene have been awarded the title of "Jiangxi Famous-Brand Product" successively. The special-purpose polymer products produced by the Company can realize effective thermal and electrical insulation, meeting the unique requirements of different customers. Adhering to technological innovation, Jiangxi Chemical has successfully developed ultra-high-molecular-weight suspension resin used in LCD screens and 5G communications, and a material exclusively for extrusion pipes that is used in automobile and aircraft fuel pipelines. These series product innovations have brought about good economic and environmental benefits.

Zhuhai Chemical is committed to becoming a green factory, spares no effort to promote the use of new energy and reduce pollution caused by its production. The fluoroethylene carbonate material it produces will help China promote the use of high-performance batteries. While improving product quality, Zhuhai Chemical is committed to controlling the amount of waste, for example, recycling some liquid waste in the production process to reduce the amount of waste. The impurities in the potassium salt produced in fluorination reaction are removed by optimized process, to ensure that only high quality products are sold to the market.

環保產品

本集團產品其中有燒鹼，選用節能環保先進工藝、設備，通過膜極距電解槽，成品餘熱利用，冷水系統優化等節能技術改造，降低單位產品能源消耗，定期開展能源審計、潔淨生產審核、碳排放量核查等，制訂改善計劃並實施。

江蘇化工通過了蘇州市常熟生態環境局評級審核，被評為常熟市《環境管理優秀企業》。公司在副產鹽酸的循環利用領域持續創新，開發出轉化生產高純氯甲烷的關鍵技術，率先建成了國內首套利用回收副產鹽酸生產高純氯甲烷的裝置，規避了副產物處置不當可能導致的環境風險，為行業內高價值利用副產鹽酸提供解決方向，同時也填補了草甘膦退出後的氯甲烷市場空白，對國內副產鹽酸和有機矽產業可持續發展和環境保護，具有重大意義。

江西化工生產的甲烷氯化物(二氯甲烷、三氯甲烷)、過氧化氫、聚氯化鋁、六氟丙烯、聚四氟乙烯等產品相繼被評為「江西名牌產品」稱號。公司製造的特種聚合物產品，能有效隔熱絕緣，滿足不同客戶的獨特需求。江西化工堅持技術創新，已成功研發出用於液晶面屏、5G通訊的超高分子量懸浮樹脂，用於汽車、飛機燃油管路的擠出管專用料等。這一系列產品創新使公司取得良好的經濟和環境效益。

珠海化工致力於打造綠色工廠、主力推動新能源的應用及降低生產污染。其生產的氟代碳酸乙烯酯材料，有助國家推動高性能電池使用。珠海化工在提高產品的品質的同時，致力控制產廢的數量，如在生產過程中回收處理部分廢液，減少廢棄物量。對於氟化反應產生的鉀鹽，使用優化的工藝，將鉀鹽的雜質進行清除，以達到符合產品銷售優質的目的。

Biodiversity

Noise from our large compressors is inevitable during the chemical production process, which may bring harm to the environment and surrounding areas. Therefore, we have in place a reasonable noise management design, where we set up green noise barriers surrounding noise sources and our factories, and install sound absorption materials indoors, as well as having soundproof doors and windows. We opt for sound friendly equipment and seek to reduce noise at its sources, with anti-vibration pads and other noise reducing furniture. Employees exposed to noise are provided with noise-cancelling ear plugs and ear protectors. All personnel in the workplace are also required to wear disposable earplugs supplied by the Company. Moreover, to minimize workers' continuous exposure to loud noise, we organize their job duties in alternating shifts in accordance with the inspection schedule, to safeguard their physical and mental health. Monthly acoustic noise testing is conducted by the SEPDs of the factories, and results are displayed on-site, to ensure that our factories comply with the requirements stipulated under the Environmental Noise Emission Standard for Industrial Enterprises and Factories.

The Group attaches great importance to and has taken effective measures to control the discharge of exhaust gas and sewage water, in order to maintain biodiversity. With advanced green production technology, we continue to reduce the emission of pollutants. We also carried out an in-depth removal of VOC in the factory in 2023. Systematic arrangements were made by our factories to meet emission targets; through recycling, we prevented the waste of resources. Meanwhile, by establishing an energy management system and adopting the ISO14001 environmental management system, the Company incorporated environmental protection and energy-saving practices into our daily production, operation, and management, in advocacy of green office and production environment.

Moreover, the Group actively contribute itself into the public welfare undertakings for environmental protection related to biodiversity protection, and carried out diversified environment publicity campaigns on "June 5 Environment Day" and other environment-themed days, for example, organizing the employees of all factories and departments to involve in public benefit activities for environmental protection and setting an example in environmental protection.

In 2023, the Company did not have any major event of litigation or punishment resulting from environmental violation.

生物多樣性

在化工生產過程中，有來自於裝置的壓縮機大型設備產生的噪音，可能會對環境以及周邊造成影響。因此，廠區通過合理的噪音源佈局，在噪音源和廠界周邊設置綠化隔離帶，對於噪音源採取室內安裝、做隔聲門窗。公司選用低雜訊設備，並通過安裝防震墊等措施，從源頭降低雜訊。公司為噪音崗位員工配發防噪耳塞和護耳器等防護裝備，房內設置一次性耳塞，所有人員進入必須佩戴。人員按照巡檢週期非連續接觸，減少員工在高噪音源區域的作業時間，以保障員工的身心健康。各廠安環部定期檢測噪音度並現場一年一次公示，以確保廠界噪音達到《工業企業廠界環境雜訊排放標準》要求。

本集團重視及已採取有效措施控制廢氣污水排放，以維持生物多樣化。通過對生產環保工藝的改進，持續降低污染物的排放，2023年對全廠VOC進行了深度治理，廠區有組織廢氣達標排放，嚴格監管生產全週期過程，杜絕可能發生的生態破壞事件。公司通過循環回收利用，防止資源浪費。同時公司通過建立能源管理體系和ISO14001環境管理體系，將環境保護和節約能源資源的意識融入日常生產運營管理中，推廣綠色辦公及生產環境。

此外，本集團積極投身生物多樣性保護相關的環保公益事業，在「六五環境日」等環保主題日開展多元化的環保宣傳活動，如組織各廠各部門員工投身環保公益活動，以身作則為環境保護貢獻力量。

在2023年，公司未發生因環境問題違規所致訴訟或處罰的重大事件。

Environmental, Social and Governance Report

環境、社會及管治報告

Environment and natural resources

Every factory under the Group will set a target of environmental protection every year and each workshop will break down its target value according to the annual environmental protection target of the Company and implement the specific work; SEPD will supervise and inspect the fulfilment status of environmental protection target of each department and make assessment each month; the SEPD of each factory will summarize the target fulfilment status of each department every quarter and continuously put forward improvement suggestions to ensure the environmental protection affairs of the factories meet or are better than requirements.

Lee & Man Chemical set up targets in relation to emissions, waste reduction, energy efficiency and water efficiency. Details are set out in the following table:

環境及天然資源

本集團旗下各廠每年都會訂下環境保護目標，車間根據公司的年度環境保護目標分解本部門的目標值，包括節能減排，減低對天然資源造成重大影響等行為規範，落實具體工作；安環部每月檢查及監督各部門的環境保護目標完成進度，並予以考核；各廠的安全環保委員會每季度總結各部門的目標完成情況，持續提出改進建議，確保工廠環保事務符合並滿足或優於要求。

理文化工分別就大氣污染排放、減廢處置、能源使用和用水效益四方面訂立目標。詳情見下表：

	Details 有關詳情	Goal 目標	Progress 進度情況	Relevant companies 有關公司
Emission targets 排放量目標	Fully achieving the goal of having "zero" carbon tetrachloride emission. Air pollutant emissions are up to standard.	Long term	The waste has been treated harmlessly, and the air pollutants have been tested and are up to standard	Jiangsu Chemical and Jiangxi Chemical
	完全實現四氯化碳「零」排放及大氣污染物排放達標。	長期	廢氣無害化處理、大氣污染物檢測達標	江蘇化工和江西化工
	Emissions of hydrogen chloride and other air pollutants are up to standard.	Long term	Tested once every quarter, and it is lower than the emission limit of 30 mg/m ³	Zhuhai Chemical
	實現氯化氫等大氣污染物排放達標。	長期	每季度檢測一次，均低於排放限值30毫克/立方米	珠海化工
Waste reduction targets 減廢目標	The raffinate of carbon tetrachloride is delivered to the incinerator for harmless treatment.	Long term	Achieved	Jiangsu Chemical
	四氯化碳殘液輸送至焚燒爐進行無害化處理。	長期	處理完成	江蘇化工
	Through treatment in the incinerator, aluminum oxide waste not less than comprehensive reduction rate reaches 20% in 2023.	Short term	Reduced by 24%	Jiangsu Chemical
	通過焚燒預處理，2023年度實現廢氧化鋁減量不低於20%。	短期	減量率24%	江蘇化工

	Details 有關詳情	Goal 目標	Progress 進度情況	Relevant companies 有關公司
	After adjusting the amount of sea salt and refined salt and the proportion of brine, the amount of salt slurry produced in the whole year decreased compared with the actual output last year 通過調整海鹽、精製鹽用量及鹵水使用比例，全年鹽泥產生量跟去年實際產出要有減少。	Short term 短期	Solid waste is reduced by more than 10% 固廢削減達10%以上	Jiangsu Chemical 江蘇化工
	VOC leak points are detected and the repair completion rate is 100%. 揮發性有機物檢測泄露點，修復完成率100%。	Short term 短期	Carry out regular inspection, repair leakage points in time once found, and pass the re-inspection 定期檢測，發現泄漏點及時修復，複測合格	Jiangxi Chemical 江西化工
Energy efficiency targets 能源使用效益目標	The energy consumption levels of our major products are better than the national average. 主要產品的能耗優於全國平均值。	Long term 長期	Achieved 達標	Jiangsu Chemical and Jiangxi Chemical 江蘇化工和江西化工
Water efficiency targets 用水效益目標	Set up assessment indicators for water consumption for the three factories. 三廠都制定了用水考核指標。	Long term 長期	Achieved 達標	Jiangsu Chemical, Jiangxi Chemical and Zhuhai Chemical 江蘇化工、江西化工和珠海化工
	The discharge of wastewater does not exceed 2,700 tons per month. 每月廢水排放量不超過2,700噸。	Short term 短期	In 2023, the total emission was 12,736 tons, and the monthly emission was less than pre-set targets 2023年總排放12,736噸，月排放量均低於設定的指標	Zhuhai Chemical 珠海化工
	Continue to carry out multipurpose use of waste water, and the wastewater discharge of the whole factory is less than 350,000 tons/year. 持續開展廢水綜合利用，全廠廢水排放量小於35萬噸/年。	Short term 短期	In 2023, the discharge of wastewater reduced by 40% compared with the original target 2023年度排放廢水比原目標已減少40%	Jiangsu Chemical 江蘇化工

Environmental, Social and Governance Report

環境、社會及管治報告

Environmental accident prevention and handling

As the national environmental management requirements and pollution control efforts are tightening, the Group attaches great importance to ecological civilization and environmental protection while strictly implementing environmental laws and regulations. The Company has formulated relevant policies such as Environmental Factor Identification and Evaluation Control Procedure, Wastewater Control Procedure, Waste Gas Control Procedure, Water and Gas Hidden Danger Identification and Management System, strictly implemented the identification and management of environmental risk sources of enterprises, and implemented measures to prevent and control air, surface water, groundwater and soil pollution. In addition, the Group has also formulated emergency plans for sudden environmental pollution incidents, provided necessary emergency response materials and carried out emergency disposal drills to simulate environmental accidents. In case of an environmental accident, we will actively assist government departments to carry out investigations, find out the cause and process of the accident and disclose the results of the accident treatment. We will also submit an independent incident investigation report afterwards, analyze the accident in detail and implement preventive and corrective measures to prevent the recurrence of environmental accidents and reduce their impact on natural resources.

Through the comprehensive environmental protection management platform for enterprises set up by Jiangsu Chemical (a pilot enterprise recommended by Changshu Ecology and Environment Bureau), the leaders and environmental protection management personnel can monitor the online monitoring data of the Company in real time, and respond quickly and follow up them when abnormal data occurs. Moreover, manual monitoring can also be carried out periodically (monthly, quarterly and annual) according to the management requirements indicated in the pollutant discharge permit. In 2023, Jiangsu Chemical revised the Emergency Plan for Environmental Accidents, and the environmental accident prevention and treatment measures for HTC projects added to it have passed the expert review and submitted to the Ecology and Environment Bureau for the record.

Both Jiangxi Chemical and Zhuhai Chemical are monitoring the exhaust gas and wastewater discharge of the whole plant through self-monitoring online and manually. They have set up standard solid waste warehouses, and installed video monitoring devices to monitor the generation, storage and disposal of solid waste and properly control all pollutants. In the factories of Jiangxi Chemical and Zhuhai Chemical, there are the 6,400 m³ and 1,824 m³ accident emergency pools and related emergency materials warehouses. The Company has also formulated a sound environmental protection system and emergency plan, and we will regularly carry out environmental hazard identification. We will continue to provide relevant training for employees and conduct regular drills to handle sudden environmental accidents.

環境事故預防及處理

隨著國家環境管理要求和污染治理力度日益提高，本集團在嚴格執行環境相關法律法規的同時，高度重視生態文明和環境保護工作。公司制定了《環境因素識別與評價控制流程》、《廢水控制流程》、《廢氣控制流程》、《水氣隱患排查管理制度》等內容相關政策，嚴格執行企業環境風險源的排查管理，落實防治污染空氣、地表水、地下水、土壤等措施。同時，本集團亦制定突發環境污染事件應急預案、配備必要的應急處置物資以及舉行應急處置演練以模擬環境事故發生。倘若發生環境事故，我們將積極協助政府部門開展調查，查明事故發生原因及過程及公開事故處理結果。我們亦會於事後提交獨立的事務調查報告，詳細分析事故及落實防範和整改措施，以防環境事故再次發生及減少對天然資源產生的影響。

江蘇化工新建企業環保綜合管理平台(常熟市生態環境局推薦的試點企業)，公司領導及環保管理人員能夠即時監控我司線上監測資料，出現異常資料時能夠快速回應並跟進處理，同時，按照排污授權管理要求週期性(月、季度、年)對全廠廢氣、廢水、雨水排放口開展手工監測。江蘇化工2023年度新修訂了環境事故應急預案，增加的HTC專案環境事故預防及處理措施，已順利通過專家評審，並報生態環境局備案。

江西化工及珠海化工均通過自行監測包括線上和手工方式對全廠廢氣、廢水排放進行監測，並建設標準的固廢倉庫，對固廢產生、儲存、處置環節安裝視頻監控以妥善所有污染物。江西化工及珠海化工廠內分有設有6,400立方米及1,824立方米的事務應急池及相關的應急物資庫。公司亦已制定完善的環保制度及應急預案，定期開展環境隱患排查。我們將持續為員工提供相關培訓，定期舉辦演練以應對突發的環境事故。



Climate change

In response to the impact of climate change and to minimize the impact of extreme weather on the manufacturing and procuring processes of our supply chain, we have implemented certain risk assessment and control plans.

In response to extreme heat:

Goods receipt and delivery are scheduled in non-peak hours and are avoided in hot temperatures during daytime, to ensure the safety of our workers and to minimize the risk of volatilization of relevant chemicals.

Our tank storage area is spray-cooled to avoid the risk of volatilization of relevant chemicals present in stored goods, to safeguard our product quality.

In response to extreme cold:

We issued and implemented the Management Requirements on Cold Prevention for Production Positions, which stipulates the specific cold prevention measures to be adopted by each workshop.

We adopted measures such as electric tracing, steam tracing and heat preservation to reduce impacts of low temperatures on our equipment and pipes.

In response to typhoon:

We developed the Safety Prediction and Early Warning Management System. According to the system, relevant departments paid close attention to the weather forecast to timely grasp the information about bad weather such as strong winds and heavy rains and make the emergency plans for the accidents may arise therefrom.

氣候變化

在面對氣候變化影響的方面，廠區於極端天氣情況都採取了一些風險評估和管控計劃，減少對廠區生產和採購銷售的供應鏈造成影響。

極端高溫天氣下：

採取错峰收發貨，避開日間高溫時間段收發貨，加強保護員工操作安全和降低物料的揮發。

對儲罐區採取噴淋降溫措施，保證物料貯存的品質監控和避免揮發。

嚴寒低溫天氣下：

公司發佈並執行《關於生產崗位防寒防凍的管理工作要求》，明確各車間防寒防凍的具體措施。

採取電伴熱、蒸汽伴熱及保溫等措施降低低溫環境對裝置和管道的影響。

颱風吹襲天氣下：

公司制訂了《安全預判預警管理制度》，有關部門會關注氣象預報，及時掌握大風、暴雨等惡劣天氣的動向，做好緊急情況下的事故預想並制定事故應急預案。

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環境、社會及管治報告

CARING FOR EMPLOYEES

In accordance with the Law on Production Safety and relevant laws and regulations, the Group sets the Company's safety policy, and gives priority to production safety and occupational health management of each employee in daily operations. In 2023, all employees have complied with relevant laws and regulations and completed various safety indicators, and no violations occurred during the year.

Hazardous Chemicals Management

The Company has developed the systems related to chemical safety and environmental protection management for all employees to consult and learn, and the safety and environmental protection department has also worked out the following management measures:

1. The factory establishes a ledger to record the reception and use of each hazardous chemical;
2. Determine the name, hazard characteristics, protective measures, first aid measures, transportation, spill disposal methods and other signs of the hazardous chemical according to its MSDS or characteristics, and hang unified designated signboards in striking places;
3. If hazardous chemicals are stored in the production line, the electrical equipment and lighting lamps used all shall be explosion-proof devices, with anti-static measures, ensuring ventilation and no smoking or flames;
4. Hazardous chemicals shall be handled with care to prevent collision, and be stored at the place dry and away from acids;
5. When employees use hazardous chemicals, they shall strictly follow the rules of use and take proper personal and operational precautions.

Factory Emergency Response Mechanism

In order to ensure that the Company can control the spread of production safety accidents in time, effectively organize rescue and ensure the personal safety of employees and the Company's property safety, we have formulated a perfect Emergency Plan for Production Safety Accidents based on the actual situation of each factory, which involve the site disposal plans for all kinds of possible accidents, such as fire, material leakage, electric shock, human poisoning and suffocation, vehicle injury, operations in a confined space, and natural disasters.

關愛員工

本集團遵循《安全生產法》及相關法律法規，定下公司安全方針，優先把生產安全、每位員工的職業健康管理築建在日常營運中，2023年全員遵守相應法律法規，完成安全各項指標，在本年度內並沒有任何違規情況發生。

危險性化學品管理

公司編製了化學品安全環保管理相關制度給全廠員工查閱和學習，旗下各工廠安環部亦制訂以下管理措施：

1. 工廠建立台賬記錄每項危險性化學品收貨、使用記錄；
2. 根據危險品安全技術說明書或其特性，制訂該化學品的名稱、危險特性、防護措施、急救運輸、泄漏處置方式等標誌，在顯眼地點懸掛統一指定標牌；
3. 若生產線存放危險性化學品，所採用的電氣設備及照明燈均為防爆裝置，做好防靜電措施，保證通風及杜絕煙火；
4. 搬運危險性化學品過程中做到輕拿輕放，防止撞擊，存儲地方保持乾燥，並與酸類物品隔存；
5. 員工使用危險性化學品時嚴格按照使用規定，做好個人及操作防護措施。

廠區緊急應變機制

為確保公司在可能發生生產安全事故時能及時控制事故擴散、有效組織救援並保證員工人身安全和公司財產安全，我們根據各工廠的實際情況制定了完善的《生產安全事故應急預案》。涉及到可能發生的火災、物料泄漏、觸電、人員中毒和窒息、車輛傷害、受限空間作業及自然災害等各類型事故的現場處置方案。

In addition, we have set up emergency fire stations and emergency equipment warehouses with sufficient emergency materials so as to ensure the allocation and effective use of materials in emergencies. We regularly conduct emergency plan drills in the factory areas, and cooperate closely with relevant government departments to enhance the emergency rescue ability and awareness of staff at all levels so that we can implement emergency rescue quickly, effectively and orderly once an accident occurs.

The intelligent management and control system plays a positive role in factory-wide response. The SEPD formulates comprehensive, special and on-site disposal contingency plans in the production segment of relevant hazardous chemicals. When the emergency response is activated, fire, video control and production command will collaborate and act together. In addition, the production facilities and office areas are equipped with fire detection, alarm system, emergency lighting and other fire suppression systems in accordance with the national code for fire protection of buildings and other relevant regulations. The Company's existing fire safety design can ensure the safety of all employees and property.

In 2023, the Group found out 1,037 hidden dangers during self-inspection and self-check. The Safety, Health and Environment Department carried out routine inspections on a daily basis, and organized workshop managers and above to conduct mutual inspection according to the annual safety risk hidden danger identification plan. Once problems were found, they would rectify them in daily maintenance, or all rectifications would be completed in an closed loop during the annual maintenance period.

Occupational Health and Safety

The Safety Production Commitment of Lee & Man Chemical stipulates that we shall seek to achieve the best business performance with zero occurrence of major incidents and no damage to employees' health or to the environment, and shall actively promote a culture of safety in the workplace and create a safe production environment.

Based on relevant legal regulations and the organizational structure of the Company, we amend the Safety Production Responsibility System and strictly require managerial position to undertake safety responsibility in relation to his job duty. The Company formulates annual safety targets at the beginning of each year, requiring each subsidiary to develop corresponding implementation plans in accordance with the overall goal of safe production. Goal evaluation is regularly carried out by the SEPD to regulate work procedures. The Company's leaders and production management team signed the 2023 Safety and Environment Target Responsibility Letter to strictly define the safety production responsibilities of all employees.

同時，我們設立了應急消防站和應急器材庫，配備了充足的應急物資，以確保突發情況下的物資調配和有效使用。此外，我們定期進行廠區的應急預案演練，並與政府相關部門密切合作，提升各級人員的應急救援能力和意識。以在事故發生後能迅速、有效、有序的實施應急救援。

智慧化管控系統對全廠應變發揮積極作用，安環部在相關危險化學品的生產板塊，制定綜合、專項和現場處置應急預案。在應急啟動時，消防、視頻管控、生產指揮會配合作出聯動。此外，生產裝置及辦公區均根據國家建設防火規範及其他相關法規，設有消防檢測、警報系統、應急照明、及其他滅火系統。公司現有的消防安全設計能夠確保所有員工的人身及財產安全。

在2023年，本集團自查自檢共排查隱患1,037個，由安環環保部日常巡檢，及根據年度安全風險隱患排查計劃組織各車間經理以上人員進行相互檢查，發現問題後，將在日常檢修中整改，或在年度維修期間，全部整改閉環完成。

職業健康與安全

理文化工《安全生產承諾書》指出，要求實現不發生重大事故、不損壞員工健康、不破壞環境的企業為最佳業績，積極弘揚公司安全文化，營造安全生產氛圍。

根據法規要求及公司最新人事架構對《安全生產責任制》進行修訂，嚴格落實「一崗一責」，公司在每年年初制訂了年度安全指標，要求各子公司按照安全生產的總目標制定相應的落實方案，並由安環部定期對安全目標完成情況進行考核，規範作業行為。公司領導和生產幹部都簽訂了《2023年度安環目標責任書》，嚴格落實全員的安全生產責任。

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Safety Performance of Lee & Man Chemical in 2023

2023年理文化工安全表現

Name of issue 指標名稱	2023	2022	2021
Mortality 死亡	0	0	0
Mortality rate 死亡率	0	0	0
Number of traffic accidents 交通事故數量	1	0	0
Number of work-related injuries 工傷事故數量	4	1	2
Working days lost due to work-related injury ^① 因工傷損失工作日數 ^①	0	0	0
Injury rate per million working hours ^② 百萬工時傷害率 ^②	0.91	0.25	0.15
Incidence of occupational diseases 職業病發病率	0	0	0
Percentage of employees undergoing health checks 接受健康檢查的僱員比例	100%	100%	100%

Notes:

^① Lost working days after the shutdown of the whole plant due to work-related injury accidents.

^② In 2023, an employee was injured in a traffic accident outside the factory at work. For other work-related injuries in the factory, we investigate each case and strengthen training for employees and on-site rectification, so to prevent the risk of similar work-related injuries.

In terms of employee health, we arrange the following health services for employees in strict accordance with the relevant national laws and regulations on occupational health:

1. Provide pre-employment and post-employment health checks for all new employees and resigned employees of the Company.
2. Provide an annual free health check at local hospitals qualified to examine occupational diseases for current employees.
3. Carry out an annual inspection of occupational hazards to ensure that occupational hazards inside the production equipment meet the indicator requirement.
4. Establish an occupational hazard prevention plan and ensure timely execution of tasks to safeguard the occupational health and safety of employees in the factories.

附註：

^① 因工傷事件後而影響全廠停工的損失工作日。

^② 在2023年，包含一宗員工上班時在廠區外遇到交通意外受傷。其他廠區內發生的工傷事件，每項皆作調查，我們對員工加強培訓、現場整改，防止同類工傷事件風險出現。

在員工健康方面，我們嚴格按照國家職業衛生的相關法規政策為員工安排以下健康服務：

1. 公司所有新入職員工、離職員工分別行崗前、離崗體檢。
2. 在職員工，每年在當地擁有職業病體檢資質的醫院，提供一次免費體檢。
3. 每年開展年度職業危害因素檢測，確保各生產裝置內的職業危害因素均符合指標要求。
4. 建立職業危害防治計劃，並按計劃按時執行，保障廠區從業人員的職業健康安全。

The factory has conducted real-time investigation and review on every work-related injury accident. Most of the accidents were caused by misconduct. The Company focuses on strengthening the observation and assessment management of personal safety behavior; strengthens the supervision and management of team leaders and increases the safety psychology training of front-line operators.



工廠對發生的每一項工傷事件，都會進行即時調查和檢討，據調查大部份事件都是由於自身行為不當引致，公司重點強化個人安全行為觀察與考核管理；強化班組長的監督管理，增加前線操作人員的安全心理的培訓。



In order to encourage all employees to participate in daily safety improvement, Jiangsu Chemical has conducted a monthly "Safety Star" selection activity, and provided awards to the winners. Through the selection of "Safety Star", the factory aims to strengthen the construction of safety culture and create an atmosphere for all employees to participate in safety management. By selecting safety model, commending the advanced individuals and promoting positive energy, it intends to let advanced models of safety management play a leading and exemplary role, and further improve the safety and responsibility awareness of all employees.

江蘇化工為激勵全員參與日常安全改善工作，建立了月度「安全之星」評比活動，並對「安全之星」獲獎人員提供獎勵。工廠通過開展「安全之星」評選活動，旨在加強安全文化建設，營造全員參與安全管理的氛圍。通過選樹安全標桿、表彰先進、弘揚正能量，發揮安全管理先進典型的引領示範作用，進一步提高全員安全意識和責任意識。

Employee benefits and remuneration

The Group has formulated an appropriate Staff Manual and other policies to clearly put forward Lee & Man Chemical's 7 corporate spirits: integrity, fairness, attitude, efficiency, perseverance, innovation and team spirit, creating sound and harmonious labor relations for our staff.

員工權益及福祉

本集團制訂合適的《員工手冊》和政策，明確提出理文化工的七點企業精神：誠信、公平、態度、效率、毅力、創新、團隊，為僱員創建一個融洽的良好勞資關係。

Advocating the principles of equal opportunity and fairness, we recruit candidates based on their ability, literacy, and competence, and oppose any form of discrimination based on race, gender, age, and marital status. Moreover, we act in accordance with international human rights standards as stipulated in the Convention on the Rights of the Child and the Universal Declaration of Human Rights promulgated by United Nations, including standards in relation to the prohibition of employing child labor to protect minors, prohibition of forced labor, safety and health, freedom of forming trade unions, prohibition of discrimination, prohibition of unfair punishment, working hours and wage standards, etc. The labor contract concluded according to law is binding, and the Company and employees fulfill the obligations agreed in the labor contract. The Group continued to comply with the enforcement of relevant labour laws and regulations during the year 2023.

我們提倡機會平等、公正的原則，主要以應聘者的能力、素養及是否能勝任工作崗位為錄用標準，反對種族、性別、年齡、婚姻狀況等任何形式的歧視，並且按照聯合國《兒童權利公約》及《世界人權宣言》中所述之國際人權標準原則為基準，包括禁止使用童工並保護未成年人、禁止強迫性勞工、健康與安全、組織工會的自由、禁止歧視，禁止不公平懲戒、工作時間及工資標準等。依法訂立的勞動合同具有約束力，公司與員工相互履行勞動合同約定的義務。本集團在2023年年度持續遵循相關勞工法律法規的執行。

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The Group has established a comprehensive system regarding staff complaints. Our staff can provide feedback through the General Manager's mailbox, e-mail, and an instant messaging application for internal communication named "DingTalk". Such feedback is to be dealt with and resolved in a timely manner. So that we can pay adequate attention and respond to employees' voices.

Talent is the key to corporate development, especially for a chemical enterprise. In accordance with the national labor law, work-related injury protection regulations and other laws, the Group has established a comprehensive remuneration system, recruitment procedures, career progression plans for employees etc., and provided employee benefits such as endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, childbirth insurance and housing accumulation funds, annual leave, holiday allowance, and free meals.

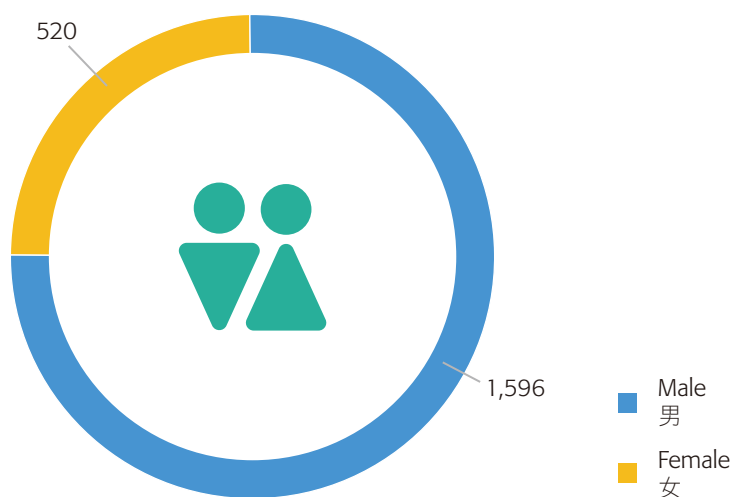
As of 31 December 2023, the Group had approximately 2,116 full-time employees.

本集團針對員工的投訴，制訂了一個完善的體系，員工可以通過總經理信箱、郵件、內部即時通訊軟體(釘釘)等多種途徑進行反饋，並及時跟進和解決，以確保員工的聲音得到充分的關注和回應。

人才是企業發展的關鍵，在化工企業中更尤為關鍵。本集團依照國家勞動法、工傷保護條例等法則，建立完善的薪酬制度、招聘流程、員工職業晉升規劃等，提供五險一金、年假、節日津貼、免費工作餐等員工福利。

截至2023年12月31日，本集團約有2,116名全職員工。

Total Workforce by Gender
公司人數性別分佈

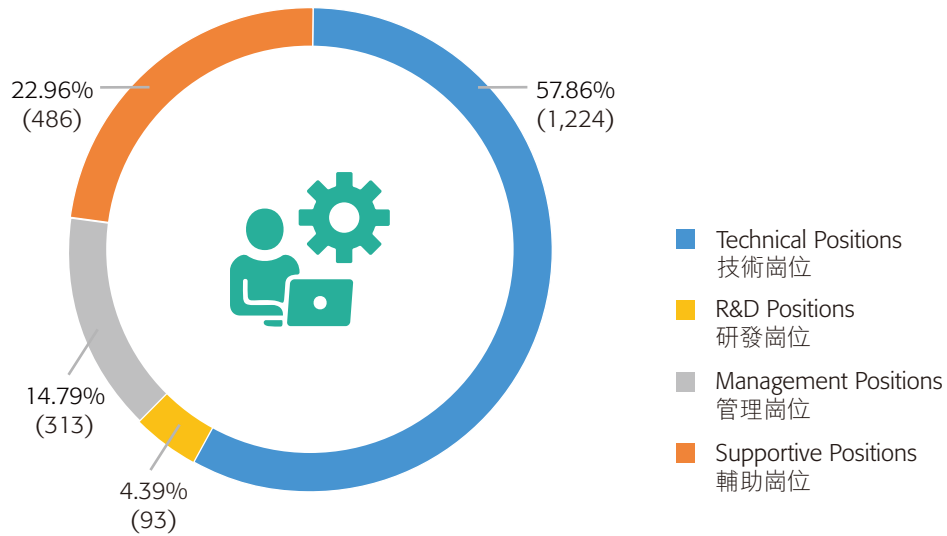


Both factories in the PRC provide accommodation and transportation pick-up service for their staff. Keeping track of the conditions in the labor market and trends of economic development, the Group makes reasonable employee pay adjustments every year to maintain competitive salaries. Year-end bonuses are distributed based on the performance of individual employees and of the Group's profits. Factory areas are equipped with modern equipment and hardware to create a comfortable and clean environment for employees. The Group has established a research institute that is comprised of a research and development team led by academicians of the Chinese Academy of Sciences and a number of professors, in support of maintaining our status as a high-tech enterprise and of our future development.

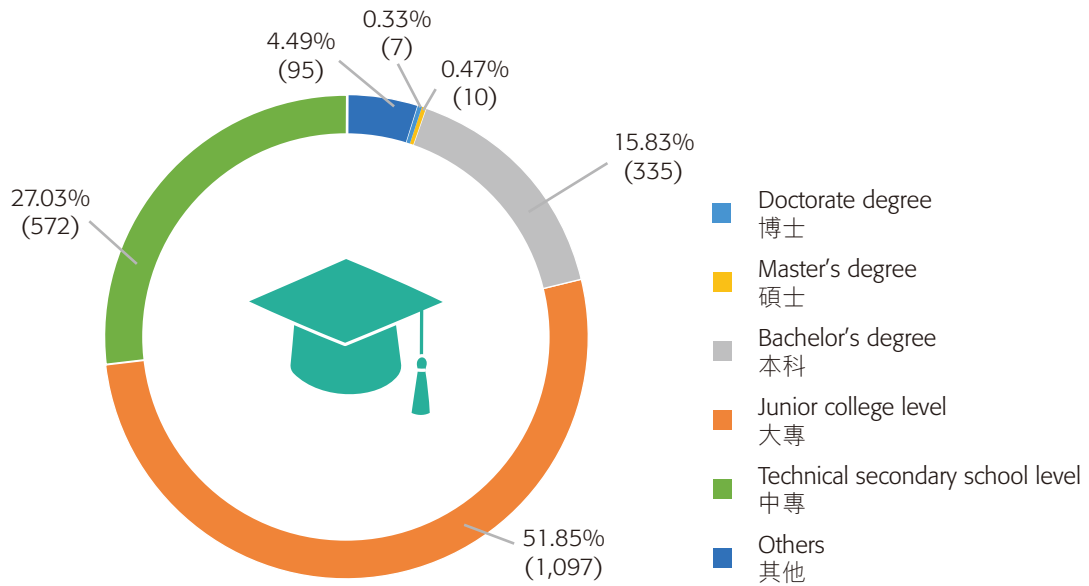
國內旗下工廠皆提供員工宿舍，交通接送，每年本集團留意有關勞工市場及經濟市況趨勢，合理調整僱員薪酬至具競爭力水平，並按員工表現及本集團盈利發放年終花紅。廠區擁有現代化的設備及硬體，為員工營造了一個舒適、整潔的環境。本集團成立研究院，以中科院院士、多名教授帶領為首的研發團隊，對維持高新科技企業和未來發展提供支援。

The following charts illustrate the distribution of our employees by position and education level: 下面列出按崗位和學歷的僱員比例：

Total Workforce by Position
崗位人數分佈



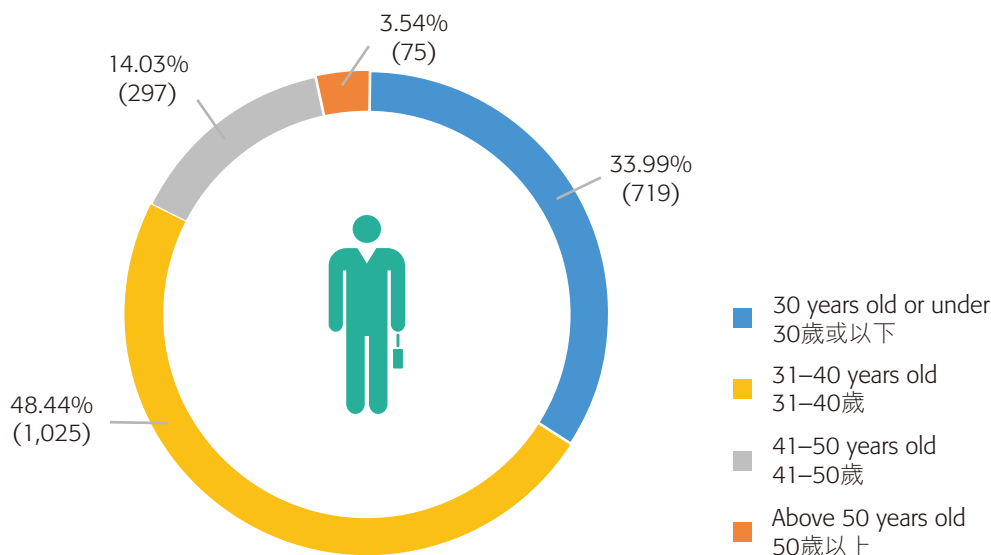
Distribution of Workforce by Academic Qualifications
學歷水準分佈圖



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Distribution of Workforce by Age Group
年齡層次分佈圖



	2023		2022	
	Number of people 人數	Percentage 佔比	Number of people 人數	Percentage 佔比
Employee turnover rate 人員流動率	164	7.75%	217	9.61%
Male employee 男職工	118	5.58%	163	7.22%
Female employee 女職工	46	2.17%	54	2.39%
Employee turnover rate 人員流動率				
Under 30 years old 30歲以下	97	4.58%	112	4.96%
30-50 years old 30-50歲	62	2.93%	101	4.47%
Above 50 years old 50歲以上	5	0.24%	4	0.18%

Talent attraction, employee training and development

The Group attaches great importance to employee safety training, job skills training and career development education, etc. A comprehensive training system is in place and improvement measures are formulated according to previous training results so as to continually enhance training effectiveness. In addition, in terms of technical positions, all new hires will receive pre-employment technical training to improve professional skills applicable to their job duties.

Free staff training provided by the factories of the Group in 2023 includes:

1. Participated in a number of external training for special operation certificates such as routine inspection and maintenance of pressure pipelines, chlorination process, safety production management personnel, pressure vessels, high-voltage electricians, electrolysis process, fire-fighting facilities operators, occupational health managers, etc.
2. Invited safety experts of the China Chemical Safety Association to the Company to provide a training seminar on the "Dual Prevention Mechanism" for the purpose of further enhancing all employees' active safety awareness on learning, understanding and observing laws.
3. Each factory compiled a "team journal" to share and learn daily production management experience, work safety cases and employees' work experience.
4. Jiangsu Chemical conducted specialized technical training in production skills in the form of "team gathering" for all production staff every month. Zhuhai Chemical organized team safety meeting training twice a month.
5. According to the annual training plan of each workshop, Jiangxi Chemical, through the online public service platform of chemical safety education and offline training, strengthened the awareness of safety production and improved the quality of safety training for all employees.

人才吸納，培訓及發展

本集團重視員工的安全培訓、崗位技能培訓、職業發展教育等，建立了完善的培訓體系，並根據培訓效果制訂改進措施，以不斷提高培訓成效。此外，就技術職位而言，每位新聘僱員均會接受職前技術培訓，以提高工作所需的專業技能。

2023年本集團旗下工廠免費為員工提供的培訓內容包括：

1. 參與壓力管道巡檢維護、氯化工藝、安生生產管理人員、壓力容器、高壓電工、電解工藝、消防設施操作員、職業衛生管理員等多項外部特種作業證培訓。
2. 邀請中國化學品協會的安全專家到公司開展《雙重預防機制》培訓講座，進一步強化全員學法、懂法、守法動安全意識。
3. 各工廠編製「班組期刊」，分享和學習日常生產管理經驗、安全生產案例和員工工作心得。
4. 江蘇化工每月以副班會的形式組織全體生產員工進行生產技能等專項培訓。珠海化工每月兩次組織班組安全會議培訓。
5. 江西化工通過線上化工安全教育公共服務平台、按照各車間年度培訓計劃，同時採用線下的培訓模式，強化安全生產意識，提高全員安全培訓品質。



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To improve the professionalism of employees and their ability to perform their duties, the Company has fully implemented an employee evaluation system, encouraged employees to actively learn and fully understand and master the job skills to improve themselves. The Company would also organize internal and external training to improve job-related knowledge, in the hope of developing the potential of employees and promote the development of the Company.

為提高員工的職業素養及履職能力，公司全面推行員工考核制度，通過對員工考核，鼓勵員工主動學習充分了解和掌握工作技能，提升自己。公司亦會舉辦內部和委外的培訓，增進工作相關的知識，希望能發展員工的潛能，共融公司的發展。

In 2023, the Group arranged for 2,116 employees to receive vocational training and relevant procedural skills training (total attendees in 2022: 2,251).

本集團在2023年年度安排僱員參加職能培訓和相關的流程培訓共2,116人參加(2022年年度：共2,251人參加)。

Classification 分類		Number of people 人數	Percentage of the total number of staff 佔總人數比例	Average training hours per person 人均培訓課時
Position 職級	Above supervisor level 主管以上	386 (380)	18.24% (16.88%)	74 (74)
	Below supervisor level 主管以下	1,730 (1,871)	81.76% (83.12%)	74 (74)
Classification 分類	Male 男	1,596 (1,765)	75.43% (78.41%)	74 (74)
	Female 女	520 (486)	24.57% (21.59%)	74 (74)

Note: 2022 data for comparison in parentheses.

附註：括弧內為2022年的對比數據。

Part of training contents in 2023

2023年度部分培訓內容

Department 部門	Training aspects 培訓需求	Target 培訓對象
Production workshop 生產車間	1. Process specification 工藝規程	Workshop staff & workers 車間職員工
	2. Specialized knowledge about equipment 設備專業知識	Workshop staff & workers 車間職員工
	3. Personal protective equipment wearing standards 勞動防護用品規範穿戴	All factory staff & workers 工廠內全員
	4. Legal knowledge (Work safety law, The latest version of chlorine safety regulations) 法律法規知識(安全生產法、最新版氯氣安全規程)	Supervisors or above 主管級別或以上員工
	5. Special operation: electrolysis and chlorination 特種作業：電解工藝、氯化工藝	Workshop staff & workers 車間職員工
	6. Operations involving special equipment: pressure vessels, pressure pipelines 特種設備作業：壓力容器、壓力管道	Workshop staff & workers 車間職員工
	7. Special operations; high-voltage electrician, low-voltage electrician 特種作業：高壓電工、低壓電工	Workshop staff & workers 車間職員工
	8. Occupational health management knowledge training 職業衛生管理知識培訓	Workshop staff & workers 車間職員工

Department 部門	Training aspects 培訓需求	Target 培訓對象
Office 辦公室	1. Corporate culture, work etiquette 企業文化、工作禮儀	All staff 全體員工
	2. ERP computer system operation ERP電腦系統操作	Responsible operators 負責操作人員
	3. ISO Training ISO培訓	All staff 全體員工
	4. Financial system and tax regulations 財務制度和稅務的法規	Finance department and related departments 財務部及相關部門
	5. Procurement process and system 採購流程及制度	Procurement department and related departments 採購部及相關部門
	6. Safety standardization specification 安全標準化規範	All staff 全體員工

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In order to foster a sense of belonging of employees to the Company, Jiangxi Chemical has set up a staff residence hall. The dormitory area is furnished with recreational amenities such as a basketball court, an indoor badminton court, a table tennis court, billiards, and a yoga studio. There is also a library equipped with board games to enable staff to enrich their knowledge and broaden their horizons after work.

公司為提升員工歸屬感，江西化工自建《職工之家》，宿舍區設有籃球場、室內羽毛球場、乒乓球場、檯球、瑜珈室等康樂休閒設施；並設有圖書館，配備棋類益智思維，使員工在業餘時間豐富自己的知識文化開闊視野。

In September, the Group held the 10th "Lee & Man Chemical" Cup Men's Basketball Competition, and the players were in high spirits, and showed their style and skills on the court, through which the cohesiveness of the enterprise was enhanced.

9月份組織了第十屆「理文化工」杯男子籃球賽，隊員們意氣風發，在球場上賽出風格、賽出水準，增強了企業的凝聚力和向心力。



Award ceremony to employees who worked for ten years

頒贈工作滿十年員工服務獎儀式



Jiangxi Chemical employees participate basketball competition

江西化工員工參加籃球比賽

Child and Forced Labor

童工及強迫勞工

When hiring employees, the Company strictly monitors the age of job applicants. Candidates must be over 18 years old and have to present their ID cards, the authenticity of which will be verified by the human resources department upon hire. In the daily operation of the Group, employees can report if they find that someone uses another person's identity document, so as to achieve the control objectives from many aspects.

在聘請員工時，公司嚴格管控，應聘者必須年滿18週歲以上並出示本人身份證，由人力資源部核查資訊真實性後，方可錄用。本集團亦於日常營運上，員工如發現有他人使用身份證明文件任職的情況可以作出舉報，從多方面達成管控目標。

In addition to monitoring the recruitment process of the Group, we also regularly investigate the recruitment process of agencies. Besides establishing management system to address potential breaches of conduct, we also require suppliers to formulate measures on the prevention of child and forced labor. The Company shall cease to work with any violating parties.

Based on the above internal control measures, the Group did not find any major violation of child labor or illegal labor standards during the year.

OPERATIONAL

Product Quality

The domestic factories of the Group have passed the ISO9001 Quality Management System Certification, ISO45001 Occupational Health and Safety Management System and certification of ISO14001 Environmental Management System. Jiangxi Chemical have passed the audit of ISO50001 Energy Management System. Jiangxi Chemical has passed the certification of GB/T23001 Integration of Informatization and Industrialization Management Systems, and Zhuhai Chemical has also passed the certification of IATF16949 Automotive Quality Management Systems.

Certification attained 已取得的認證

Jiangsu Chemical 江蘇化工

Jiangxi Chemical 江西化工

Zhuhai Chemical 珠海化工

ISO9001: 2015 Certificate ISO9001: 2015證書	✓	✓	✓
ISO45001: 2018 Certificate ISO45001: 2018證書	✓	✓	✓
ISO14001: 2015 Certificate ISO14001: 2015證書	✓	✓	✓
ISO50001: 2018 Certificate ISO50001: 2018證書		✓	
IATF16949: 2016 Certificate IATF16949: 2016證書			✓
GB/T23001: 2017 Certificate GB/T23001: 2017證書		✓	

We pay attention to standardized management. Product quality standardization is implemented during quality management, and the implementation rate of product standards (including national standards, industrial standards and enterprise standards) is 100%. The factory has formulated a complete quality management manual and control procedures, and established a comprehensive goods receipt & delivery and quality control module with ERP system, DingTalk OA Approval Platform and other tools, so as to effectively realize the whole process management functions from factory entry of raw materials to production program control, warehouse transfer of semi-finished products, product storage and delivery, vehicle and customer terminal tracing and so on.

除了監控本集團的招聘流程，我們亦定期調查代理機構的招聘流程，訂立管理制度應對可能出現的違反操守的行為，我們也要求供應商必須制訂措施避免童工及強制勞工。如發現該單位有違規情況，公司將停止與其合作。

基於上述內部控制措施，本年度內，本集團並沒有發現任何違反童工或不法勞工守則。

營運

產品質量

本集團旗下國內工廠均通過了ISO9001質量管理體系、ISO45001職業健康安全體系和ISO14001環境管理體系認證，其中江西化工也取得ISO50001能源管理體系的審核認證。江西化工取得了GB/T23001兩化融合管理體系，珠海化工也取得IATF16949汽車質量管理體系的審核認證。

我們注重標準化的管理，品質管制實施了產品品質標準化，產品標準(包括國標、行標、企標)執行率實現了100%全覆蓋。工廠制定了完善的品質管制手冊和各控制流程，結合ERP系統、釘釘OA審批平台等工具，建立全面的收發貨、品質管控模組，這樣有效實現從原材料進廠到生產流程控制，半成品繳庫，產品倉儲發貨，車輛及客戶終端追溯等全流程管理功能。

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Both Jiangsu Chemical and Jiangxi Chemical have obtained the Food Production License for the production of sodium hydroxide as a food additive; Jiangxi Chemical has obtained the Sanitation Permit for Disinfection Product Production Enterprises for the production of "84" disinfectant, and the CPVC blend compound products produced by Jiangsu Chemical have obtained the UL and NSF product certification in the United States, and been successfully recognized by the Certification Department after the unannounced inspections of UL laboratory and NSF engineers every year.

In the first half of 2023, Jiangsu Chemical set up a high-purity methyl chloride production plant (40,000 tons/year) which has now been put into operation. This product is used in cellulose synthesis, silicone and quaternary ammonium salt industries. In addition, Zhuhai Chemical's fluoroethylene carbonate project has been expanded, and the products from the original production line have been highly recognized by downstream lithium battery manufacturers.

The Group is equipped with a number of advanced devices for the production of two high polymer material products to help improve product quality. For example, for the PTFE produced by Jiangxi Chemical, the analysis room is equipped with a total organic carbon analyzer (TOC) for ultra-pure water detection so as to ensure that the water quality meets the requirements. Jiangsu Chemical's laboratory is equipped with advanced testing instruments, including total chlorine analyzer, inductively coupled plasma emission spectrometer (ICP), inductively coupled plasma emission mass spectrometer (ICP-MS), Shimadzu gas chromatography-mass spectrometer (GC-MS), liquid chromatograph (LC), Metrohm 870 potentiometric titrator and 702 potentiometric titrator, which can be used to test the physical and chemical properties of various high purity chemicals and new materials. In addition, for the fluoroethylene carbonate produced by Zhuhai Chemical, the laboratory is equipped with Agilent gas chromatograph (the US), Shimadzu gas chromatograph (Japan), inductively coupled plasma emission spectrometer (Germany), Metrohm 870 potentiometric titrator (Switzerland), 831 moisture meter, 888 potentiometric titrator, double-station and single-station glove boxes, which can comprehensively and carefully analyze organic matters.

Jiangxi Chemical pursues excellence and strives to be the best in the aspect of production management. Production team use advanced instruments such as online chromatograph, online concentration meter and automatic titrator to improve the detection efficiency and realize the real-time and refined quality process control. Factory laboratory have also established information management system to achieve the combination of test data and production data, so as to improve the stability of product quality. In February 2023, Jiangxi Chemical won the "Industrial Development Enterprise Outstanding Contribution Award", and in May, Jiangxi Chemical was awarded by China Association of Fluorine and Silicone Industry as a "Model Enterprise in China's Fluorine and Silicon Industry".

江蘇化工和江西化工兩廠均取得用於食品生產的食品添加劑氫氧化鈉《食品生產許可證》，江西化工取得用於生產「84」消毒液的《消毒產品生產企業衛生許可證》，江蘇化工生產的CPVC混料製品取得美國UL、NSF產品認證，每年接受UL實驗室、NSF工程師飛行檢查，都順利得到認證部門認可。

江蘇化工在2023年上半年度新增一套高純一氯甲烷生產裝置(4萬噸/年)並順利開車投產，該產品應用於纖維素合成、有機矽、季銨鹽等行業。此外，珠海化工氟代碳酸乙烯酯項目擴產建設，原有產線產品已獲得下游製作鋰電池的客戶高度認可。

本集團就生產高分子材料的兩款產品配備了多項先進的設備，以助提升產品品質。例如江西化工生產的聚四氟乙烯，分析室配備了有機碳測定儀(TOC)，用於超純水檢測，以確保水質符合要求。江蘇化工實驗室配備了先進的檢測儀器，包括有總氯分析儀、電感耦合等離子發射光譜儀(ICP)、電感耦合等離子發射質譜儀(ICP-MS)、日本島津氣相色譜一質譜儀(GC-MS)、液相色譜儀(LC)、瑞士萬通870電位滴定儀、702電位滴定儀等，以滿足各類高純化學品、新材料的理化性能檢測。另外，珠海化工生產的氟代碳酸乙烯酯，實驗室配備了美國的安捷倫氣相色譜儀、日本島津氣相色譜儀、德國電感耦合等離子發射光譜、瑞士萬通870電位滴定儀、831水分儀、888電位滴定儀，雙工位和單工位手套箱，對有機物可以全面細緻地分析。

江西化工在生產管理方面追求卓越、力臻至善。生產團隊應用在線色譜儀、在線濃度計、自動滴定儀等先進儀器，提高檢測工作效率，以及質量過程控制的實時化和精細化。工廠實驗室亦建立了信息化管理系統，實現檢測數據與生產數據相互結合，提高產品質量穩定性。江西化工在2023年2月榮獲「工業發展企業突出貢獻獎」，5月由中國氟硅有機材料工業協會授予江西化工「中國氟硅行業典範企業」。

Customer Relationship Maintenance

The Group values the feedback of customers. In terms of after-sales services and complaint handling, the sales department communicates with customers regularly and distributes satisfaction survey reports every year to understand their general and special needs for products. The Company ensures that the feedback from customers is true, timely and sufficient through face-to-face interviews, telephone calls, the internet, conferences, and exhibitions, etc. The marketing team classifies and summarizes the various needs of customers and transmits the relevant information to the relevant departments respectively, so that the market response speed and service quality of the Company's products can be improved.

Customers can raise any questions related to quality and safety through multiple communication channels, such as contacting the designated salesperson or by email. We will earnestly and quickly follow up relevant issues and give appropriate feedback. After discussion, evaluation and investigation of related departments, we will look for any potential risks and the Group undertakes to take corrective, recovery or preventive measures in a timely manner. In 2023, the Group did not have any sold product that had to be recalled for safety and health reasons.

When receiving customer complaints about product quality and service, the Company's sales department and quality control department will organize relevant meetings to discuss and determine the underlying reasons, propose corrections, and take preventive measures. In 2023, the Group received a total of four customer complaints (Note 1). The Company has arranged resolved and replaced each case, in order to meet the requirements of each customer for high-quality chemical products.

客戶關係維護

本集團重視客戶的反饋。在售後服務處理方面，銷售部定時跟客戶溝通，並於每年分發滿意度調查問卷，了解其對化工產品的一般需求及特殊需求。公司通過會面拜訪、電話、網絡、會議、展會組織等途徑，確保與客戶的回饋意見真實、及時和充分。營銷團隊把顧客的各種需求資訊，進行分類匯總，分別傳遞到相關部門，使公司產品的市場回應速度提升，服務品質提高。

客戶可通過多樣的溝通管道，例如聯繫負責的銷售人員或透過電郵，提出任何品質及安全相關問題。我們會認真和迅速地跟進相關問題，並作出合適的反饋。在相關部門檢討、評估和調查後，查找任何潛在風險，本集團承諾及時採取糾正、回收或預防措施。在2023年度，本集團未有由於安全及健康的原因而需召回出售的產品。

在收到顧客提出對產品品質和服務方面的投訴時，公司的銷售和品管部門將針對組織相關開會討論、查明原因、提出糾正、和作出預防措施。在2023年，本集團曾經共收到4宗客戶投訴(附註1)，見附表，公司已為每項進行調解和置換，務求維護好每位客戶對優質化工產品的要求。

Company 公司	Customer feedback 客戶回饋內容	Handling 處理情況
Jiangsu Chemical 江蘇化工	Product appearance defect (1) 產品外觀問題(1宗)	The reasons have been found and the products have been returned or changed 已查明原因做退換貨處理
Jiangxi Chemical 江西化工	There are foreign matters in the goods (2 cases) 貨物中有異物(2宗)	The causes have been found out and the quality control has been strengthened 已查明原因及加強品質管控
Zhuhai Chemical 珠海化工	Product packing drum defect (1) 產品包裝桶問題(1宗)	The reasons have been found and the products have been returned or changed 已查明原因及進行退貨處理

Note 1: In 2022, the Group received 5 customer complaints.

附註1：於2022年，本集團共收到5宗客戶投訴。

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Commercial Ethics and Anti-corruption

The Group adheres to business integrity, abides by business ethics, resolutely resists corruption and bribery, and will continue to improve its anti-corruption supervision system.

Lee & Man Chemical has formulated a Staff Manual. New employees will receive training before admission, learn the contents of the Staff Manual and understand the Company's requirements for anti-corruption. The Group also regularly provides bribery prevention training for senior executives. All subsidiaries have organized staff and cadres to participate in the special training on "bribery prevention and anti-corruption". The executives were deeply educated and warned after hearing typical cases explained by law firm professionals and the Company, learning relevant laws and regulations, and watching short anti-corruption education films. The Group also provided anti-corruption training to the Board to create a clean working environment in all aspects.

Below are photos of anti-corruption training to employee organised by Jiangsu Chemical and Jiangxi Chemical:



The Company has formulated a Management System for Conflicts of Interest Arising During An Employee's Service, which stipulates that all relevant personnel related to new recruits, promotions and transfers must truthfully fill out the Employee Interest Statement which will be verified by the human resources department, so as to eliminate all risks of conflicts of interest. The General Manager's mailbox has been made available and it is opened at least once a week by specific personnel. All employees can report corruption, bribery, acceptance of improper gifts or remuneration and other violations or personnel through the General Manager's mailbox. Once the violations are verified, the relevant parties will be punished in the form of labor contract cancellation. Such arrangement is considered an effective tool for preventing acts of corruption and bribery.

For the year ended 31 December 2023, the Group had no corruption complaint cases.

商業道德及反貪污

本集團始終堅守誠信經營，恪守商業道德，堅決抵制貪污受賄行為，不斷完善反貪污監管制度。

理文化工制定了《員工手冊》，新員工入職前都會接受培訓，學習《員工手冊》內容，了解公司對反貪污的廉潔要求。本集團也定期為高層管理職員提供防止賄賂的培訓。各子公司都有組織職員幹部參加「防止賄賂反貪污」的專題培訓，通過公司內部講解典型案例，學習相關法律法規、觀看反腐教育短片等形式，使管理人員深受教育和警示。本集團亦提供指引給董事會閱讀反貪污培訓，以全方位營造廉潔的工作環境。

以下為江蘇化工及江西化工員工參加反貪污培訓：



公司制訂的《員工服務利益衝突管理制度》中，明確規定所有新入職、晉升和調動等涉及的相關人員需如實填寫《員工利益聲明》，人力資源部核實，堅持源頭防範。本集團建立了總經理信箱，指定人員每週至少開啟一次。全體員工均可通過總經理信箱舉報揭發貪污、賄賂、收受不正當的禮物或報酬等違紀行為或人員，違紀行為一經核實後，相關當事人將受到解除勞動合同的處罰，此舉有力地杜絕了貪污受賄行為的發生。

截至2023年12月31日止年度，本集團並無發生貪污投訴案件。

R & D Innovation and Intellectual Property Protection

For the purpose of sustainable innovation and breakthrough, the Group has a research and development (R & D) team that determines the development direction according to the Company's development strategies and technical difficulties, provides human and financial support, continues to innovate and make breakthroughs, and creates new products and new technology applications.

In 2023, the Group invested more than RMB110 million in R & D projects. It has made many achievements in R & D and technical transformation, including the technology of lithium battery electrolyte additives, the process of hydrogen peroxide oxidation tail gas, new CPVC fire service pipe products, resource utilization of hydrochloric acid, etc. The R & D achievements not only enrich the Company's product resources, but also contribute to environmental protection and emission reduction.

By the end of 2023, Lee & Man Chemical has obtained 217 granted patents, including 40 invention patents and 177 utility model patents.

The Group attaches great importance to the establishment of intellectual property rights. In order to safeguard the Group's interests and its development, we require employees to remain cautious when using the Company's resources. Sharing with third parties should be avoided, and private and personal use in the form of replication, imitation, reproduction, excerpt and distribution is also prohibited. In terms of accessing to and transmitting core information, only specific senior managers have relevant authority. In addition, when developing a technical transformation with a third party, a contract will be clearly signed to protect the interests of scientific and technological achievements of both parties.

As an intellectual property owner, the Group will report to the local judicial authority and resolutely crack down on infringement and illegal acts when any product or technology is found to be used without the Group's authorization, and upon internal review, it is confirmed that our intellectual property rights have been infringed.

Green Supply Chain

The Group has established a comprehensive supply chain management procedure, and classified suppliers according to the types of materials they provide based on the catalog of qualified suppliers. When new suppliers are introduced, they have to undergo an assessment in relation to environmental and social risks. Purchasing department check whether the supplier is in abnormal operation or has serious dishonesty and violation of laws, and inquire about the credit status of the legal person and contact person at China Enforcement Information Disclosure website. Every year, the Group assesses the backgrounds, qualifications, quality control track records for similar types of service, contract performance, professionalism of project teams, corporate integrity as well as environmental and social risks and responsibilities of its suppliers, and grades them according to the assessment results. Priority will be given to well-performing suppliers when placing orders.

研發創新和知識產權保障

為持續創新突破，本集團擁有自己的研發隊伍，根據公司的發展戰略和技術瓶頸確立開發方向，給予人力財物支援，持續創新突破，創造出的新產品、新技術應用。

在2023年度，本集團共投入近人民幣1.1億元在研發項目上。在研發和技改取得多項成果，包括鋰電池電解液添加劑的技術、過氧化氫氧化尾氣的工藝、CPVC消防管新產品、鹽酸資源化利用等等的項目，研發成果不但豐富了公司的產品資源，也有利環保減排做出貢獻。

截至2023年年末，理文化工共已取得授權專利217項，其中發明專利40項，實用新型專利177項。

本集團重視構建智慧財產權，為保障本集團的利益和發展，我們要求員工在使用公司資源時提高警覺，避免對外分享，亦不得以複製、仿造、轉載、摘編、散佈等形式私自利用。在查閱和傳遞核心的資訊上，僅供特定的高級管理人員有相關權限，此外與協力廠商合作開發某項技術改造時，會明確簽訂合同保障雙方科研成果的利益。

作為知識產權擁有人，當發現該產品和技術未經本集團授權使用，在內部審查後確實其知識產權已受侵犯，本集團會向當地司法部門作出檢舉，堅決打擊侵權違法行為。

綠色供應鏈管理

本集團建立了完整的供應鏈管理流程，在合格供應商目錄上，按物料類別進行了分類，新供應商引入時會進行關於環境及社會風險的評估，由採購部查驗供應商是否有異常經營狀況及嚴重失信違法，通過《中國執行信息公開網》查詢法人及業務聯絡人的信用狀況。本集團每年對合作供應商進行的考核，主要包括評估供應商的背景、資歷、過去相近類型服務質素控制、合約履約、項目團隊的專業性、企業誠信、環境、社會風險及責任等。並按考核結果進行評級，對優秀的供應商會考慮優先給予訂單。

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Key qualifications of each supplier are recorded in the supplier management system. When a qualification is about to expire, an automatic reminder will be sent to the relevant supplier to avoid overdue and not up-to-date information. Suppliers with no activity for a prolonged period of time are set to be automatically removed from the list of qualified suppliers. In order to further improve the supplier management system, the Group sorts materials provided by each single supplier and materials with stable prices, and rechecks the prices according to actual conditions so that our factories can obtain the best materials and services.

The Group has adopted an open and transparent procurement system to help to provide a fair and transparent platform for relevant suppliers and reduce the impact of the "human factor". For our major raw materials, we compare historical procurement costs with formula prices of framework contracts, and introduce new suppliers according to the actual situation, improve the competitiveness, and strive to select the best suppliers and obtain the best prices, thereby obtaining reduced costs and enhanced supplier stability. At the same time, according to the national energy conservation and carbon reduction policy, the procurement department and professional departments give priority to energy-saving products, look for products and raw materials with lower energy consumption in the production and operation process, and continue to pay attention to the new trends of relevant industries and technologies. Where feasible, the Group will give priority to purchasing sustainable products and services.

Key suppliers have to undergo an on-site inspection every year that is conducted by the GMO and departments in charge of quality control, procurement and production, on a sample basis. The suppliers' environmental performance is also assessed. Suppliers are required to rectify the problems identified on site within a fixed period of time. Those who fail the assessment shall have their contracts terminated. All incoming raw materials are tested and stored in specific areas according to prescribed standards, guaranteeing that every batch of raw materials used for production is controllable and traceable.

In case of abnormal quality of raw materials, our procurement department, quality control department and production workshop will assign staff members to communicate with suppliers to identify and solve problems promptly, and ensure that production is carried out under the prescribed process parameters and is not affected.

The Group works with nearly 950 compliant suppliers. Strict entry approval, process supervision, regular assessment and exit procedures have been carried out for them. In strict accordance with the supplier management system, the admittance of suppliers with a purchase amount of more than RMB50,000 and more than two transactions in these years has been approved. In 2023, there were 591 suppliers in this category, and an annual review has been conducted.

供應商管理系統將記錄每個供應商的主要資格，並在到期時自動提醒，以避免資格過期未更新的情況。針對長期未合作的單位，系統會設定固定期限，自動將其從合格供應商清單中移除。為了進一步完善供應商體系，重點對單一供應商的物資以及價格進行梳理，並根據實際情況重新核價，以確保工廠獲得最優質的物料和服務。

本集團採用陽光採購系統，為相關供應商提供一個公平透明的平台，減少人為因素影響。對於主要原材料，通過歷史採購成本及框架合同公式價的對比，並根據實際情況引入新的供應商，提升競爭性，努力做到選用最佳供應商並取得最優價格，成本下降的同時也提升了供應穩定性。同時針對國家提出的節能減碳政策，採購部連同專業部門優先選擇節能型產品，尋找生產、運行過程耗能更低的產品、原料，並持續關注相關產業、技術的新動態。在可行的情況下，優先採購具環境元素的產品和服務。

對於重點供應商每年安排總經辦、品管、採購、生產等多部門進行現場抽查，評估包含其生產鏈對環境的影響，如現場發現問題將要求供應商於限期內整改，並淘汰考核不通過的供應商。所有進廠的原材料都按照規定的標準進行檢測，合格後存放於指定位置，保證生產使用的每一批次原料可控、可追溯。

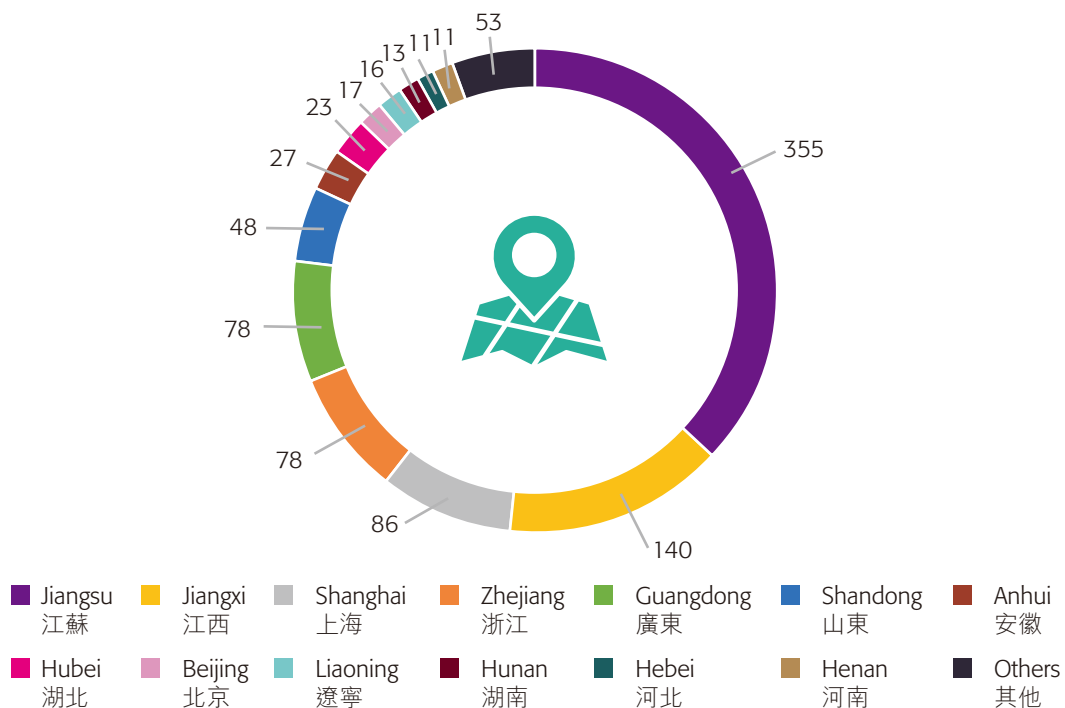
一旦發生原料品質異常，採購部、品管部、生產車間會派員與供應商進行協商，確認問題根源，及時解決，保障生產能按規定的工藝流程參數進行，不受影響。

本集團對於合規供應商有約950家都進行了嚴格的進入審批、過程監督、定期考核及退出流程。嚴格按照供應商管理制度，對該些年採購額大於人民幣5萬元及超過兩次交易發生的供應商准入進行審批，在2023年有591家屬於此類別，已進行了年度評審。

The suppliers are mainly divided into raw material suppliers, production equipment manufacturers and suppliers for packaging auxiliary materials, etc., most of which are located in different regions of China. They are close to the factory location, which shortens the transportation radius, reduces carbon emissions, and is more conducive to ensuring the timeliness of the supply chain. Details are shown in the figure below.

供應商主要分為原料供應商、生產設備商和包裝輔材等，大部份分佈在中國國內不同的區域，靠近工廠所在地，縮短了運輸半徑，減少了碳排放，也更利於保證供應鏈的時效性，見下圖。

Geographical Distribution of Supplier
供應商地區分佈



At present, the Company has worked with suppliers of major raw materials such as raw salt, methanol, and fluorite chlorinated vinyl carbonate for many years. These suppliers provide us with great advantages in terms of pricing and assurance of supply. Due to the solid strategic cooperative relationships established between these suppliers and the Company, we will implement sustainable procurement policies with them to ensure a stable supply of raw materials.

目前原鹽、甲醇、螢石、氯化碳酸乙烯酯等主要原料供應商，都與公司合作多年，無論從價格和供應保證上均有很大優勢。主要原料供應商均建立了穩固的戰略合作關係，公司會與其落實可持續性發展採購政策，保障穩定供應。

In terms of product logistics and transportation, the Group only hires qualified transportation companies to transport hazardous chemicals. All transportation companies, drivers, loading and unloading technicians and supercargoes have received safety training, and their performance is strictly reviewed and evaluated by the sales department. Vehicles are required to undergo inspection and maintenance regularly to ensure that they are leak-proof during delivery.

在產品物流運輸方面，本集團只聘用合資格的運輸公司運送有害化學品。運輸公司、駕駛員、裝卸技術人員和押運員有接受過安全教育，銷售部物流會對其進行嚴格審查和評估。車輛必須定期檢修，確保運送途中不會出現跑冒滴漏。

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Reasonable Sales and Promotion

Strictly complying with the Advertising Law of the People's Republic of China and other laws, regulations and industrial norms, the Group has formulated and strictly implemented a marketing management system. Before delivery, every batch of products will undergo testing in accordance with the items and indicators stipulated by corporate standards and national standards; qualified products are stored separately. Every batch of products for sale is accompanied by a product testing and analysis report as well as a safety data sheet (SDS) for hazardous chemicals, safety notice card, emergency contact telephone numbers and other information. Such information is kept on delivery vehicles to ensure product traceability by customers with respect to its safe use, and to ensure timely support from our sales department and easy access to enquiry in case of after-sales problems.

Information and content displayed on the Group's advertisements, labels, and marketing materials for all business segments are subject to review and approval before public use. The Group strictly controls the legality and truthfulness of the content of its promotional materials, and strictly prohibits deceptive and misleading information.

Information Security and Digital Transformation

Lee & Man Chemical has built multi-level network security and convenient applications in information technology. The ERP enterprise information management platform of domestic factories covers the Company's process, production, sales, procurement, finance, quality and other operation and management processes, Lee & Man Chemical continues to promote "intelligent" development in the process of operation and uses self-developed data exchange system to integrate the safety and environmental data and operating status data of the DCS system, PLC system, electrical system and other systems of each unit into the central database to improve the operation efficiency and meet the work safety requirements.

In terms of information security and digital conversion, we do a good job in guarantee through software and hardware environment and technical reserves. Most of the Company's operation businesses or data have been covered in ERP system. The information and technology department routinely checks the virus database every day, keeps a close eye on the traffic information of key network devices, disables the Internet access function for all devices that are not necessary to access the Internet, and backs up important data (such as ERP data, emails, and shared data disks) once a day or more than once a day. Dynamic attention is paid to the new border gateway devices in the market, and the devices are replaced and upgraded when necessary.

合理的營銷及宣傳

本集團嚴格遵守《中華人民共和國廣告法》等法律法規與行業規範，制訂並嚴格落實營銷管理制度。產品出貨前每一批次都按照企標、國標規定的項目、指標進行檢測，合格後區分存儲。每批次銷售出去的產品隨運輸車輛附帶產品檢驗分析報告單以及危化品SDS、安全周知卡、緊急聯繫電話等信息，保證客戶對於各批次的產品安全使用具備可追溯性及遇到售後問題有銷售部負責同事協助及時解決，便於諮詢。

本集團對各業務的廣告、標籤、產品宣傳推廣的資訊內容，都需經過審核批准後方可對外使用。本集團嚴格把控宣傳物料內容的合法性、真實性，嚴禁欺騙及誤導性的資訊。

信息安全與數字轉型

理文化工在資訊科技上構建了多層次的網路安全和便捷化各種應用，國內工廠的ERP企業資訊化管理平台，涵蓋了公司工藝、生產、銷售、採購、財務、品質等各個經營管理過程，並在運行過程中不斷推動「智能化」發展，利用自行開發的資料交換系統，將各裝置的DCS系統、PLC系統、電氣系統等的安全環保資料、運行狀態資料等融合到中央資料庫中，提升營運效率及符合安全生產。

在資訊安全方面，我們通過以軟硬體環境和技術儲備來做好保障，公司大部份運營業務或資料都已涵蓋在ERP內，資訊及科技部門每日例行檢查病毒庫，隨時關注關鍵網路設備的流量信息，非必要接入互聯網的設備一律關閉上網功能，對重要數據(如ERP數據，電子郵件，共享數據盤等)進行每天一備或一天多備。動態關注市面新型邊界閘道設備，必要時更換升級。

In addition, in terms of digital transformation, the Company's servers and desktops have all been virtualized, making it easier to upgrade, migrate and expand the capacity of the business in the future and meanwhile enhancing the confidentiality of data. The receipt and delivery system has been implemented one-card-pass and DingTalk materials collection with QR code, which are effective for ensuring accuracy and consistency.

The Group also attaches importance to consumer information security, takes certain security protection measures in accordance with the requirements of laws and regulations, and strengthens employees' understanding of the importance of protecting information through employee education, so as to protect consumers' information and privacy. The Company has no data leakage or non-compliance cases in 2023.

SOCIAL PARTICIPATION AND CO-CONSTRUCTION

Lee & Man Chemical values the importance of social responsibility through providing support and contributing back to society, including community exchange, hygiene, education, and sports development.

In order to practice the Company's safety values, carry forward the enterprise spirit and enhance the communication between employees' families and the enterprise, Lee & Man Chemical's factories have invited all sectors of society to participate in the exchange and communication activities for many years, so as to enhance the public's understanding of chemical enterprises.

Community Sharing

Jiangsu Chemical actively participated in the interaction activities of "Empowering villages and realize rural development through village-enterprise joint operation and rural revitalization" held in 2023. By visiting communities, the villagers' representatives have deepened their understanding of the management philosophy of Lee & Man Chemical and enhanced their trust in the effective management of modern enterprises. We hope that more residents in the surrounding areas can know about the Company, and we can help revitalize the industry and local development by organizing more similar activities and complementing resources.

In 2023, Jiangxi Chemical donated NaClO disinfectant products to Guixi Red Cross Society, sponsored Jiujiang University – National College Student Chemical Engineering Design Competition, and also donated money to Ruichang Charity Society, which was used specifically by Nanyang Township Nursing Home. The amount of the above donations reached approximately RMB100,000.

此外，在數位化轉型方面，公司的伺服器 and 桌面已全部實現虛擬化，對業務未來的升級，遷移，擴容更便捷，同時提升了資料的保密性。收發貨系統實現了一卡通及釘釘掃二維碼領料，更有效使賬實相符。

本集團同樣重視客戶資訊安全，按照法律法規要求，採取一定的安全保護措施，通過對員工的教育，加強員工對於保護資訊重要性的認識。盡力保護客戶提供的資訊和其私隱。公司在本年度沒有數據外泄或不合規案例。

社會參與及共建

理文化工重視社會責任，支持對社會各領域的關愛和回饋，包括在社區交流、衛生、教育、和體育發展等各方面。

為踐行公司安全價值觀，弘揚企業精神，增進員工家屬與企業的交流，理文化工旗下工廠連續多年均有邀請社會各界參加交流和溝通，增進公眾對化工企業的了解。

社區交流

江蘇化工積極參與了2023年舉行的「村企聯營賦動能，鄉村振興謀發展」聯誼活動。通過踏進社區，使村民代表加深了解理文化工的經營理念，增強對現代化企業有效管理的信任。我們共同期望通過多組織類似活動，資源互補，讓更多的周邊居民了解公司，振興產業和地方發展。

江西化工在2023年分別向貴溪紅十字會捐贈次氯酸鈉消殺產品、支援「九江學院－全國大學生化工設計競賽」及向瑞昌市慈善會捐贈，定向用於南陽鄉敬老院。以上捐助金額共約人民幣10萬元。

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Health Protection

The Group, as a chemical production enterprise, manufactured some disinfection products at the beginning, responded to the epidemic prevention work organized by the health authorities for many times, donated disinfectants and supporting materials, contributing our own strength.

衛生防護

本集團作為化工生產企業，製造了部份消毒產品，多次響應政府衛生部門組織的防疫工作，捐贈消毒水和保障物資，義不容辭貢獻自己的力量。

Occupational Development

In 2023, a series of “Jiangsu Craftsman” vocational skills competitions were held in Suzhou, and the organizer of Changshu Chemical General Control Workers Vocational Skills Competition invited the Lee & Man Chemical to send employees to participate in it. Chemical general control workers are an important role in chemical production, which are mainly responsible for managing the monitoring and control of chemical synthesis and chemical reaction to ensure safe, efficient and stable production. This competition can raise the public’s skills and awareness of the chemical industry and profession. The contestants focused on the competition and gave their best, which fully demonstrated the solid operation level, professionalism and style of frontline employees.

職能發展

2023年蘇州市舉行「吳地工匠」職業技能系列競賽活動，常熟市化工總控工職業技能競賽組織方邀請理文化工派員工參加。化工總控工是化工生產中的一個重要崗位，主要負責管理化學合成、化學反應過程中的監控和控制，確保生產的安全、高效和穩定。此次比賽可以提升公眾對化工行業的技能專業認知。選手們全神貫注、全力以赴，充分展現了前線員工紮實的操作水準、職業素養和拼搏的風採。



Sports Development

The 2023 Changshu Shanghu Lake International Half Marathon opened amid the shouting and cheering of spectators!

體育發展

「2023常熟尚湖半程馬拉松」萬名跑者在吶喊與加油聲中熱力開跑！

In order to show the perseverance and vitality of Lee & Man Chemical employees, The Group organized runners enthusiasts from various departments to participate in the competition, and more than 50 employees actively participated in it. They encouraged each other in the process. On the beautiful track around Shanghu Lake, the employees showed the spirit of never giving up and perseverance, and made unremitting efforts until they broke through the finish line.



江蘇理文化工為展現職員工拼搏活力，組織各部門跑步愛好者參賽，超過50名公司團隊員工踴躍參加，彼此互相鼓勵。在風景秀麗的尚湖賽道上，「理文人」展現了永不言棄的精神和堅毅的耐力，不懈奮進，直至衝破終點。



In 2023, Ruichang Federation of Trade Unions held the Ruichang Employee Fitness Challenge, and Jiangxi Chemical actively participated in the competition. Our team won the first place in the enterprise group. Later in November, in the 6th Ruichang Workers Sports Games, Zhang Jiale, an employee of Jiangxi Chemical, won the first place in the men's team in the Tour of City race, which reflected the courage and enterprising spirit of Lee & Man Chemical employees.

2023年瑞昌市總工會舉辦了全市職工健身操比賽，江西化工積極參賽，派出的代表隊奪得企業組第一名的佳績。其後在11月份，瑞昌市第六屆職工運動會，江西化工員工張佳樂取得環城跑比賽男子組第一名，體現了我們理文人敢於拼搏和進取精神。

The Group continued to provide title sponsorship for Lee Man Football Club this year to promote football in Hong Kong.

本集團於今年度繼續冠名贊助理文足球會，推動香港足球運動。

Lee Man Football Club aims to cultivate young local soccer players and attaches importance to professional and scientific training. The professional team of the Club won the second place in the Hong Kong Premier League in 2022/2023, and even sent a team to represent Hong Kong in the AFC Champions League. Many players in the team were selected into the Hong Kong team and participated in international competitions, winning glory for Hong Kong, China.

理文足球會以培養本地年輕足球員為目標，重視專業和科學化訓練。球會的職業隊伍在2022/2023年度取得香港超級聯賽第二名，更有派隊代表香港參加亞冠盃。隊內多名球員均入選香港代表隊及參與國際賽事，為中國香港爭光。

The Club has set up Lee Man Youth Academy to cultivate a number of young people aged 8 to 18, so that they can receive systematic training. The Youth Academy received 1-star certification from "AFC Elite Program".

球會亦設立理文青訓學院，培養由8歲至18歲的青少年，讓其得到系統化的足球訓練。青訓學院更成功獲「亞洲足協菁英計劃」頒發一星認證。



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Awards and Honors in 2023

The Group has won recognition and affirmation from various parties in the past year. Below are some awards and honors obtained in 2023:

2023年度獎項及榮譽

本集團在2023年度，獲得了多方的認可與肯定，下列為部分獎項和榮譽：

Issuer 頒授單位	Award or honor 獎項或榮譽	Company 公司
CPC Changshu Municipal Committee Changshu Municipal People's Government 中共常熟市委員會 常熟市人民政府	2023 Outstanding Green Development Enterprise 2023年度優秀綠色發展企業	Jiangsu Chemical 江蘇化工
CPC Changshu Economic Development Zone Working Committee Management Committee of Changshu Economic and Technological Development Zone 中共常熟經濟開發區工作委員會 常熟經濟技術開發區管理委員會	Advanced Collective for Comprehensive Management of Safety, Fire Protection, Environmental Protection and Energy Conservation 安全消防環保節能綜合管理工作先進集體	Jiangsu Chemical 江蘇化工
Suzhou Overseas Chinese Enterprise Federation 蘇州僑商會	2023 Vice President Organization (4th) of Suzhou Overseas Chinese Enterprise Federation 2023年蘇州市僑商會(第四屆)副會長單位	Jiangsu Chemical 江蘇化工
Changshu Charity Federation Changshu Municipal People's Government 常熟市慈善總會 常熟市人民政府	Caring Enterprise 愛心企業	Jiangsu Chemical 江蘇化工
Science and Technology Department of Jiangxi Province Finance Department of Jiangxi Province Jiangxi Provincial Tax Service, State Taxation Administration 江西省科學技術廳 江西省財政廳 國家稅務總局江西省稅務局	High-tech Enterprise Certificate 高新技術企業證書	Jiangxi Chemical 江西化工
Department of Industry and Information Technology of Jiangxi Province Finance Department of Jiangxi Province Jiangxi Provincial Tax Service, State Taxation Administration 江西省工業和資訊化廳 江西省財政廳 國家稅務總局江西省稅務局	Provincial Enterprise Technology Center 省級企業技術中心	Jiangxi Chemical 江西化工
Health Commission of Jiangxi Province 江西省衛生健康委員會	Jiangxi Province Health Enterprise 江西省健康企業	Jiangxi Chemical 江西化工

Issuer 頒授單位	Award or honor 獎項或榮譽	Company 公司
China Association of Fluorine and Silicone Industry 中國氟硅有機材料工業協會	Model Enterprise in China's Fluorine and Silicone Industry 中國氟硅行業典範企業	Jiangxi Chemical 江西化工
China Association of Fluorine and Silicone Industry 中國氟硅有機材料工業協會	Safety Production Demonstration Unit in China's Fluorine and Silicone Industry 中國氟硅行業安全生產示範單位	Jiangxi Chemical 江西化工
Jiangxi Province Brand Building Promotion Association 江西省名牌建設促進會	Jiangxi Quality Methane Chloride Product 甲烷氯化物江西精品	Jiangxi Chemical 江西化工
Jiangxi Province Brand Building Promotion Association 江西省名牌建設促進會	Polyaluminum Chloride Famous Brand 聚氯化鋁名牌產品	Jiangxi Chemical 江西化工
Jiangxi Province Brand Building Promotion Association 江西省名牌建設促進會	HFP Famous Brand 六氟丙烯名牌產品	Jiangxi Chemical 江西化工
Jiangxi Province Brand Building Promotion Association 江西省名牌建設促進會	Hydrogen Peroxide Famous Brand 過氧化氫名牌產品	Jiangxi Chemical 江西化工
CPC Ruichang Municipal Committee Ruichang People's Government 中共瑞昌市委 瑞昌市人民政府	Industrial Development Enterprise Energy Saving Award 工業發展企業節能獎	Jiangxi Chemical 江西化工
Suzhou Overseas Chinese Enterprise Federation 中共瑞昌市委瑞昌市人民政府	Industrial Development Enterprise Outstanding Contribution Award 工業發展企業突出貢獻獎	Jiangxi Chemical 江西化工
Ruichang Administration for Market Regulation Ruichang Special Equipment Safety Professional Committee 瑞昌市市場監督管理局 瑞昌市特種設備安全專業委員會	Ruichang Advanced Unit of Special Equipment Safety Management 瑞昌市特種設備安全管理工作先進單位	Jiangxi Chemical 江西化工
Ruichang Federation of Trade Unions 瑞昌市總工會	Advanced Trade Union 先進工會	Jiangxi Chemical 江西化工

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SGS-CSTC Standards Technical Services Co., Ltd. SGS通標標準技術服務有限公司	Automotive Quality Management Certification 汽車品質管制體系證書	Zhuhai Chemical 珠海化工
Guangdong Provincial Tax Service, State Taxation Administration Science and Technology Department of Guangdong Province Finance Department of Guangdong Province 國家稅務總局廣東省稅務局 廣東省科學技術廳 廣東省財政廳	High-tech Enterprise 高新技術企業	Zhuhai Chemical 珠海化工
Department of Industry and Information Technology of Guangdong Province 廣東省工業和資訊化廳	Provincial "Specialized and Innovative" Enterprise 省級專精特新	Zhuhai Chemical 珠海化工

Color classification

顏色類別

	Green environment related 綠色環境相關
	Product quality related 產品品質相關
	Industry development related 行業發展相關

Profile of Directors and Senior Management

董事及高級管理層簡介

EXECUTIVE DIRECTOR

Ms. WAI Siu Kee, aged 79, Chairman of the Group who joined the Group since its establishment in 1976. Ms. Wai has extensive experience in the manufacturing industry of over five decades. She is responsible for the development of corporate strategies, corporate planning and overall management of the Group and in particular the marketing and development of the business of the Group. Ms. Wai is the mother of Mr. Lee Man Yan, an Executive Director and the Chief Executive Officer of the Group.

Mr. LEE Man Yan, aged 46, the member of Chinese People's Political Consultative Committee of Jiangxi and Chief Executive Officer of the Group. He joined the Group in 2000. Mr. Lee is in charge of the corporate and strategic planning of the Group, and is responsible for the management operations, procurement of mechanical materials, staff management and public relations in the PRC of the business. He graduated from the University of British Columbia, Canada with a Bachelor's Degree in Commerce. Mr. Lee was awarded Young Industrialist Award of Hong Kong 2013 and Young Entrepreneur Award 2013. He is appointed as member of the Departmental Advisory Committee for the Department of Chemistry of City University of Hong Kong and Committee Member of Hong Kong Young Industrialists Council. Mr. Lee is a son of Ms. Wai Siu Kee, an Executive Director and the Chairman of the Group.

Mr. YANG Zuo Ning, aged 61, an Executive Director of the Group and General Manager of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2006. He is a national acclaimed senior engineer and has over 40 years of production experience in chlor-alkali industries. He is responsible for the strategic planning, general management and advisory of production engineering to the Group.

執行董事

衛少琦女士，79歲，本集團主席，於本集團在1976年成立時加入。衛女士於製造業積累逾五十載的豐富經驗。彼負責本集團的企業策略、企業策劃及集團整體管理的發展，尤其是本集團業務的市場推廣及發展。衛女士為本集團執行董事及首席執行官李文恩先生之母。

李文恩先生，46歲，江西省政協委員會委員及本集團首席執行官。彼於2000年加入本集團。李先生負責本集團之整體策略規劃，並負責日常營運管理，機械物料採購，人事管理及維繫與國內政府機構關係工作。彼畢業於加拿大英屬哥倫比亞大學，持有商學士學位。李先生獲頒為2013年香港青年工業家及2013年青年企業家。彼現獲委任為城市大學化學系諮詢委員會委員及香港青年工業家協會執委會成員。李先生為本集團執行董事及主席衛少琦女士之兒子。

楊作寧先生，61歲，本集團執行董事及江西理文化工有限公司總經理。彼於2006年加入本集團。彼持有國家高級工程師職稱，擁有逾40年氯鹼化工生產技術之經驗。彼負責本集團、策略策劃，日常管理工作及提供生產技術建議。

Profile of Directors and Senior Management

董事及高級管理層簡介

NON-EXECUTIVE DIRECTOR

Professor CHAN Albert Sun Chi JP, aged 73, CPPCC National Committee, JP, a Non-executive Director of the Group. He joined the Group in 2015 as Chief Strategist. In 2016, he was designated as an Executive Director and re-designated as a Non-executive Director in 2024. He is a world-renowned organic chemist, Member of the Chinese Academy of Sciences and President Emeritus of Hong Kong Baptist University. He is responsible for the planning of the Group's overall business and long term strategies, formulating new product development directions, leading the Group's research and development team for enhancement of scientific research technology, commercializing its research results and introducing new products into the market. Professor Chan received his bachelor degree from International Christian University in Japan in 1975 and his MSc and PhD degrees from the University of Chicago respectively in 1976 and 1979. Upon graduation from the University of Chicago, he started an industrial career at the Monsanto Corporate Research Laboratories where he had worked for 13 years, rising through the ranks of Senior Research Chemist, Research Specialist, Senior Research Specialist and finally Monsanto Fellow. Since joining the Hong Kong Polytechnic University in 1994, Professor Chan had served as Chair Professor and Head of the Department of Applied Biology and Chemical Technology, Dean of the Faculty of Applied Science and Textiles, and Vice President (Research Development). He was the 4th President and Vice-Chancellor of Hong Kong Baptist University in 2010–2015. Professor Chan's research areas include the application of chiral catalysts in asymmetric syntheses and their industrial applications, development of pharmaceutical products and related processes, pharmaceutical and nutritional products based on Chinese medicines, new organic chemical processes and their industrial applications, research and industrial applications of green sciences, novel material discovery and development, etc. Elected as Member of the Chinese Academy of Sciences in 2001, Professor Chan has received numerous prestigious awards including State Natural Science Award of China (second class), Lectureship Award by The Society of Synthetic Organic Chemistry, Japan and Invitation Fellowship of Japan Society for the Promotion of Science.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. WAN Chi Keung, Aaron BBS JP, aged 74, an Independent Non-Executive Director of the Group. He holds a Master's Degree in Business Administration of the Chinese University of Hong Kong and a Master's Degree in Buddhist Studies of the University of Hong Kong. He is also an associate of the Institution of Business Agents, a member of the Land Institute (London), an associate of the Chartered Institute of Arbitrators, a fellow of The Institute of Administrative Accounting and a fellow of The Royal Institution of Chartered Surveyors. He is engaged in the business of property and chattel valuation and auction and has over 37 years of related experience. Mr. Wan serves as an independent non-executive director in Tongda Hong Tai Holdings Limited (Stock Code: 2363) and CNC Holdings Limited (Stock Code: 8356).

非執行董事

陳新滋教授太平紳士，73歲，全國政協委員，太平紳士，本集團非執行董事。彼於2015年加入本集團出任總參謀，彼於2016年出任執行董事並於2024年調任非執行董事。陳教授是世界著名的有機化學家、中國科學院院士及香港浸會大學榮休校長。彼之主要職務涉及本集團整體業務及長遠策略規劃、制定新產品研發方向、帶領本集團研發團隊，增強科研技術、將其研究成果商品化及將新產品推出市場。陳教授於1975年在日本國際基督教大學取得學士學位，並於1976年及1979年先後獲美國芝加哥大學頒授碩士和博士學位，畢業後在美國孟山都公司任職了13年，從高級化學研究師逐步晉升至孟山都院士。自1994年起受聘於香港理工大學，陳教授先後擔任應用生物及化學科技學系講座教授兼系主任、應用科學及紡織學院院長和副校長(科研發展)職位。他曾於2010至2015年間擔任香港浸會大學第四任校長。陳教授的研究範疇包括不對稱合成催化劑及其工業應用、醫藥產品及其相關程式的開發、以中藥為基礎的醫藥及營養產品、新有機化學程式及其工業應用、綠色科學的研究及其工業應用、新型材料的發現和開發等。陳教授於2001年榮膺中國科學院院士，並曾獲得多項獎項包括中國國家自然科學獎(二等)、日本有機合成化學會Lectureship Award和日本科學振興會邀請學人獎。

獨立非執行董事

尹志強先生BBS太平紳士，74歲，本集團獨立非執行董事。彼持有香港中文大學工商管理碩士學位及香港大學佛學碩士學位。彼亦為英國商業經紀學會會員、英國倫敦土地學會會員、英國皇家仲裁學會會員、英國管理會計師學會之資深會員及英國皇家特許測量師院士。彼從事物業及動產估值及拍賣業務，並具有超過37年相關經驗。尹先生於通達宏泰控股有限公司(股份代號：2363)及中國新華電視控股有限公司(股份代號：8356)出任獨立非執行董事。

Mr. HENG Victor Ja Wei, aged 46, an Independent Non-Executive Director of the Group. He is a partner of Morison Heng, Certified Public Accountants. He holds a Master of Science Degree of the Imperial College of Science, Technology and Medicine, the University of London. He is a fellow member of The Association of Chartered Certified Accountants and member of The Hong Kong Institute of Certified Public Accountants. Mr. Heng serves as an independent non-executive director in Matrix Holdings Limited (Stock Code: 1005), Veson Holdings Limited (Stock Code: 1399), Best Food Holding Company Limited (Stock Code: 1488) and TradeGo FinTech Limited (Stock Code: 8017). He also serves as the company secretary and authorized representative of China Life Insurance Company Limited (Stock Code: 2628).

Mr. WONG King Wai Kirk, aged 41, an Independent Non-Executive Director of the Group. He holds a Master's degree in business administration from The Hong Kong University of Science and Technology. He is a solicitor of the High Court of Hong Kong since 2010. He is the founder and a director of Marvel Group Holdings Limited, a company that manufactures disposable baby products since April 2012. He has also been a director and legal counsel at Keenway Industries Ltd., a plastic toy manufacturer since September 2009. Mr. Wong serves an independent non-executive director in Thing On Enterprise Limited (Stock Code: 2292).

SENIOR MANAGEMENT

Mr. LAM Hiu Fung, aged 53, Financial Controller of the Group. He joined the Group in 2005 and has 30 years of experience in financial management. He holds a Bachelor's Degree in Accountancy from City University of Hong Kong and a Master's Degree in International Business from the Chinese University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He is responsible for the supervision on the financial matters, tax issues and general management.

Mr. XIA Xu Dong, aged 49, Deputy General Manager of Jiangsu Lee & Man Chemical Limited. He joined the Group in 2006 and has 27 years of production experience in chlor-alkali industries. He is responsible for the supervision and general management of production of Jiangsu Lee & Man Chemical Limited.

Dr. TSE Man Kin, aged 52, Executive Dean of Research & Development of the Group. He joined the Group in 2008 and has 29 years of experience in chemical research and research management. He holds a PhD in Chemistry from the Chinese University of Hong Kong and is a member of the American Chemical Society. He is responsible for the research and development of the Group and advising on manufacturing process.

邢家維先生，46歲，本集團獨立非執行董事。彼為華利信會計師事務所的合夥人。彼擁有英國倫敦大學帝國理工學院理學碩士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。邢先生於美力時集團有限公司(股份代號：1005)、銳信控股有限公司(股份代號：1399)、百福控股有限公司(股份代號：1488)及捷利交易寶金融科技有限公司(股份代號：8017)出任獨立非執行董事。彼並於中國人壽保險股份有限公司(股份代號：2628)擔任公司秘書及授權代表。

王經緯先生，41歲，本集團獨立非執行董事。彼持有香港科技大學工商管理碩士學位。彼亦自2010年起為香港高等法院事務律師。彼為美滿集團控股有限公司(一間生產即棄式嬰兒用品之公司)之創辦人兼董事。自2009年起，彼亦為鍵輝實業有限公司(一間塑料玩具生產商)之董事兼法律顧問。王先生於晉安實業有限公司(股份代號：2292)出任獨立非執行董事。

高級管理層

林曉峰先生，53歲，本集團之財務總監。彼於2005年加入本集團，擁有30年財務管理經驗。彼持有香港城市大學會計學學士及香港中文大學國際商業碩士學位。彼為英國特許公認會計師公會之資深會員，亦為香港會計師公會會員。彼負責財務監督、稅務及日常管理工作。

夏旭東先生，49歲，江蘇理文化工有限公司副總經理。彼於2006年加入本集團，擁有27年氯鹼行業生產技術之經驗。彼負責江蘇理文化工有限公司生產之監督及日常管理工作。

謝文健博士，52歲，本集團研發部執行院長。彼於2008年加入本集團，擁有29年化學研究及研發管理經驗。彼持有香港中文大學化學博士學位及為美國化學學會成員。彼負責本集團之研發工作及工藝指導。

Profile of Directors and Senior Management

董事及高級管理層簡介

Mr. WU Zeng Long, aged 54, Deputy General Manager of Jiangsu Lee & Man Chemical Limited. He joined the Group in 2007 and has over 30 years of experience in sales, marketing and business development. He holds a Bachelor's Degree in Applied Chemistry. He is responsible for sales and logistics activities of Jiangsu Lee & Man Chemical Limited.

Mr. WAI Hiu Yu, aged 38, Deputy General Manager of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2008 and has 15 years of management experience in manufacturing industry. He holds a Bachelor's Degree in Engineering from The University of British Columbia, Canada. He is responsible for developing of Jiangxi Lee & Man Chemical Limited sales strategies, exploring potential markets and logistics management.

Mr. CHEAH Ming Huat, aged 51, Deputy General Manager of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2011 and has 26 years of experience in financial management. He is a fellow member of the Association of Chartered Certified Accountants and chartered accountant of Malaysian Institute of Accountants. He is responsible for the supervision on the financial matters, treasury management, internal control, tax issues and general management.

Mr. DING Yao, aged 39, Deputy General Manager of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2008 and has 16 years of production engineering experience in refined chemicals and chlor-alkali industries. He is responsible for the production of fluorochemical and chlor-alkali chemical and general management of Jiangxi Lee & Man Chemical Limited.

Mr. QIU Yi Lin, aged 51, Deputy General Manager of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2006. He acquired qualification of mechanical engineer in 2003 and has 27 years of management experience in power station and electrical and mechanical equipment. He is responsible for the operation and general management of power station as well as facility maintenance of Jiangxi Lee & Man Chemical Limited.

Professor SUN Wai Yin, Raymond, aged 47, General Manager of Zhuhai Lee & Man Materials Science Company Limited and Deputy General Manager of Guangzhou Lee & Man Technology Company Limited. He holds a Ph.D. in Chemistry from The University of Hong Kong and has engaged in the R&D of novel organic and inorganic materials including fluorinated additives and key components for lithium batteries for more than 25 years. Professor Sun had worked at Shantou University (China) as Professor in Chemistry and Director of the International Affairs Office, and also served as Honorary Professor (2016–2018) and Invited Visiting Professor (2015) at The University of Hong Kong and The University of Toulouse (France), respectively. Professor Sun joined the Group in 2016 and is responsible for the general management, and the research and development of the Zhuhai Lee & Man Materials Science Company Limited and Guangzhou Lee & Man Technology Company Limited.

吳增龍先生，54歲，江蘇理文化工有限公司副總經理。彼於2007年加入本集團，擁有逾30年銷售管理、市場推廣、業務發展工作經驗。彼持有應用化學學士學位。彼負責江蘇理文化工有限公司之銷售及物流工作。

衛曉宇先生，38歲，江西理文化工有限公司副總經理。彼於2008年加入本集團，擁有15年製造業的管理經驗。彼持有加拿大英屬哥倫比亞大學工程學學士學位。彼負責江西理文化工有限公司之銷售策略，業務拓展及物流管理工作。

謝銘軒先生，51歲，江西理文化工有限公司副總經理。彼於2011年加入本集團，擁有26年財務管理經驗。彼為英國特許會計師公會之資深會員及馬來西亞會計師公會之註冊會計師資格。彼負責財務監督，資金管理，內部監控，稅務及日常管理工作。

丁堯先生，39歲，江西理文化工有限公司副總經理。彼於2008年加入本集團，擁有16年的精細化工及氯鹼行業生產技術經驗。彼負責江西理文化工有限公司之氟化工及氯鹼化工的生產及日常管理工作。

邱奕淋先生，51歲，江西理文化工有限公司副總經理。彼於2006年加入本集團。彼於2003年取得機械工程師資格，擁有27年的發電站及機電設備管理經驗。彼負責江西理文化工有限公司之發電站運作及日常管理和設備保養工作。

辛偉賢教授，47歲，珠海理文新材料有限公司總經理、廣州理文科技有限公司副總經理。彼持有香港大學化學系博士學位，並從事新型有機和無機化合物，包括含氟電解液添加劑及鋰電池關鍵部件等化學材料研發工作超過25年。辛教授曾任汕頭大學化學系教授及國際交流辦公室主任，並曾受邀擔任香港大學名譽教授(2016–2018)和法國圖盧茲大學特邀訪問教授(2015)。彼於2016年加入本集團，負責珠海理文新材料有限公司和廣州理文科技有限公司的綜合管理和研發工作。

Mr. ZHOU Wei, aged 42, Director of Information Technology of the Group. He joined the Group in 2006 and has over 20 years of experience in software development and information system management. He is responsible for the execution management of information system of the Group.

Mr. SHU Dong, aged 41, Director of Procurement of the Group. He joined the Group in 2006 and has 18 years of experience in chemical production and supply chain management. He has a bachelor's degree in chemical engineering from Anhui University. He is responsible for the management of the Procurement Department of the Group.

COMPANY SECRETARY

Mr. HO Chun Ho Jason, aged 36, Company Secretary of the Group. He joined the Group as the assistant financial controller in 2018 and is appointed as the company secretary of the Group in 2020. He is a fellow of the Hong Kong Institute of Certified Public Accountants, with over 10 years of experience in auditing, accounting and financial management. He has a bachelor's degree of business administration in professional accounting from the Hong Kong University of Science and Technology. He is responsible for the treasury management, accounting and company secretarial matters of the Group.

周偉先生，42歲，本集團之信息技術部總監。彼於2006年加入本集團，擁有逾20年軟件開發及信息系統管理經驗。彼負責集團信息系統執行管理工作。

舒東先生，41歲，本集團之採購部總監。彼於2006年加入本集團，擁有18年化工生產及供應鏈管理經驗，彼持有安徽大學化學工程學士學位，彼負責集團採購部管理業務工作。

公司秘書

何圳浩先生，36歲，本集團之公司秘書。彼於2018年加入本集團擔任副財務總監，並於2020年起獲委任為本集團之公司秘書。彼為香港會計師公會資深會員，在審計、會計及財務管理領域擁有逾十年經驗。何先生持有香港科技大學專業會計工商管理學士學位。彼負責本集團庫務管理、會計及公司秘書事宜。

Directors' Report

董事會報告

The directors have pleasure in submitting their annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the Group is principally engaged in the manufacture and sale of chemical products.

The principal activities of its principal subsidiaries are set out in Note 39 to the consolidated financial statements.

BUSINESS REVIEW

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a fair review of the business and a discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2023, an indication of likely future development in the Group's business, a discussion of the Group's environmental policies and performance, and its compliance with the relevant laws and regulations that have a significant impact on the Group and an account of the Group's key relationships with its employees, customers and suppliers that have a significant impact on the Group can be found in the sections 'Chairman's Statement', 'Management Discussion and Analysis', 'Corporate Governance Report' and 'Environmental, Social and Governance Report' of this Annual Report. The aforesaid form part of this report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and other comprehensive income on page 100.

An interim dividend of HK5 cents per share amounting to HK\$41,250,000 in aggregate was paid to the shareholders during the year.

The directors now recommend the payment of a final dividend of HK14 cents per share to the shareholders whose names appear on the register of members on 21 May 2024, amounting to HK\$115,500,000 in total, subject to the approval of the shareholders at the forthcoming annual general meeting.

SHARE CAPITAL

There was no movement in the share capital of the Company during the year. There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares during the year.

董事會欣然提呈本公司截至2023年12月31日止之年度報告及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，而本集團主要從事生產及銷售化工產品。

其主要附屬公司之主要業務載於綜合財務報表附註39。

業務審視

就香港《公司條例》附表5指定活動而進行之討論和分析，包括對本集團業務之中肯審視、對本集團面對之主要風險及不明朗因素的討論、在2023年財政年度結束後發生並對本集團有影響的重大事件之詳情、本集團業務相當可能進行之未來發展的揭示、本集團的環境政策和表現及遵守對本集團有重大影響的有關法律及規例的討論，以及本集團與其僱員、顧客及供應商的重要關係(該等關係對本集團有重大影響)的說明，已載於本年報「主席報告」、「管理層討論及分析」、「企業管治報告」，以及「環境、社會及管治報告」幾節內。上述幾節乃本報告之一部分。

業績及分派

本集團截至2023年12月31日止年度之業績載於第100頁之綜合損益及其他全面收益表。

年內已向股東支付中期股息每股5港仙總額為41,250,000港元。

董事現建議派發末期股息每股14港仙予於2024年5月21日名列股東名冊之股東，總額為115,500,000港元，惟須待股東於應屆股東週年大會上批准。

股本

年內，公司股本並無變動。本公司或其附屬公司並無購買、出售或贖回公司的上市股份。

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company's reserves available for distribution to shareholders represented the aggregation of the share premium and retained profits of HK\$419,371,000 (2022: HK\$613,819,000).

DONATIONS

Charitable and other donations by the Group during the year amounted to HK\$10,188,000 (2022: HK\$11,346,000).

FIVE YEAR 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 180.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors

Ms. Wai Siu Kee (*Chairman*)
Mr. Lee Man Yan (*Chief Executive Officer*)
Mr. Yang Zuo Ning

Non-executive director

Professor Chan Albert Sun Chi *JP* (*Redesignated from an Executive Director on 8 March 2024*)

Independent non-executive directors

Mr. Wong Kai Tung, Tony (*Resigned on 2 August 2023*)
Mr. Wan Chi Keung, Aaron *BBS JP*
Mr. Heng Victor Ja Wei
Mr. Wong King Wai Kirk (*Appointed on 1 March 2023*)

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

可供分派儲備

於2023年12月31日，本公司可供分派給股東之儲備代表股份溢價及保留溢利合共419,371,000港元(2022年：613,819,000港元)。

捐款

年內，本集團之慈善及其他捐款約為10,188,000港元(2022年：11,346,000港元)。

五年財務概要

本集團近五個財政年度之業績及資產負債概要載於第180頁。

董事

於本年度及截至本報告日止，本公司之董事為：

執行董事

衛少琦女士(*主席*)
李文恩先生(*首席執行官*)
楊作寧先生

非執行董事

陳新滋教授*太平紳士*(於2024年3月8日自執行董事調任)

獨立非執行董事

王啟東先生(於2023年8月2日辭任)
尹志強先生*BBS太平紳士*
邢家維先生
王經緯先生(於2023年3月1日獲委任)

本公司已經根據上市規則第3.13條收到每位獨立非執行董事就其獨立性而作出的年度確認函。本公司認為所有獨立非執行董事確屬獨立人士。

Directors' Report

董事會報告

In accordance with Article 87 of articles of association of the Company (the "Articles of Association") and Corporate Governance Code (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Mr. Yang Zuo Ning and Mr. Wan Chi Keung Aaron shall retire by rotation at the 2024 Annual General Meeting and, being eligible, offer themselves for re-election. Mr. Heng Victor Ja Wei has also served as Independent Non-executive Director of the Company for more than nine years. Pursuant to the Code, his re-election shall be subject to separate resolution to be approved by the shareholders at the 2024 Annual General Meeting.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company not terminable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2023, the interests and short positions of directors and chief executives of the Company and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which have been notified of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Long positions in shares of the Company

Ordinary shares of HK\$0.10 each of the Company

Name of director 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. Lee Man Yan 李文恩先生	Beneficial owner 實益擁有人	536,250,000	65%
Ms. Wai Siu Kee 衛少琦女士	Beneficial owner 實益擁有人	82,500,000	10%

根據本公司之《組織章程細則》(「組織章程細則」)第87條及香港聯合交易所有限公司《證券上市規則》(「上市規則」)附錄十四《企業管治守則》(「守則」)，楊作寧先生及尹志強先生將於2024年股東週年大會上輪值告退，彼等符合資格，並表示願意膺選連任。邢家維先生擔任本公司獨立非執行董事超過九年，根據《守則》，彼之重選須由股東以獨立決議案形式於2024年股東週年大會上審議通過。

董事之服務合約

擬於即將召開之股東週年大會上膺選連任之董事，概無與本公司訂立不可於一年內在不予賠償(法定賠償除外)之情況下終止之服務合約。

董事於股份及相關股份中之權益

於2023年12月31日，本公司各董事及最高行政人員及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份中，擁有並須根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司(「聯交所」)的有關權益或淡倉，或已記錄乃根據證券及期貨條例第352條須存置之登記冊，或已根據聯交所證券上市規則(「上市規則」)之上市公司董事進行證券交易之標準守則(「標準守則」)知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司股份之好倉

本公司每股0.10港元之普通股

(b) Share options

Name of director	Capacity	Number of ordinary shares subject to options granted	Percentage of the issued share capital of the Company
董事姓名	身份	授出的購股權所涉及的普通股數目	佔本公司已發行股本百分比
Mr. Lee Man Yan 李文恩先生	Beneficial owner 實益擁有人	82,500,000	10%

Other than disclosed above, none of the directors or the chief executive, or any of their associates, had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations, which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SHARE OPTIONS

A share option scheme was adopted by the Company on 14 July 2017, under which the directors or the chief executive of the Company or their associates may be granted options to subscribe for shares in the Company.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of all outstanding options granted under the share option scheme of the Company (including both exercised and outstanding options) to each participant in any twelve months period must not exceed 1% of the shares in issue for the time being.

In addition, any share options to a substantial shareholder and/or an independent non-executive Director of the Company or any of their respective associates, and where the total number of shares issued and to be issued upon exercise of all options granted or to be granted to such person in any 12-month period exceed 0.1% of the Company's shares in issue and with an aggregate value (based on the closing price of the shares on the date of grant) in excess of HK\$5 million, are subject to the Company's shareholders' approval in general meeting.

As at the date of this report, the Company has 82,500,000 share options outstanding under the Share Option Scheme, representing approximately 10% of the shares of the Company in issue.

Details of the share option scheme and movement of the share options during the year are set out in Note 33 to the consolidated financial statements.

(b) 購股權

Number of ordinary shares subject to options granted	Percentage of the issued share capital of the Company
授出的購股權所涉及的普通股數目	佔本公司已發行股本百分比
82,500,000	10%

除上文所披露外，概無董事或最高行政人員或彼等之聯繫人士於本公司或其任何相聯法團之股份及相關股份中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所、或根據證券及期貨條例第352條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

購股權

本公司於2017年7月14日採納一項購股權計劃，據此本公司之董事或最高行政人員或彼等之聯繫人士可獲授予購股權以認購本公司股份。

除非股東批准，各參與者於任何十二個月期間根據本公司購股權計劃獲授之所有未行使購股權獲行使時已發行及將予發行之股份總數，不得超過當時已發行股份1%。

此外，授予本公司主要股東及／或獨立非執行董事或彼等各自之任何聯繫人士以及倘導致在任何十二個月期間內因行使已授予或將授予有關人士之所有購股權而發行或將予發行的股份總數超過本公司已發行股份之0.1%且總值(按授出日期之股份收市價計算)超過五百萬港元之任何購股權，須待本公司股東於股東大會上批准後，方可作實。

於本報告日期，根據購股權計劃，本公司共有82,500,000份購股權尚未行使，佔當日本公司已發行股份約10%。

於年內購股權計劃及購股權變動之詳情載於綜合財務報表附註33。

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ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2023, shareholders (other than directors and chief executive of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
股東姓名	身份	普通股數目	
Ms. Kwok Ching Yee Lorinda (Note) 郭靜怡女士(附註)	Interest of Spouse 配偶權益	536,250,000	65%

Note: Ms. Kwok Ching Yee Lorinda is the spouse of Mr. Lee Man Yan. She is deemed to be interested in the Shares held by Mr. Lee Man Yan under the SFO.

Other than disclosed above, as at 31 December 2023, the Company has not been notified by any persons (other than directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

購買股份或債券之安排

除上述披露之認股權外，本公司或其任何附屬公司於本年度任何時間內，概無參與任何安排，使本公司董事藉購入本公司或任何其他法人團體之股份或債券而獲取利益。

主要股東

於2023年12月31日，股東(本公司董事及最高行政人員除外)於本公司之股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部已向本公司披露、或已記錄乃根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

好倉

本公司每股0.10港元之普通股

Number of issued ordinary shares held	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
普通股數目	
536,250,000	65%

附註：郭靜怡女士乃李文恩先生的配偶。根據證券及期貨條例，彼被視為擁有李文恩先生所持有之股份的權益。

除上文所披露外，於2023年12月31日，概無任何人士(本公司董事及最高行政人員除外)通知本公司，指其在本公司之股份或相關股份中，擁有任何根據證券及期貨條例第XV部第2及3分部須向本公司披露、或已記錄乃根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2023 are disclosed in Note 37 to the consolidated financial statements. Some of these transactions also constituted continuing connected transactions under the Listing Rules, as identified below.

Continuing Connected Transactions

Lee & Man Paper Manufacturing Limited (“LMP”) and its subsidiaries (the “LMP Group”) is a group beneficially owned and controlled by the family members of Mr. Lee Man Yan, the ultimate controlling shareholder of the Company. The below transactions constitute continuing connected transactions of the Company accordingly.

On 31 December 2020, the Company and members of the Group renewed and entered into certain agreements governing the continuing connected transactions with LMP and members of the LMP Group (as the case may be), each for a term of three years commencing from 1 January 2021 and ending on 31 December 2023.

Details of the transactions, the annual caps and the counterparties are defined and as more particularly described in the announcements of the Company dated 31 December 2020, 4 January 2021, 5 January 2021 and 25 April 2022.

2021 Chemicals Purchase Agreement

The Company or members of the Group sells various industrial chemical products to LMP or members of the LMP Group. There is no minimum amount of industrial chemical products required to be purchased by the LMP Group.

The annual caps for chemicals purchase transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB175,000,000, RMB320,000,000 and RMB320,000,000 respectively.

During the year ended 31 December 2023, the aggregate transaction amount of chemicals purchase received/receivable by the Group from the LMP Group was RMB158,290,000.

2021 Jiangsu Steam and Electricity Agreement

Jiangsu Paper supplies steam and electricity to Jiangsu Chemical. Jiangsu Chemical provides the steam pipelines, electrical cables and relevant facilities to transfer steam and electricity to its production facilities. Jiangsu Chemical is also responsible for the maintenance and repairs of such steam pipelines, electrical cables and relevant facilities.

關連人士交易

本集團於截至2023年12月31日止年度內所訂立之重大關連人士之交易於綜合財務報表附註37內披露。根據上市規則，部分該等交易亦構成持續關連交易，茲識別如下。

持續關連交易

理文造紙有限公司（「理文造紙」）及其附屬公司（「理文造紙集團」）是一個由李文恩先生，即本公司的最終控股股東，之家族成員實益擁有及控制的集團。因此以下交易均構成本公司的持續關連交易。

於2020年12月31日，本公司及本集團成員公司與理文造紙及理文造紙集團成員公司（視乎情況而定）重訂及新訂若干持續關連交易之協議，各為期三年，均由2021年1月1日起至2023年12月31日結束。

有關交易、年度上限及對手方之定義及詳情已載於本公司日期為2020年12月31日、2021年1月4日、2021年1月5日及2022年4月25日之公告內。

2021年化工採購協議

本公司或本集團成員公司向理文造紙或理文造紙集團成員公司銷售多種工業化工產品。理文造紙集團並無購買工業化工產品最低金額之要求。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就化工採購交易之年度上限分別為人民幣175,000,000元、人民幣320,000,000元及人民幣320,000,000元。

截至2023年12月31日止年度內，本集團就化工採購交易向理文造紙集團已收／應收之總額為人民幣158,290,000元。

2021年江蘇蒸氣及發電協議

江蘇造紙向江蘇化工供應蒸氣及電力。江蘇化工提供傳送蒸氣及電力至其生產設施之蒸氣管道、電纜及相關設施，亦負責有關蒸氣管道、電纜及相關設施之保養及維修。

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The annual caps for Jiangsu steam and electricity supply transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB80,000,000, RMB80,000,000 and RMB80,000,000 respectively.

During the year ended 31 December 2023, the aggregate transaction amount of Jiangsu steam and electricity supply paid/payable by the Group to the LMP Group was RMB70,194,000.

2021 Jiangxi Steam and Electricity Agreement

Jiangxi Chemical supplies steam and electricity to LMP (or members of the LMP Group). The LMP Group provides the steam pipelines, electrical cables and relevant facilities to transfer steam and electricity to its production facilities. Jiangsu Chemical is also responsible for the maintenance and repairs of such steam pipelines, electrical cables and relevant facilities.

The annual caps for Jiangxi steam and electricity supply transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB100,000,000, RMB105,000,000 and RMB110,000,000 respectively.

During the year ended 31 December 2023, the aggregate transaction amount of Jiangxi steam and electricity supply received/receivable by the Group from the LMP Group was RMB61,898,000.

2021 Jiangsu Rental Agreement

Jiangsu Paper leases to Jiangsu Chemical certain office space and staff quarters as well as guestrooms (per actual use basis) in properties located in Jiangsu. In accordance with HKFRS 16, the Group has recognized right-of-use asset for the fixed portion under the 2021 Jiangsu Lease Agreement.

The annual caps for Jiangsu rental transactions (variable lease payments) for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB300,000, RMB300,000 and RMB300,000 respectively.

During the year ended 31 December 2023, the aggregate transaction amount (variable lease payments) of Jiangsu rental paid/payable by the Group to the LMP Group was RMB0.

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江蘇蒸氣及發電供應交易之年度上限分別為人民幣80,000,000元、人民幣80,000,000元及人民幣80,000,000元。

截至2023年12月31日止年度內，本集團就江蘇蒸氣及發電供應交易向理文造紙集團已付／應付之總額為人民幣70,194,000元。

2021年江西蒸氣及發電協議

江西化工向理文造紙(或理文造紙集團成員公司)供應蒸氣及電力。理文造紙集團提供傳送蒸氣及電力至其生產設施之蒸氣管道、電纜及相關設施，亦負責有關蒸氣管道、電纜及相關設施之保養及維修。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江西蒸氣及發電供應交易之年度上限分別為人民幣100,000,000元、人民幣105,000,000元及人民幣110,000,000元。

截至2023年12月31日止年度內，本集團就江西蒸氣及發電供應交易向理文造紙集團已收／應收之總額為人民幣61,898,000元。

2021年江蘇租賃協議

江蘇造紙向江蘇化工出租位處江蘇物業內之若干辦公室，員工宿舍及客房(按實際使用基準)。根據香港財務報告準則第16號，本集團已為2021年江蘇租賃協議之固定部份確認使用權資產。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江蘇租賃交易(可變租賃付款)之年度上限分別為人民幣300,000元、人民幣300,000元及人民幣300,000元。

截至2023年12月31日止年度內，本集團就江蘇租賃交易向理文造紙集團已付／應付之總額(可變租賃付款)為人民幣0元。

2021 Jiangxi Rental Agreement

Jiangxi Chemical leases to Jiangxi Paper and Jiangxi Tissue certain staff quarters as well as guestrooms (per actual use basis) in properties located in Jiangxi.

The annual caps for Jiangxi rental transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB5,000,000, RMB5,000,000 and RMB5,000,000 respectively.

During the year ended 31 December 2023, the aggregate transaction amount of Jiangxi rental received/receivable by the Group from the LMP Group was RMB2,428,000.

2021 Jiangxi Industrial Salt Loading Agreement

Jiangxi Paper provides loading and unloading services to Jiangxi Chemical for its bulk carrier, which carries industrial salt.

The annual caps for Jiangxi industrial salt loading transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB3,000,000, RMB3,000,000 and RMB3,000,000 respectively.

During the year ended 31 December 2023, the aggregate transaction amount of Jiangxi industrial salt loading paid/payable by the Group to the LMP Group was RMB2,660,000.

2021 Jiangxi PAC Loading Agreement

Jiangxi Paper provides loading and unloading services to Jiangxi Chemical for its containers, which carries industrial chemical products.

The annual caps for Jiangxi PAC loading transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB200,000, RMB200,000 and RMB200,000 respectively.

During the year ended 31 December 2023, the aggregate transaction amount of Jiangxi PAC loading paid/payable by the Group to the LMP Group was RMB18,000.

2021年江西租賃協議

江西化工向江西造紙和江西衛生用紙出租位處江西物業內之若干員工宿舍及客房(按實際使用基準)。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江西租賃交易之年度上限分別為人民幣5,000,000元、人民幣5,000,000元及人民幣5,000,000元。

截至2023年12月31日止年度內，本集團就江西租賃交易向理文造紙集團已收／應收之總額為人民幣2,428,000元。

2021年江西工業鹽裝載協議

江西造紙向江西化工用於運送工業鹽的散貨船提供裝載及卸載服務。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江西工業鹽裝載交易之年度上限分別為人民幣3,000,000元、人民幣3,000,000元及人民幣3,000,000元。

截至2023年12月31日止年度內，本集團就江西工業鹽裝載交易向理文造紙集團已付／應付之總額為人民幣2,660,000元。

2021年江西PAC裝載協議

江西造紙向江西化工用於運送工業化工產品的貨櫃提供裝載及卸載服務。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江西PAC裝載交易之年度上限分別為人民幣200,000元、人民幣200,000元及人民幣200,000元。

截至2023年12月31日止年度內，本集團就江西PAC裝載交易向理文造紙集團已付／應付之總額為人民幣18,000元。

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2021 Jiangsu Industrial Salt Loading Agreement

Jiangsu Paper provides loading and unloading services to Jiangsu Chemical for its bulk carrier, which carries industrial salt.

The annual caps for Jiangsu industrial salt loading transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB1,800,000, RMB1,800,000 and RMB1,800,000 respectively.

During the year ended 31 December 2023, the aggregate transaction amount of Jiangsu industrial salt loading paid/payable by the Group to the LMP Group was RMB1,208,000.

In accordance with Rule 14A.55 of the Listing Rules, the independent non-executive directors of the Company reviewed the continuing connected transactions disclosed in this report and confirmed that the transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter to the Company's directors confirming nothing has come to the auditor's attention that causes the auditor to believe that the continuing connected transactions disclosed in this report:

- (i) have not been approved by the Company's board of directors;
- (ii) for transactions involving the provision of goods or services by the Group, the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; or
- (iv) have exceeded the annual cap as set by the Company.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

2021年江蘇工業鹽裝載協議

江蘇造紙向江蘇化工用於運送工業鹽的散貨船提供裝載及卸載服務。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江蘇工業鹽裝載交易之年度上限分別為人民幣1,800,000元、人民幣1,800,000元及人民幣1,800,000元。

截至2023年12月31日止年度內，本集團就江蘇工業鹽裝載交易向理文造紙集團已付／應付之總額為人民幣1,208,000元。

根據上市規則第14A.55條，本公司獨立非執行董事檢討本報告所披露的持續關連交易，並確認有關交易：

- (i) 乃於本集團一般及日常業務過程中訂立；
- (ii) 按一般或更優惠的商業條款訂立；及
- (iii) 根據規管有關交易之相關協議及按公平合理且符合本公司及股東整體利益之條款訂立。

根據上市規則第14A.56條，本公司核數師獲委聘根據香港會計師公會發佈的香港鑒證業務準則3000號(經修訂)「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」就本集團之持續關連交易進行報告。該核數師已向本公司董事發出一份函件，確認概無任何事宜使彼等注意而導致彼等認為本報告所披露的持續關連交易：

- (i) 未獲本公司董事會批准；
- (ii) 就涉及由本公司提供貨品或服務的交易，概無於所有重大方面按照本集團的定價政策進行；
- (iii) 概無於所有重大方面根據相關協議訂立；或
- (iv) 超過本公司設定的年度上限。

除上文所披露外，並無任何其他交易須按上市規則之要求須予披露為關連交易。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the heading "Related Party Transactions", no transactions, arrangements and contracts of significance to which the Company or subsidiaries was a party and in which a director or a connected entity of a director of the Company had a material interest, whether directly and indirectly, subsisted at the end of the year or at any time during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers were less than 30% of total turnover.

During the year, the aggregate purchases attributable to the Group's five largest suppliers were approximately 36% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 13% of the Group's total purchases.

None of the directors, their associates or any shareholders which, to the knowledge of the directors, owned more than 5% of the Company's issued share capital had any interest in the share capital of any of the five largest customers of the Group.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees. Details of the scheme are set out in Note 33 to the consolidated financial statements.

董事於重要交易、安排及合約中之權益

除「關連人士交易」一段所披露外，本公司及附屬公司於年末或年內任何時間概無參與訂立與本公司董事有直接或間接重大權益之重要交易、安排及合約。

主要客戶及供應商

年內，本集團五大客戶之累計銷售少於總營業額之30%。

年內，本集團之五大供應商之累計購貨額約佔本集團總購貨額36%，而本集團最大供應商之採購佔本集團總購貨額約13%。

概無董事、彼等之聯繫人士或董事所知擁有本公司已發行股本5%或以上之任何股東，擁有本集團五大客戶任何股本權益。

優先購股權

本公司之組織章程細則或開曼群島法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東發售新股份。

薪酬政策

本集團僱員之薪酬政策由薪酬委員會設立，乃按僱員之功績、專業資格及才能而釐定。

本公司董事之酬金由薪酬委員會按本公司之經營業績、其個人之工作表現及相對之市場狀況而釐定。

本公司已採納一項購股權計劃，作為董事及合資格僱員之獎勵，計劃詳情載於綜合財務報表附註33。

Directors' Report

董事會報告

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

Certain loan facilities of a subsidiary of the Company ("Loan Facilities") includes the following conditions that impose specific performance obligations on Mr. Lee Man Yan ("Mr. Lee"), the controlling shareholder of the Company, that Mr. Lee and his family shall hold (directly or indirectly) not less than 51% of the issued share capital and maintain control over management and business of the Company.

As at 31 December 2023, the aggregate balance of the loans provided was HK\$75,000,000. The Loan Facilities will expire on 28 November 2024 and the date falling 35 months after the first utilisation date, respectively.

A breach of the above undertaking will constitute an event of default, which will lead to the relevant banks being entitled not to make any further advances under the Loan Facility (if applicable) and to declare that all amounts outstanding under the Loan Facility (including interests accrued) shall immediately become due and payable.

PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2023 and as at the date of this report.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by the provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

AUDITOR

The financial statements for the year ended 31 December 2023 of the Company have been audited by Messrs. Deloitte Touché Tohmatsu ("Deloitte") who will retire and, being eligible, offer themselves for re-appointment, at the forthcoming annual general meeting of the Company.

On behalf of the Board

Wai Siu Kee

Chairman

Hong Kong, 8 March 2024

根據上市規則第13.21條之披露

本公司之附屬公司有若干貸款融資(「貸款融資」)包括下列條件，對本公司的控股股東李文恩先生(「李先生」)施加特定履行的責任，即李先生及其家庭成員擁有(直接或間接)不少於51%本公司的已發行股本並維持對管理及業務之控制。

於2023年12月31日，貸款餘額總值為75,000,000港元。該等貸款融資將於2024年11月28日及首次動用日期後滿35個月當日分別屆滿。

違反上述承諾將構成違約事件，相關銀行可根據貸款融資停止提供進一步貸款(如適用)，並宣佈貸款融資項下的所有尚未償還金額(包括累計利息)即時到期及須予償還。

公眾持股量

按本公司可以得悉之公開資料所示及就董事所知悉，本公司於截至2023年12月31日止整個年度內及於本報告日期皆保持足夠公眾持股量。

獲准許彌償條文

本公司就其董事及高級管理人員可能面對因企業活動產生之法律訴訟已作適當之投保安排。基於董事利益的獲准許彌償條文根據公司條例(香港法例第622章)的規定生效。

核數師

本公司截至2023年12月31日止年度之財務報表由德勤•關黃陳方會計師行(「德勤」)審核。其任期將於本公司下次股東週年大會屆滿並告退，符合資格並表示願意應聘連任。

承董事會命

衛少琦

主席

香港，2024年3月8日

Independent Auditor's Report

獨立核數師報告

Deloitte.

**TO THE SHAREHOLDERS OF
LEE & MAN CHEMICAL COMPANY LIMITED**
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Lee & Man Chemical Company Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 100 to 179, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current year. This matter was 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 this matter.

德勤

致理文化化工有限公司股東

(於開曼群島註冊成立之有限公司)

意見

本行已審核列載於第100至第179頁內之理文化化工有限公司(「貴公司」)及其附屬公司(以下合稱為「貴集團」)之綜合財務報表，此綜合財務報表包括於2023年12月31日之綜合財務狀況表，載至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括重大會計政策概要及其他說明資料。

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2023年12月31日的綜合財務狀況及 貴集團於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善編製。

意見的基礎

本行已根據香港會計師公會頒布的香港審計準則(「香港審計準則」)進行審核。本行在該等準則下承擔的責任已在本報告核數師就審核綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒布的專業會計師道德守則(「守則」)，本行獨立於 貴集團，並已履行守則中的其他專業道德責任。本行相信，本行所獲得的審核憑證能充足及適當地為本行的審計意見提供基礎。

關鍵審核事項

關鍵審核事項是指根據本行的專業判斷，認為對本年綜合財務報表的審核最為重要的事項。這些事項是在本行審核整體綜合財務報表及出具意見時進行處理的。本行不會對這些事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTER (CONTINUED)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

本審計如何處理關鍵審核事項

Valuation of investment properties

投資物業的估值

We identified the valuation of investment properties as a key audit matter due to the significant judgements and estimation involved in determining the inputs used in the valuation as at year end date.

我們認為投資物業估值為關鍵審核事項，是由於選定於轉換日及年結日估值時之輸入涉及重大判斷及估計。

As at 31 December 2023, the Group's investment properties amounted to HK\$217,582,000. The investment properties were a carpark building and a commercial building which comprises shops, service apartment and offices, located in Changshu, the PRC. As disclosed in note 16 to the consolidated financial statements, the Group's investment properties were stated at fair values based on valuation performed by an independent professional valuer (the "Valuer"). The fair value of the investment properties were derived using income capitalisation method and by adopting capitalisation rates after the current rental and the market rents potential of tenancies. The valuation was dependent on certain significant unobservable inputs that involve significant judgements and estimation by the management of the Group, including market rents and reversionary yields.

於2023年12月31日，貴集團之投資物業金額為217,582,000港元。投資物業是指位於中國常熟市的停車場大廈及商業大廈，其包括商店，服務式公寓及辦公室。由於貴集團向另一方的經營租賃之開始，物業從待售物業轉撥至投資物業。誠如綜合財務報告書附註16所披露，貴集團之投資物業乃按獨立合資格專業估值師（「估值師」）作出之估值得出之公平值列賬。投資物業的公平值乃按收入資本化法，通過以資本化率計算當前租金和租賃市場潛在租金得出。估值取決於某些重大不可觀察輸入數據，涉及貴集團管理層重大判斷和估計，包括市場租金和復歸收益率。

Our procedures in relation to the valuation of the investment properties included:

就投資物業估值，我們執行之程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer;
評估估值師之勝任程度、能力及客觀性；
- Understanding and challenging the Valuer's valuation methodology, significant assumptions adopted, critical judgmental areas and significant unobservable inputs used in the valuation; and
了解並質詢估值師的估值方法、採用的重大假設、關鍵判斷領域和估值中使用的重大不可觀察輸入數據；及
- Assessing the reasonableness of the market rents and reversionary yields used by the Valuer in the valuation of investment properties by (i) checking the details of rental to the underlying existing tenancy agreement; (ii) comparing with relevant market information on the market rents achieved and reversionary yields adopted in other similar properties in the neighbourhood.
通過以下方式評估關鍵輸入來源數據的合理性，包括估值師在投資物業估值中使用的市場租金和復歸收益率，其通過：(i)對相關現有租賃協議的租金詳情進行檢查；(ii)與附近其他類似物業所取得的市場租金及復歸收益率的相關市場資料作比較。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

The directors 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.

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

其他資料

貴公司董事須對其他資料負責。其他資料包括刊載於年報內的全部資料，但不包括綜合財務報表及本行的核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的鑒證結論。

結合本行對綜合財務報表的審計，本行的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或本行在審計過程中所了解的情況存在重大抵觸，或者似乎存在重大錯誤陳述的情況。基於本行已執行的工作，如果本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。在這方面，本行沒有任何報告。

董事及負責管治人員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布的香港財務報告準則及香港公司條例之披露規定編製真實而公平的綜合財務報表，以及董事釐為必須的內部監控，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，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

負責管治人員須履行監督貴集團的財務報告過程的責任。

Independent Auditor's Report

獨立核數師報告

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

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

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

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

核數師就審核綜合財務報表承擔的責任

本行的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告，根據協定的聘用條款僅向整體股東報告而非用作其他用途。本行概不就本報告的內容，對任何其他人士承擔任何責任及債務。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依據財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，本行運用了專業判斷並保持了專業懷疑態度。本行亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審計程序，但目的並非對 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。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果本行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，則本行應當發表非無保留意見。本行的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。

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

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

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lee, Carmen Kar Man.

Deloitte Touche Tohmatsu
 Certified Public Accountants
 Hong Kong
 8 March 2024

核數師就審核綜合財務報表承擔的責任 (續)

- 評估綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公平反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。本行負責指導、監督和執行集團審核。本行為審核意見承擔全部責任。

本行與 貴公司負責管治人員溝通，當中包括計劃的審核範圍、時間安排、重大審核發現等，包括本行在審核中識別出內部監控的任何重大缺陷。

本行亦向 貴公司負責管治人員提交聲明，說明本行已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響本行獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取之行動或防範措施。

從與 貴公司負責管治人員溝通的事項中，本行確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。本行在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在本行報告中溝通某事項造成的負面後果超過產生的公眾利益，本行決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人是李嘉敏。

德勤•關黃陳方會計師行
 執業會計師
 香港
 2024年3月8日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2023 截至2023年12月31日止年度

		Notes 附註	2023 HK\$'000 千港元	2022 HK\$'000 千港元
Revenue – Chemical	收入－化工		3,980,919	5,772,679
Revenue – Property	收入－物業		69,662	94,358
Total revenue	收入總額	5, 6	4,050,581	5,867,037
Cost of sales – Chemical	銷售成本－化工		(2,944,692)	(3,517,156)
Cost of sales – Property	銷售成本－物業		(43,718)	(226,340)
Total cost of sales	銷售成本總額		(2,988,410)	(3,743,496)
Gross profit	毛利		1,062,171	2,123,541
Other income	其他收入	7	79,946	66,853
Other gains and losses	其他收益及虧損	8	(13,619)	2,385
Selling and distribution costs	銷售及分銷成本		(209,433)	(254,372)
General and administrative expenses	行政費用		(258,700)	(276,924)
Research and development costs	研發成本		(120,751)	(204,006)
Finance costs	融資成本	10	(39,282)	(38,657)
Net exchange loss	匯兌淨虧損		(6,977)	(21,013)
Share of results of joint ventures and associates	應佔合營企業及聯營企業業績		543	312
Profit before taxation	除稅前溢利		493,898	1,398,119
Income tax expense	所得稅支出	9	(93,233)	(241,344)
Profit for the year	年內溢利	10	400,665	1,156,775
Other comprehensive (expense) income	其他全面(支出)收益			
<i>Items that will not be reclassified to profit or loss:</i>	<i>其後不會重新分類至損益之項目：</i>			
Exchange differences arising on translation	因換算而產生的匯兌差額		(53,825)	(519,565)
Revaluation gain upon transfer of property, plant and equipment to investment properties	物業、廠房及設備轉撥至投資物業之重估收益		1,792	–
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>			
Share of other comprehensive expense of joint ventures and associates	應佔合營及聯營企業其他全面支出		(418)	(9,658)
Other comprehensive expense for the year	年內其他全面支出		(52,451)	(529,223)
Total comprehensive income for the year	年內全面收益總額		348,214	627,552
Earnings per share	每股盈利	11		
Basic (HK cents)	基本(港仙)		48.6	140.2
Diluted (HK cents)	攤薄(港仙)		47.8	134.4

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2023 於2023年12月31日

		Notes 附註	2023 HK\$'000 千港元	2022 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	4,706,893	4,747,743
Investment properties	投資物業	16	217,582	187,778
Right-of-use assets	使用權資產	17	196,132	133,849
Intangible assets	無形資產	18	83,885	87,531
Deposits paid for the acquisition of property, plant and equipment	購置物業、廠房及設備之 已付訂金		166,330	64,545
Interests in joint ventures	合營企業之權益	19	98,780	98,654
Interests in associates	聯營企業之權益	20	23,888	24,338
Deferred tax assets	遞延稅項資產	9	19,908	20,647
Goodwill	商譽	22	2,593	2,622
			5,515,991	5,367,707
CURRENT ASSETS	流動資產			
Inventories	存貨	23	787,749	844,137
Properties held for sale	待售物業	24	23,806	64,950
Trade, bills and other receivables	應收貿易、票據及其他款項	25	408,230	338,392
Tax recoverable	可收回稅項		1,321	7,129
Amounts due from joint ventures	應收合營企業款項	21	11,140	14,225
Amount due from an associate	應收聯營企業款項	21	1,796	5,707
Amounts due from related companies	應收關連公司款項	26	15,268	12,411
Bank balances and cash	銀行結餘及現金	27	263,666	421,696
			1,512,976	1,708,647
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付貿易及其他款項	28	383,345	492,521
Contract liabilities	合約負債	29	59,102	66,466
Amount due to a joint venture	應付合營企業款項	21	525	259
Amount due to an associate	應付聯營企業款項	21	-	167
Amount due to a related company	應付關連公司款項	26	8,551	10,861
Taxation payable	應付稅項		46,167	37,985
Lease liabilities	租賃負債	30	2,359	2,398
Bank borrowings	銀行借款	31	671,767	523,156
			1,171,816	1,133,813
NET CURRENT ASSETS	流動資產淨值		341,160	574,834
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		5,857,151	5,942,541

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2023 於2023年12月31日

		<i>Notes</i> <i>附註</i>	2023 HK\$'000 千港元	2022 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Other payables	應付其他款項	28	24,897	30,415
Lease liabilities	租賃負債	30	4,789	71
Deferred tax liabilities	遞延稅項負債	9	27,710	58,178
Bank borrowings	銀行借款	31	-	220,836
			57,396	309,500
NET ASSETS	資產淨值		5,799,755	5,633,041
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	32	82,500	82,500
Reserves	儲備		5,717,255	5,550,541
TOTAL EQUITY	權益總額		5,799,755	5,633,041

The consolidated financial statements on pages 100 to 179 were approved and authorised for issue by the Board of Directors on 8 March 2024 and are signed on its behalf by:

第100頁至第179頁所載之綜合財務報表已於2024年3月8日經董事會通過及授權刊發並由下列董事代表簽署：

Wai Siu Kee
衛少琦
CHAIRMAN
主席

Lee Man Yan
李文恩
CHIEF EXECUTIVE OFFICER
首席執行官

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2023 截至2023年12月31日止年度

		Share capital	Share premium	Non-distributable reserve	Safety fund reserve	Translation reserve	Share options reserve	Special reserve	Other reserve	Retained profits	Total
Notes		股本	股份溢價	不可分派儲備	安全基金儲備	匯兌儲備	購股權儲備	特別儲備	其他儲備	保留溢利	總額
附註		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note (i)) (附註(i))	HK\$'000 千港元 (Note (ii)) (附註(ii))	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note (ii)) (附註(ii))	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2022	於2022年1月1日	82,500	20,307	822,465	-	193,587	146,141	(97,362)	(686)	4,407,978	5,574,930
Other comprehensive expense for the year	年內其他全面支出	-	-	-	-	(529,223)	-	-	-	-	(529,223)
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	1,156,775	1,156,775
Total comprehensive (expense) income for the year	年內全面(支出)收益總額	-	-	-	-	(529,223)	-	-	-	1,156,775	627,552
Cash dividends recognised as distribution	已確認之現金股息分派	-	-	-	-	-	-	-	-	(577,500)	(577,500)
Transfer to non-distributable reserve	轉入不可分派儲備	-	-	157,697	-	-	-	-	-	(157,697)	-
Appropriation of safety fund reserve	撥入安全基金儲備	-	-	-	24,702	-	-	-	-	(24,702)	-
Utilisation of safety fund reserve	釋出安全基金儲備	-	-	-	(24,585)	-	-	-	-	24,585	-
Recognition of equity-settled share based payments	確認以股份結算之付款	-	-	-	-	-	8,059	-	-	-	8,059
At 31 December 2022	於2022年12月31日	82,500	20,307	980,162	117	(335,636)	154,200	(97,362)	(686)	4,829,439	5,633,041
Other comprehensive (expenses) income for the year	年內其他全面(支出)收益	-	-	-	-	(54,243)	-	-	1,792	-	(52,451)
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	400,665	400,665
Total comprehensive (expense) income for the year	年內全面(支出)收益總額	-	-	-	-	(54,243)	-	-	1,792	400,665	348,214
Cash dividends recognised as distribution	已確認之現金股息分派	-	-	-	-	-	-	-	-	(181,500)	(181,500)
Transfer to non-distributable reserve	轉入不可分派儲備	-	-	53,189	-	-	-	-	-	(53,189)	-
Appropriation of safety fund reserve	撥入安全基金儲備	-	-	-	24,996	-	-	-	-	(24,996)	-
Utilisation of safety fund reserve	釋出安全基金儲備	-	-	-	(24,329)	-	-	-	-	24,329	-
At 31 December 2023	於2023年12月31日	82,500	20,307	1,033,351	784	(389,879)	154,200	(97,362)	1,106	4,994,748	5,799,755

Notes:

- (i) According to the relevant laws in the People's Republic of China ("PRC"), wholly foreign-owned enterprises in the PRC are required to transfer at least 10% of their net profits after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before the distribution of a dividend to equity owners. The non-distributable reserve can be used to offset the previous years' losses, if any. The non-distributable reserve is non-distributable other than upon liquidation.
- (ii) The special reserve of the Group represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries acquired pursuant to a group reorganisation in December 2001.
- (iii) Pursuant to the relevant regulation in the PRC, certain subsidiaries of the Company are required to provide for safety reserve based on revenue. These subsidiaries utilised the safety reserve when they improve, transform and repair their safety protection facilities and equipment.

附註:

- (i) 根據中華人民共和國(「中國」)相關法律，在中國的外資企業須結轉最少10%除稅後溢利(根據中國會計規定釐定)至不可分派儲備，直至儲備結餘達到註冊資本50%。必須在分派股息給股東前結轉該儲備。不可分派儲備可用作抵銷過往年度虧損(如有)。除清盤外，不可分派儲備是不得分派。
- (ii) 本集團之特別儲備乃本公司透過2001年12月之集團重組所收購之附屬公司之股本面值與本公司已發行股本面值之差額。
- (iii) 根據中國相關政策，部份本公司之子公司需根據收入計提安全基金儲備。該等子公司於完善、改造及維修安全防護設施及設備時會動用安全基金儲備。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2023 截至2023年12月31日止年度

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	493,898	1,398,119
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	56,016	69,178
Depreciation of right-of-use assets	使用權資產之折舊	5,724	4,919
Finance costs	融資成本	39,282	38,657
Amortisation of intangible assets	無形資產之攤銷	2,640	2,804
Write down of inventories	存貨之減值	7,203	-
Write down of properties held for sale	待售物業之減值	-	157,676
Loss on disposal of property, plant and equipment	處置物業、廠房及設備損失	2,667	2,787
Net loss (gain) from fair value changes of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動之淨虧損(收益)	2,109	(5,172)
Decrease in fair value of investment properties	投資物業之公平值減少	8,843	-
Interest income	利息收入	(4,536)	(5,901)
Share-based payment expense	股權支付款項開支	-	8,059
Share of results of joint ventures and associates	應佔合營企業及聯營企業業績	(543)	(312)
Operating cash flows before movements in working capital	營運資金變動前之經營業務現金流量	613,303	1,670,814
Decrease in inventories	存貨減少	412,013	250,968
Decrease in properties held for sale	待售物業減少	42,831	70,861
Increase in properties under development	發展中物業增加	-	(32,473)
(Increase) decrease in trade, bills and other receivables	應收貿易、票據及其他款項(增加)減少	(56,906)	193,135
Increase in amounts due from related companies	應收關連公司款項增加	(2,378)	(1,363)
Decrease in trade and other payables	應付貿易及其他款項減少	(130,822)	(129,836)
Decrease in contract liabilities	合約負債減少	(9,539)	(54,863)
(Decrease) increase in amounts due to related companies	應付關連公司款項(減少)增加	(2,646)	795
Cash generated from operations	經營業務所得現金	865,856	1,968,038
Income tax paid	已付所得稅金	(109,360)	(368,084)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	756,496	1,599,954

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
INVESTING ACTIVITIES	投資業務		
Purchase of property, plant and equipment	購置物業、廠房及設備	(177,587)	(418,636)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金	(370,512)	(192,479)
Payment for right-of-use assets	購置使用權資產	(66,143)	–
Addition to investment properties	添置投資物業	(9,212)	–
Capital injection into an associate	向一間聯營企業增資	–	(4,669)
Repayment from (advance to) an associate	合營企業之還款(借款)	3,736	(3,117)
Purchase of intangible asset	購置無形資產	–	(380)
Repayment from joint ventures	聯營企業之還款	3,244	1,502
Proceeds from disposal of property, plant and equipment	處置物業、廠房及設備所得款項	356	1,983
(Payments for) proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產(所付)所得款項淨額	(2,109)	5,172
Interest received	已收利息	4,536	5,901
NET CASH USED IN INVESTING ACTIVITIES	投資業務所用現金淨額	(613,691)	(604,723)
FINANCING ACTIVITIES	融資業務		
Dividends paid	已付股息	(181,500)	(577,500)
Repayment of bank borrowings	償還銀行借款	(909,396)	(484,924)
Interest paid	已付利息	(39,282)	(38,498)
Repayment of lease liabilities	償還租賃負債	(2,407)	(2,599)
Bank borrowings raised	籌集銀行借款	834,175	224,741
NET CASH USED IN FINANCING ACTIVITIES	融資業務所用現金淨額	(298,410)	(878,780)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)增加	(155,605)	116,451
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等價物	421,696	324,882
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	匯率變動之影響	(2,425)	(19,637)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年末之現金及現金等價物，即銀行結餘及現金	263,666	421,696

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

1. GENERAL

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate controlling party is Mr. Lee Man Yan, who is the chief executive officer and executive director of the Company. The address of the registered office and principal place of business of the Company are disclosed in the section "Corporate Information" to the annual report.

The functional currency of the Company is Renminbi ("RMB"), while the consolidated financial statements are presented in Hong Kong dollars ("HK dollars") as the Company is listed in Hong Kong.

The Company acts as an investment holding company and the principal activities of its principal subsidiaries are set out in Note 39.

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

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

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

1. 一般資料

本公司為一家於開曼群島註冊成立之有限責任公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。李文恩先生（「李先生」），彼為本公司的執行董事及首席執行官，是最終控權人。本公司註冊辦事處及主要營業地點已於年報內之「公司資料」中披露。

本公司的功能貨幣為人民幣。由於本公司股份在聯交所上市，故綜合財務報表乃以港元呈列。

本公司為一間投資控股公司。其主要附屬公司之主要業務載於附註39。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度強制生效的經修訂香港財務報告準則

於本年度，本集團編製綜合財務報表時首次應用自2023年1月1日或之後開始之年度期間強制生效的下列香港會計師公會（「香港會計師公會」）頒布的經修訂之香港財務報告準則：

香港財務報告準則第17號（包括2020年10月及2022年2月之香港財務報告準則第17號（修訂本））	保險合同
香港會計準則第8號（修訂本）	會計估計的定義
香港會計準則第12號（修訂本）	與單一交易所產生之資產及負債相關之遞延稅項
香港會計準則第12號（修訂本）	國際稅務改革—支柱二細節法規架構
香港會計準則第1號（修訂本）及香港財務報告準則實務報告第2號（修訂本）	會計政策之披露

除下述情況外，在本年度應用經修訂之香港財務報告準則，對本集團本年度及過往年度的綜合財務狀況及表現及／或對該等綜合財務報表所載的披露並無重大影響。

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

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

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

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

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

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

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

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

於本年度強制生效的經修訂香港財務報告準則(續)

香港會計準則第1號及香港財務報告準則實務報告第2號(修訂本)會計政策的披露

本集團於本年度首次應用該修訂本。香港會計準則第1號財務報表呈列，以「重大會計政策資料」取代所有「主要會計政策」一詞。倘會計政策資料與一個實體之財務報表所載的其他資料一併考慮時，可合理預期會影響一般用途財務報表主要使用者根據該等財務報表作出的決定，則會計政策資料為重大。

該等修訂本亦澄清，會計政策資料可因相關交易的性質、其他事件或條件而屬重大，即使金額並不重大。然而，並非所有與重大交易、其他事件或條件有關的會計政策資料本身均屬重大。倘實體選擇披露非重大會計政策資料，則該等資料不得掩蓋重大會計政策資料。

香港財務報告準則實務報告第2號作出重要性判斷(「實務報告」)亦經修訂，以說明實體如何將「四步法評估重大性流程」應用於會計政策披露以及可判斷有關會計政策的資料對其財務報表而言是否屬重大。實務報告已附加指引及實例。

應用該等修訂本並未對本集團的財務狀況和表現產生重大影響，但影響綜合財務報表所載的本集團會計政策的披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

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

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

Amendments to HKFRSs in issue but not yet effective

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

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

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

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

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

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation to the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

於本年度強制生效的經修訂香港財務報告準則(續)

已頒布但尚未生效的經修訂之香港財務報告準則

本集團並無提早採納以下已頒布但尚未生效的新訂及經修訂之香港財務報告準則：

香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間之資產出售或投入 ¹
香港財務報告準則第16號(修訂本)	售後回租的租賃負債 ²
香港會計準則第1號(修訂本)	負債分類為流動或非流動及相關香港詮釋第5號的修訂(2020年) ²
香港會計準則第1號(修訂本)	附有契約的非流動負債 ²
香港會計準則第7號及香港財務報告準則第7號(修訂本)	供應商融資安排 ²
香港會計準則第21號(修訂本)	缺乏可兌換性 ³

¹ 於一個待定期日或之後開始之年度期間生效。

² 於2024年1月1日或之後開始之年度期間生效。

³ 於2025年1月1日或之後開始之年度期間生效。

本公司董事預期應用所有新訂及經修訂香港財務報告準則於可見未來將不會對本集團綜合財務報表產生重大影響。

3. 編製綜合財務報表的基準及主要會計政策

3.1 編製綜合財務報表的基準

綜合財務報表乃根據會計師公會頒布之香港財務報告準則編製。就編製綜合財務報表的目的而言，當可合理預期該等資料會影響主要使用者的決策，該等資料會被認定為重大。此外，綜合財務報表載有聯交所證券上市規則(「上市規則」)及香港公司條例規定之適用披露事項。

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

3.1 Basis of preparation of consolidated financial statements (Continued)

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

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

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

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

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

3. 編製綜合財務報表的基準及主要會計政策(續)

3.1 編製綜合財務報表的基準(續)

綜合財務報表乃按歷史成本基準編製，惟按各報告期末之公平值計算之若干金融工具及投資物業則除外，其會計政策於下文解釋。

歷史成本一般基於交換商品及服務時之代價之公平值。

公平值是市場參與者於計量日於有序交易中出售資產可收取或轉讓負債須支付之價格，而不論該價格是否可予直接觀察或使用其他估值方法估計。於估計資產或負債之公平值時，本集團會計及市場參與者於計量日對資產或負債定價時所考慮之資產或負債特徵。此等綜合財務報表中用作計量及／或披露用途之公平值乃按此基準釐定，惟於香港財務報告準則第2號以股份為基礎之付款（「香港財務報告準則第2號」）範圍內之以股份為基礎付款交易、於香港財務報告準則第16號租賃（「香港財務報告準則第16號」）範圍內之租賃交易及與公平值類似但並非公平值之計量（如香港會計準則第2號存貨（「香港會計準則第2號」）中之可變現淨值或香港會計準則第36號資產減值之使用價值）除外。

非金融資產公平值之計量計及市場參與者可透過按該資產之最高及最佳用途使用該資產，或將該資產售予另一可按該資產之最高及最佳用途使用該資產之市場參與者，從而產生經濟利益之能力。

就按初始確認日之公平值交易或轉換日之公平值計量的金融工具及投資物業以及於其後期間計量公平值時使用不可觀察輸入數據之估值方法而言，估值方法會予以校準以使初步確認時估值方法結果與交易價格或轉換日之公平值相等。

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綜合財務報表附註

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

3.1 Basis of preparation of consolidated financial statements (Continued)

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

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

3.2 Material accounting policy information

The material accounting policy information are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

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

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence.

A joint venture is a joint arrangement whereby the parties that have joint control of the joint arrangement have rights to the net assets of the joint arrangement.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.1 編製綜合財務報表的基準(續)

此外，就財務報告而言，公平值計量根據公平值計量輸入數據之可觀察程度及輸入數據對公平值整體計量之重要性被分類為第1、第2或第3級，載述如下：

- 第1級輸入數據為實體於計量日期可取得之相同資產或負債於活躍市場之報價(未經調整)；
- 第2級輸入數據為就資產或負債直接或間接可觀察之輸入數據，包括於第一級內之報價除外；及
- 第3級輸入數據為資產或負債之不可觀察輸入數據。

3.2 重大會計政策資料

重大會計政策資料載列於下文。

綜合基準

本綜合財務報表包含本公司以及由本公司及其附屬公司控制之實體之財務報表。

所有集團內成員間之交易有關的資產及負債、權益、收入、支出及現金流均於綜合入賬時全數對銷。

於聯營企業及合營企業之投資

聯營企業乃指本集團對其具有重大影響力之一個實體。

合營企業乃指一項聯合安排，而對該聯合安排擁有聯合控制之各方擁有該項聯合安排的淨資產的權利。

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

3.2 Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity method purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investments in associates or joint ventures are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates or joint ventures.

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

Revenue from contracts with customers

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

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

Leases

Definition of a lease

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

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

於聯營企業及合營企業之投資(續)

聯營企業及合營企業之業績及資產及負債乃以權益法計入綜合財務報表。以權益法處理之聯營企業及合營企業財務報表乃按本集團就於類似情況下之交易及事件所採用者相同之會計政策編製。根據權益法，於聯營企業或合營企業的投資最初按成本於綜合財務狀況表確認，並於其後作出調整，以確認本集團應佔聯營企業或合營企業的損益及其他全面收益。

當集團實體與本集團的聯營企業或合營企業進行交易時，與聯營企業或合營企業進行交易所產生的利潤及虧損於本集團的綜合財務報表中確認，但僅限於與本集團無關的聯營企業或合營企業的權益。

客戶合約收入

當(或於)履約責任獲履行時，即當特定履約責任相關之商品或服務之「控制權」轉移予客戶時，本集團確認收入。

合約負債指就本集團已自客戶收取代價(或代價已到期)時本集團須向客戶轉讓商品或服務之責任。

租賃

租賃的定義

倘合約賦予權利可於一段時間內控制可識別資產的用途以換取代價，則該合約為租賃或包含租賃。

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綜合財務報表附註

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

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

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

Short-term leases and leases of low-value assets

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

Right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of inventory is presented within "properties held for sale".

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

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

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人

將代價分配至合約組成部分

作為一項可行權宜方法，本集團不將非租賃組成部分與租賃組成部分拆開，反而將租賃組成部分及任何有關的非租賃組成部分作為一項單獨租賃組成部分入賬。

短期租賃及低價值資產租賃

對於租期為自開始日期起計12個月或以內且並無包含購買選擇權的辦公室物業租賃，本集團應用短期租賃應用豁免確認條款。本集團亦對低價值資產租賃應用豁免確認條款。短期租賃及低價值資產租賃的租賃付款按直線基準或其他有序基準於租期內確認為開支。

使用權資產

使用權資產乃按成本計量，減去任何累計折舊及減值虧損，並就租賃負債的任何重新計量作出調整。

使用權資產按直線基準於其估計可使用年期及租期(以較短者為準)內計提折舊。

本集團於綜合財務狀況表中將使用權資產呈列為獨立項目。符合存貨定義的使用權資產呈列為「發展中物業」或「待售物業」。

租賃負債

於租賃開始日期，本集團按當日尚未支付的租賃付款的現值確認及計量租賃負債。

本集團於綜合財務狀況表中將使用權負債呈列為獨立項目。

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

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Classification and measurement of leases

Leases for which the Group is a lessor are classified as operating leases. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Assets and liabilities of the Group are translated into the presentation currency of the Group (i.e. HK dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income ("OCI") and accumulated in equity under the heading of "translation reserve". Such exchange differences accumulated in the translation reserve are not reclassified to profit or loss subsequently.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

租賃的分類及計量

本集團作為出租人的租賃分類為經營租賃。來自經營租賃的租金收入以直線法於有關租期內於損益確認。磋商安排經營租賃的初期直接成本計入租賃資產賬面值，以直線法於租賃期內確認為開支。

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易按其各自之功能貨幣於交易日期之適用匯率入賬。於報告期末，以外幣計值之貨幣項目按當日匯率重新換算。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於報告期末當日匯率換算為本公司之列賬貨幣(即港元)，而收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論。於此情況下，則採用於換算當日匯率。所產生之匯兌差額(如有)於「匯兌儲備」項下為其他全面收益及累計於權益中確認。匯兌儲備中累計的匯兌差額隨後不會重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

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

3.2 Material accounting policy information (Continued)

Borrowing costs

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.

Any specific borrowings that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets as reduced depreciation expenses.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they are reasonably certain to become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "other income".

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

借貸成本

直接源自收購、建造或生產的合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售之借貸成本會計入該等資產成本部分，直至該資產大致上可供作擬定用途或出售為止。

在相關資產達至其擬定用途或出售後仍未償還的任何特定借貸，會計入一般借款池以計算一般借貸的資本化率。

所有其他借貸成本均於產生期間在損益內確認。

政府補貼

在合理地保證本集團會遵守政府補助的附帶條件以及收到補助後，政府補助方會予以確認。

政府補貼於本集團確認有關成本為開支期間有系統地於損益內確認，該補貼擬用於補償相關成本。尤其是政府補貼之主要條件是指本集團購買、建設或收購非流動資產並確認於綜合財務狀況表中的相關資產之賬面值中扣除及按有關資產之使用期限有系統及理性地通過抵減折舊費用轉移至損益內。

作為補償已產生開支或虧損或旨在為本集團提供實時財務資助(而無未來相關成本)之應收政府補貼，乃於應收期間確認為損益。與費用補償有關的政府補助從相關費用中扣除，其他政府補助則在「其他收益」中列示。

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

3.2 Material accounting policy information (Continued)

Employee benefits

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and national statutory social security insurance scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to a director

Equity-settled share-based payments to a director are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity, under the heading of "share options reserve".

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

員工福利

退休福利成本

向強制性公積金計劃和國家法定社會保障保險計劃支付的費用在員工提供服務使其有權獲得供款時確認為費用。

短期員工福利

短期員工福利於預期支付福利和僱員提供服務時以未折現金額確認。除非其他香港財務報告準則要求或准許福利包括在資產的成本內之外，所有短期員工福利會確認為支出。

提供給員工的福利(如工資及薪金、年假及病假)扣除已付的金額後會確認為負債。

以股份為基礎的付款安排

以權益結算以股份為基礎的付款交易

授予一位董事之購股權

向本公司董事作出的以權益結算以股份為基礎的付款交易乃按權益工具於授出日期之公平值計量。

以授出當日(並無考慮非市場性質的歸屬條件)之公平值來釐定的以權益結算股份支付款項，按集團估計權益工具將會最終歸屬的期間以直線法支銷，並於權益中(以股份支付款項儲備內)作相應增加。

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綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

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

3.2 Material accounting policy information (Continued)

Taxation

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

稅項

即期應付稅項根據該年度的應課稅溢利計算。應課稅溢利有別於綜合損益及全面收益表內所呈報的除稅前溢利，其因並無計入其他年度的應課稅或可扣稅收支項目，亦無計入日後的永不課稅及永不扣稅的項目。本集團的即期稅項負債乃按已於各報告期末頒布或實質頒布的稅率計算。

遞延稅項乃就綜合財務報表內的資產與負債賬面值與計算應課稅溢利所採用的相應稅基間的暫時性差額確認。遞延稅項負債一般就所有應課稅暫時性差額予以確認，而遞延稅項資產則於可能動用應課稅溢利以抵銷可扣稅的暫時性差額才予以確認。

遞延稅項負債乃就附屬公司投資及合營企業和聯營企業之權益所產生的應課稅暫時性差額確認，惟倘本集團能控制暫時性差額的撥回以及暫時性差額有機會不會於可見將來撥回除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

遞延稅項按預期於清償負債或變現資產的期間內應用的稅率，以報告期末已生效或實質上已生效之稅率(及稅法)為基準計算。

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

3.2 Material accounting policy information (Continued)

Taxation (Continued)

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amounts of investment properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors of the Company have determined that the presumption of investment properties measured using the fair value model are recovered entirely through sale is rebutted.

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production of goods or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties, plant and equipment in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

稅項(續)

為了測量使用公平值模式計量的投資物業的遞延稅項，該投資物業的賬面金額假設通過銷售完全收回，除非該假設被推翻。當投資物業可折舊時，該推定被推翻，並在商業模式中持有，其目的是隨著時間的推移而不是通過銷售消耗投資物業的所有經濟利益。

本公司董事已審視本集團的投資物業組合，並得出結論認為，本集團的投資物業是根據一種商業模式持有的，其目標是隨著時間的推移來消耗投資物業所包含之絕大部分經濟利益，而非通過出售。因此，本公司董事認為，有關投資物業採用透過出售全部收回之公平值模式計量之假設應被駁回。

即期及遞延稅項於損益內確認。

物業、廠房及設備

物業、廠房及設備，包括持作生產或作行政用途之建築物及租賃土地（在建工程除外）按成本減其後累計折舊及其後累計減值虧損（如有）於綜合財務狀況表呈列。

為生產或行政用途而建的在建物業、廠房及設備按成本減任何已確認減值虧損列值。

折舊乃利用直線法確認以撇銷資產（在建工程除外）成本，減去資產於其估計可使用年期的剩餘價值。估計可使用年期、剩餘價值及折舊方法於各報告期末作檢討，相關估計之任何變動影響於日後反映。

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綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

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

3.2 Material accounting policy information (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment loss. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

投資物業

投資物業乃持作賺取租金及／或資本增值之物業。

投資物業初始按成本計量，包括任何直接歸屬開支。初始確認後，投資物業按公平值計量，其經調整後不包括任何預付或應計經營租賃收入。

投資物業公平值變動產生之盈絀計入其產生期間之損益內。

無形資產

單獨收購的無形資產

單獨收購且具有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。具有限可使用年期的無形資產的攤銷於其估計可使用年期內按直線基準確認。估計可使用年期及攤銷法於各報告期末檢討，而相關估計之任何變動影響於日後反映。

物業、廠房及設備，使用權資產及無形資產的減值

於報告期末，本集團審閱其物業、廠房及設備，使用權資產以及無形資產的賬面值，以確定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何該等跡象，則估計該資產的可收回金額以釐定減值虧損的程度(如有)。

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

3.2 Material accounting policy information (Continued)

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the CGU or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the CGU or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

物業、廠房及設備，使用權資產及無形資產的減值(續)

可收回金額乃公平值減出售成本及使用價值，兩者之較高者。評估使用價值時，估計未來現金流量乃按除稅前折現率折現為現值，該折現率反映對金錢之時間價值之現有市場評估，以及專屬於該資產之風險(對未來現金流量之估計不予調整)。

倘資產(或現金產生單位)的估計可收回金額低於其賬面值，則資產(或現金產生單位)的賬面值將被調減至其可收回金額。就未能按合理一致的基準分配至現金產生單位的公司資產或部分公司資產，本集團會比較一組現金產生單位賬面值(包括已分配至該組現金產生單位的公司資產或部分公司資產的賬面值)與該組現金產生單位的可收回金額。於分配減值虧損時，減值虧損首先會獲分配以調減任何商譽的賬面值(如適用)，其後基於該現金產生單位或一組現金產生單位中各項資產的賬面值按比例分配至其他資產。資產的賬面值不得調減至低於其公平值減出售成本(倘可計量)、其使用價值(倘可釐定)及零之中的最高者。原應分配至資產的減值虧損金額按比例分配至單位或一組現金產生單位的其他資產。減值虧損即時於損益中確認。

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

3.2 Material accounting policy information (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Properties held for sale

Properties held for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

存貨

存貨乃按成本及可變現淨值之較低者列賬。存貨成本按先入先出法釐定。可變現淨值指存貨估計售價減估計完成所需之全部成本以及銷售所需成本。銷售所需成本包括銷售直接應佔增量成本及本集團銷售時必須產生的非增量成本。

待售物業

待售物業乃以成本及可變現淨值兩者之較低值入賬。成本乃按特定辨識基準釐定並包括分攤於發展相關之支出及在適當的情況下資本化之借貸成本。可變現淨值指於一般業務過程中物業之估計售價減估計完成成本及行銷必須之估計成本。銷售所須成本包括銷售直接應佔增量成本及本集團銷售時必須產生的非增量成本。

金融工具

金融資產

金融資產之分類及其後計量

符合下列條件之金融資產其後按攤銷成本計量：

- 在其目標為收回合約現金流之業務模式內持有之金融資產；及
- 合約條款為僅於特定日期產生支付本金及未償付本金之利息之現金流。

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit and loss "FVTPL".

(i) Bills receivable measured as at FVTOCI

Subsequent changes in the carrying amounts for receivables measured as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these receivables are recognised in OCI and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these receivables. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these receivables had been measured at amortised cost. When these receivables are derecognised, the cumulative gains or losses previously recognised in OCI are reclassified to profit or loss.

(ii) Financial assets measured at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後計量(續)

符合下列條件之金融資產其後按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量：

- 在其目標為收回合約現金流及出售之業務模式內持有之金融資產；及
- 合約條款為僅於特定日期產生支付本金及未償付本金之利息之現金流。

所有其他金融資產隨後按公平值計入損益(「按公平值計入損益」)。

(i) 按公平值計入其他全面收益之應收票據

因使用實際利息法計算利息收入而產生之按公平值計入其他全面收益之應收賬款賬面值之其後變動於損益內確認。該等應收款項賬面值的所有其他變動均於其他綜合收益確認並累計於權益。減值撥備於損益內確認，並相應調整其他全面收益，而毋須減少該等應收賬款之賬面值。於損益內確認之金額與倘該等應收賬款按攤銷成本計量原本於損益內確認之金額相同。當該等應收賬款解除確認時，先前於其他全面收益內確認之累計收益或虧損重新分類至損益。

(ii) 按公平值計入損益之金融資產

對並不符合按攤銷成本列賬或按公平值計入其他全面收益或指定按公平值計入其他全面收益之金融資產按公平值計入損益。

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綜合財務報表附註

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Financial assets measured at FVTPL (Continued)

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the heading of "other gains and losses".

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on lease receivables and financial assets (including trade and other receivables, bills receivable, amounts due from joint ventures/an associate/related companies and bank balances) and loan commitments which are subject to impairment under HKFRS 9 *Financial Instruments* ("HKFRS 9"). The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

The Group always recognises lifetime ECL for trade receivables and bills receivable.

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

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後計量(續)

(ii) 按公平值計入損益之金融資產(續)

按公平值計入損益之金融資產按每個報告期末之公平值計量，並在損益內確認任何公平值收益或虧損。在損益內確認之收益或虧損淨額不包括任何股息或金融資產賺取之利息及計入單列項目「其他收益及虧損」內。

根據香港財務報告準則第9號進行之金融資產及其他項目之減值

本集團就根據香港財務報告準則第9號須減值之應收租賃款及金融資產(包括貿易應收賬款，其他應收賬款，應收票據，應收合營企業／聯營企業／關連公司款項及銀行結餘)及貸款承諾按預期信貸虧損(「預期信貸虧損」)模型進行減值評估。預期信貸虧損金額於每個報告期末予以更新，以反映自初步確認後信貸風險之變動。

本集團一直對應收賬款和應收票據確認終身預期信貸虧損。

就所有其他工具而言，本集團計量相等於12個月之預期信貸虧損之虧損撥備，除非自初步確認起信貸風險出現顯著增加，則本集團確認終身預期信貸虧損。評估是否確認終身預期信貸虧損乃基於自初步確認以來發生違約風險可能性之大幅增加。

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據香港財務報告準則第9號進行之金融資產及其他項目之減值(續)

(i) 信貸風險之顯著增加

在評估自初步確認以來信貸風險是否顯著增加時，本集團將報告日期金融工具發生之違約風險與初步確認日期之金融工具發生之違約風險進行比較。在作出此項評估時，本集團考慮合理及可支持之定量及定性資料，包括過往經驗及無需過度成本或精力之前瞻性資料。

不論上述評估之結果，本集團假定當約定付款逾期30日以上時，則為自初步確認以來信貸風險顯著增加，除非本集團另有其他合理及可支持資料。

(ii) 違約之定義

就內部信貸風險管理而言，當內部制訂或自外部來源取得之資料顯示債務人不大可能悉數償付其債權人(包括本集團)時(本集團並無持有任何抵押品)，本集團視為違約事件發生。

不計以上所述，當金融資產逾期90日以上時，本集團視為違約發生，除非本集團有合理及可支持資料顯示更滯後的違約標準乃屬適當。

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised directly in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, the loss given default (i.e. the magnitude of loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據香港財務報告準則第9號進行之金融資產及其他項目之減值(續)

(iii) 信貸減值金融資產

當對金融資產之估計未來現金流量產生損害影響之一個或多個違約事件發生時，該金融資產為信貸減值。

(iv) 撇銷政策

當有資料顯示交易對手處於嚴重財務困難及概無復蘇的現實前景，例如，當交易對手已處於清盤當中或進入破產程序，則本集團撇銷金融資產。經考慮法律意見後，如適用，已撇銷之金融資產可能根據本集團之收款程序而繼續法律行動。撇銷構成一項解除確認事件。任何其後之收回在損益內確認。

(v) 預期信貸虧損之計量及確認

預期信貸虧損的計量為違約可能性、違約虧損率(即出現違約時的損失幅度)及違約風險的函數。違約可能性及違約虧損率的評估乃按照歷史數據進行，並就前瞻性資料作出調整。預期信貸虧損的估計反映無偏頗並已計及按各個違約風險的或然加權金額。

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

Except for bills receivable measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account. For bills receivable measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. In addition, if the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset, the Group derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of bills receivable measured at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據香港財務報告準則第9號進行之金融資產及其他項目之減值(續)

(v) 預期信貸虧損之計量及確認(續)

除按公平值計入其他全面收益之應收票據外，本集團就所有金融工具於損益內確認減值收益或虧損，並調整其賬面值，惟貿易應收賬款除外，其會透過確認虧損撥備賬戶作出相應調整。就按公平值計入其他全面收益之應收票據而言，虧損撥備乃於其他全面收益內確認及內累計，毋須減低該等應收賬款之賬面值。該等金額為與虧損撥備相關的公平值透過其他全面收益儲備的變動額。

解除確認金融資產

只有當從財務資產收取現金流之合約權利到期，或本集團轉讓財務資產，而資產所有權之絕大部份風險及回報已轉移至另一實體時，本集團才會解除確認財務資產。此外，當本集團既無轉移也無保留金融資產之產權上幾乎所有的風險和回報時且不保留對被轉讓資產之控制權時，本集團方會終止確認金融資產並將在轉讓中產生或保留的任何權利和義務單獨確認為資產或負債。倘本集團保留所轉讓財務資產所有權之絕大部份風險及回報，則本集團繼續確認該財務資產，亦就已收取之款項確認為抵押借貸。

當解除確認按攤銷成本列賬之財務資產時，資產賬面值與已收及應收代價之差額須於損益中確認。

當解除確認按公平值計入其他全面收益之應收票據時，先前於按公平值計入損益儲備中積累的累計收益或虧損將重新分類至損益。

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綜合財務報表附註

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amounts due to a joint venture/associate/related company and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3. 編製綜合財務報表的基準及主要會計政策(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融負債及權益

分類為負債或權益

由集團實體發行的債務及權益工具乃按所訂立的合約安排性質，以及金融負債及權益工具的定義而分類為金融負債或權益。

權益工具

權益工具為證明本集團經扣除所有負債之後資產的剩餘權益的任何合約。本集團所發行的權益工具乃按已收款項(扣除直接發行成本)確認。

金融負債

本集團的所有金融負債均以實際利率法按攤銷成本或按公平值計入損益計量。

按攤銷成本列賬之財務負債

財務負債(包括貿易及其他應付賬款、應付合營企業/聯營企業/關連公司款項及銀行借款)乃隨後採用實際利率法按攤銷成本計量。

解除確認金融負債

當及只當金融負債獲解除、取消或已屆滿時，本集團將其解除確認。解除確認之金融負債賬面值與已付及應付代價之差額，將於損益中確認。

衍生金融工具

衍生工具初步按訂立衍生工具合約日期的公平值確認及其後於各報告期末重新計量至公平值。由此產生的收益或虧損即時於損益內確認。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Derecognition of discounted or endorsed bills

The Group conducted certain bill discounting with several banks in the PRC (the "Discounted Bills") and also endorsed certain bills to its suppliers in order to settle trade payables due to these suppliers (the "Endorsed Bills"). As stated in the material accounting policy information in note 3.2, the Group derecognises a transferred financial asset only when substantially all the risks and rewards of ownership of the asset has been transferred or if the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset. The directors had made an assessment on whether to derecognise the Discounted Bills and Endorsed Bills at the time of discounting and endorsing respectively by applying the aforementioned accounting policies, taking into consideration of credit and interest rate risks of the related bills. In the opinion of the directors, the Discounted Bills and Endorsed Bills meet the conditions of derecognition in accordance with the Group's accounting policy and therefore the Group derecognises the Discounted Bills and Endorsed Bills at the time of discounting and endorsement respectively, and assesses whether a separate asset or liability should be recognised resulted from any rights and obligations created or retained in the transfer.

4. 重要會計判斷和估計不確定性的主要來源

在應用本集團的會計政策時，本公司董事須就其他來源不明顯的資產及負債賬面值作出判斷，估計及假設。估計和相關假設是基於歷史經驗和其他被認為相關的因素。實際結果可能與這些估計有所不同。

估計和相關假設會持續檢討的。如果修訂僅影響該期間，則會計估計的修訂在修訂估計的期間內確認，如果修訂同時影響當期和未來期間，則在修訂期間和未來期間確認。

採用會計政策之關鍵性判斷

以下為本公司董事在應用本集團會計政策的過程中作出且對綜合財務報表中確認的金額具有最重大影響的重要判斷，涉及估計者除外(見下文)。

解除確認貼現及背書票據

本集團與中國多家銀行進行若干票據貼現(「貼現票據」)，並向本集團供應商背書若干票據以結清應付該等供應商的貿易應付款項(「背書票據」)。如附註3.2的主要會計政策所述，僅當金融資產之產權上幾乎所有的風險和回報已獲轉移，或本集團既無轉移也無保留金融資產之產權上幾乎所有的風險和回報時且不保留對被轉讓資產之控制權時，本集團方會終止確認金融資產。董事已在考慮相關票據的信用風險和利率風險的情況下，應用上述會計政策評估是否在貼現和背書時分別終止確認貼現票據和背書票據。董事認為，根據本集團的會計政策，貼現票據和背書票據已滿足終止確認條件，因此本集團在票據貼現和背書時分別終止確認貼現票據和背書票據，並評估是否單獨因在轉讓中產生或保留的權利和義務而產生的資產或負債應當予以確認。

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For the year ended 31 December 2023 截至2023年12月31日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

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

Fair values of investment properties

As at 31 December 2023, the carrying amount of the Group's investment properties was HK\$217,582,000. The valuation of investment properties was based on valuation on these properties conducted by an independent professional valuer using property valuation techniques which involve certain assumptions of market conditions as disclosed in Note 16. Favourable or unfavourable changes to these assumptions would result in changes in the valuation of the Group's investment properties and corresponding adjustments to the fair value changes reported in the consolidated statement of profit or loss and other comprehensive income.

4. 重要會計判斷和估計不確定性的主要來源(續)

估計不確定性的關鍵來源

以下是關於未来的主要假設，以及報告期末估計不確定性的其他主要來源，可能在下個財政年度內有重大風險導致資產和負債賬面金額發生重大調整。

投資物業之公平值

於2023年12月31日，本集團投資物業之賬面金額為217,582,000港元。投資物業之估值乃按獨立合資格專業估值師為該等物業作出之估值得出之公平值列賬，其中涉及如附註16所披露的若干市場情況之假設。這些假設的有利或不利變化將導致本集團投資物業之估值發生變化，並對綜合損益及其他全面收益表中報告之公平值變動作出相應調整。



5. REVENUE

5. 收入

Disaggregation of revenue from contracts with customers

客戶合約收入分類

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
Caustic soda	燒鹼	1,585,516	2,269,352
Chloromethane products	甲烷氯化物	887,382	1,509,527
Fluorochemical products	氟化工產品	201,559	202,483
Hydrogen peroxide	過氧化氫	423,419	401,820
Liquified chlorine	液化氯	13,690	46,093
Polymers	高分子材料	543,872	872,716
Styrene acrylic latex surface sizing agent	苯丙施膠劑	85,990	73,184
Lithium-ion battery additives	鋰電池添加劑	12,818	41,687
Others	其他	226,673	355,817
Manufacture and sale of chemical products	製造和銷售化工產品	3,980,919	5,772,679
Sale of properties	物業銷售	67,552	94,358
Revenue from contracts with customers	客戶合約收入	4,048,471	5,867,037
Rental income	租金收入	2,110	-
Total revenue	收入合計	4,050,581	5,867,037

All of the Group's revenue from contracts with customers is recognised at a point in time and most of the revenue is derived from the PRC. Rental income is recognised over time.

本集團所有客戶合約收入均於某一時點確認且絕大部份收入源自中國。租金收入隨著時間確認。

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5. REVENUE (CONTINUED)

Performance obligations for contracts with customers

Manufacture and sale of chemical products with product delivery services

The Group manufactures and sells chemical products directly to customers. Revenue is recognised when control of the goods has been transferred, being when the goods have been shipped to the customer's specified location (delivery). The normal credit term is 7 to 150 days upon delivery, except for those sales settled by bills which mature within 180 days.

Sale of properties

For contracts entered into with customers for sale of properties, the Group's performance does not create an asset with alternative use to the Group. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the management has concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to the customers. Revenue from sale of properties is therefore recognised at a point in time when the customer obtained control of the completed property, being at the point that the completed properties are transferred to the customer.

The Group receives certain percentage of the contract value as deposits from customers when they sign the sale and purchase agreements and receives the remainder within 120 days from the date of agreements. The deposits and advance payment schemes result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed property.

Transaction price allocated to the remaining performance obligation for contracts with customers

For both the manufacture and sale of chemical products with product delivery services and the sale of properties, the performance obligation is expected to be completed within one year. As permitted under HKFRS 15 *Revenue from Contracts with Customers*, the transaction price allocated to these unsatisfied contracts as at 31 December 2023 is not disclosed.

5. 收入(續)

與客戶合約之履約義務

製造和銷售化工產品附帶產品交付服務

本集團製造及直接銷售化工產品予客戶。當產品運抵客戶指定地點(交付)，產品的控制權即獲轉移而收入即被確認。正常除賬期為自交付後7至150天，除以應收票據結算之銷售除外，其於180天內到期。

物業銷售

對於與客戶訂立的物業銷售合同，本集團的履約行為不會產生具可替代用途的資產。經考慮相關合同條款，法律環境和相關法律先例後，管理層總結本集團在將相關物業轉讓給客戶之前，沒有可強制執行的付款權。因此，物業銷售收入乃於客戶取得已竣工物業的控制權之時點確認，亦即已之竣工物業轉讓予客戶之時。

本集團與客戶在簽訂買賣協議時，一般收取客戶若干百分比合同金額作為訂金，餘款則於合同日期後120天內收取。由訂金和預付款計劃產生之合約負債於整個物業工程期間確認，並於客戶取得已竣工物業之控制權時轉出。

分配到與客戶合約的剩餘履約義務的交易價格

就製造和銷售化工產品附帶產品交付服務及物業銷售兩者而言，其履約義務預期將在一年內完成。誠如香港財務報告準則第15號所容許，於2023年12月31日分配至該等未償付履約責任的交易價格並無披露。

6. OPERATING SEGMENTS

The Group manages its different businesses by their unique attributes. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, below describes the operations in each of the Group's identified reportable operating segments as at 31 December 2023 and 2022:

- Chemical: manufacture and sale of chemical products
- Property: development and sale of properties, properties held for rental, and supply of related properties services

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases.

Revenue and expenses are allocated to the reportable segments with reference to revenue directly generated by those segments and the expenses directly incurred by those segments. Segment results form the basis of measurement used for assessing segment performance and represent profit or loss before other income, other gains or losses, finance costs, net exchange (loss) gain, share of results of joint ventures and associates, income tax and items not specifically attributed to individual reportable segments, such as unallocated head office and corporate expenses.

Assets and liabilities are centrally-managed and assessed by the Group's most senior executive management. No segment information on assets and liabilities is therefore presented.

For "chemical" operations, the information reported to the Group's most senior executive management is further categorised into different locations within the PRC, each of which is considered as a separate operating segment by the Group's most senior executive management. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as they share similar economic characteristics. For "property" operation, no operating segment has been aggregated in arriving at the reportable segment.

Segment information below is presented in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment.

6. 經營分部

本集團乃按各業務獨特性質管理不同業務。下列描述本集團於2023年12月31日及2022年12月31日，按照與向本集團最高層行政管理人員就資源配置及表現評估之內部匯報資料方式，確立的每個可報告經營分部的運作情況：

- 化工：製造及銷售化工產品
- 物業：物業發展和銷售，持作出租物業，及提供相關物業服務

就評估分部表現及各分部間之資源配置而言，本集團最高行政管理層根據下列基準監控每一個可報告經營分部之業績。

收入與支出乃參考來自各個可報告經營分部所產生之直接收入及所涉及之直接支出而分配到該等分部。評估分部表現之計算基準為分部業績，此乃指未計及其他收入、其他收益或虧損、融資成本、匯兌淨(虧損)收益、應佔合營企業及聯營企業業績、所得稅及並無明確歸類於個別分部之項目(如未分配之總公司及企業費用淨額)前之盈利或虧損。

資產和負債均由本集團最高行政管理層集中管理和評估。因此有關資產及負債的分部資料並無呈列。

就「化工」業務而言，向本集團最高層行政管理人員報告的資訊進一步以中國境內的不同地點劃分，每個地點均被本集團最高層行政管理人員視為個別的經營分部。就分部報告而言，由於這些個別的經營分部具有相似的經濟特徵，它們已合併為一個可報告分部。就「物業」業務而言，並無合併任何經營分部以組成該可報告分部。

以下分部資料與就資源分配及表現評估而向本集團最高級執行管理層作出內部報告的呈列方式一致。

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6. OPERATING SEGMENTS (CONTINUED)

(a) Segment revenues and results

For the year ended 31 December 2023

		Chemical 化工 HK\$'000 千港元	Property 物業 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue from external customers	來自外間客戶之收入	3,980,919	69,662	4,050,581
Segment results	分部業績	522,112	4,522	526,634
Unallocated head office and corporate expenses	未分配之總公司及企業費用淨額			(53,347)
Other income	其他收入			79,946
Other gains and losses	其他收益及虧損			(13,619)
Finance costs	融資成本			(39,282)
Net exchange loss	匯兌淨虧損			(6,977)
Share of results of joint ventures and associates	應佔合營企業及聯營企業業績			543
Profit before taxation	除稅前溢利			493,898

For the year ended 31 December 2022

截至2022年12月31日止年度

		Chemical 化工 HK\$'000 千港元	Property 物業 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue from external customers	來自外間客戶之收入	5,772,679	94,358	5,867,037
Segment results	分部業績	1,608,680	(166,318)	1,442,362
Unallocated head office and corporate expenses	未分配之總公司及企業費用淨額			(54,123)
Other income	其他收入			66,853
Other gains and losses	其他收益及虧損			2,385
Finance costs	融資成本			(38,657)
Net exchange loss	匯兌淨虧損			(21,013)
Share of results of joint ventures and associates	應佔合營企業及聯營企業業績			312
Profit before tax	除稅前溢利			1,398,119

6. OPERATING SEGMENTS (CONTINUED)**(b) Geographical information**

The Group's operations of the two segments are both located in the PRC. Most of the Group's revenue from external customers is derived from the PRC and most of the Group's non-current assets are located in the PRC for both years.

(c) Revenue from major customers

None of the corresponding revenue from customers contribute over 10% of the total revenue of the Group for the years ended 31 December 2023 and 2022.

(d) Other segment information

Amounts included in the measure of segment profit or loss:

For the year ended 31 December 2023

Depreciation	折舊
Amortisation	攤銷
Write-down on inventories	存貨之減值

For the year ended 31 December 2022

Depreciation	折舊
Amortisation	攤銷
Write-down on property held for sale	待售物業之減值

6. 經營分部(續)**(b) 地區資料**

本集團的兩個分部的業務均位於中國。在這兩個年度，絕大部份來自外部客戶之收入均源自中國及絕大部份之非流動資產均位於中國。

(c) 來自主要客戶的收益

截至2023年12月31日止及2022年12月31日止年度，概無客戶的相應收益為本集團總收益貢獻超過10%。

(d) 其他分部資料

計入分部損益計量的金額：

截至2023年12月31日止年度

	Chemical 化工 HK\$'000 千港元	Property 物業 HK\$'000 千港元
	57,033	4,622
	2,724	-
	7,203	-

截至2022年12月31日止年度

	Chemical 化工 HK\$'000 千港元	Property 物業 HK\$'000 千港元
	69,381	4,627
	2,893	-
	-	157,676

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7. OTHER INCOME

7. 其他收入

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
Bank interest income	銀行利息收入	4,048	5,287
Interest income from a joint venture	合營公司之利息收入	488	614
Government grants	政府補貼	64,660	45,446
Scrap sales	廢品收入	1,278	6,251
Electricity and steam income	電力及蒸氣收入	5,085	4,667
Rental income	租金收入	3,032	2,873
Others	其他	1,355	1,715
		79,946	66,853

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
Net fair value changes of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動淨額	(2,109)	5,172
Loss on disposal of property, plant and equipment	處置物業、廠房及設備損失	(2,667)	(2,787)
Decrease in fair value of investment properties	投資物業之公平值減少	(8,843)	-
		(13,619)	2,385

9. INCOME TAX EXPENSE

9. 所得稅支出

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
The charge comprises:	支出包括：		
Current tax	本期稅項		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅	80,294	211,366
PRC Land Appreciation Tax ("LAT")	中國土地增值稅	5,101	11,150
PRC withholding tax on dividend income	中國股息收入預扣稅	39,577	43,279
Hong Kong Profits Tax	香港利得稅	538	1,458
Overprovision in prior years – EIT	以前年度多提－中國企業所得稅	(2,644)	(21,872)
Deferred tax – current year	遞延稅項－本年度遞延稅項	(29,633)	(4,037)
		93,233	241,344

The Group's major business is in the PRC. Under the Law of the PRC on EIT and its Implementation Regulation, the Group's subsidiaries in the PRC are subject to corporate income tax at the rate of 25% (2022: 25%) except that four (2022: four) of these subsidiaries are entitled to a favourable EIT rate of 15% (2022: 15%) for the year ended 31 December 2023.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sale proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land use rights, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sale of the properties, followed by final ascertainment of the gain at the completion of the properties development.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year ended 31 December 2023 and 2022.

本集團的主要業務位於中國。根據中國企業所得稅法及企業所得稅法實施條例，本集團在中國的子公司以25%（2022年：25%）的稅率繳納企業所得稅，惟截至2023年12月31日止年度其中四家（2022年：四家）子公司可享優惠企業所得稅率15%（2022年：15%）。

計提土地增值稅撥備是按有關中國稅法及規則要求估算。土地增值稅乃按土地增值金額（即物業銷售收入扣減指定直接成本後之餘額）以累進稅率30%至60%計收。指定直接成本包括土地使用權成本，發展及建築成本，以及其他關於物業發展的成本。按照國家稅務總局之官方公告，銷售物業時應暫繳土地增值稅，並於物業發展完成後確定最終收益。

香港利得稅於截至2023年12月31日止及2022年12月31日止兩個年度乃按估計應課稅盈利以16.5%計算。

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9. INCOME TAX EXPENSE (CONTINUED)

According to Cai Shui 2008 No.1 published by the State Administration of Taxation ("SAT"), dividend distributed out of the profits generated since 1 January 2008 by a PRC entity to a non-PRC resident shall be subject to the PRC EIT pursuant to Articles 3 and 27 of the Income Tax Law Concerning Foreign Investment Enterprises and Foreign Enterprises and Article 91 of the Detailed Rules for Implementation of the Income Tax Law for Enterprises with Foreign Investment and Foreign Enterprises. Under the Double Taxation Arrangement between Hong Kong and the Mainland China, the withholding tax rate applicable to the Group is 5%.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 所得稅支出(續)

根據國家稅務總局(「國家稅務總局」)刊發之財稅字2008第1號文件，自2008年1月1日起，中國實體從其所產生的溢利中向非中國稅務居民分配股息，須根據外商投資企業和外國企業所得稅法第3及27章以及外商投資企業和外國企業所得稅法實施細則第91章之規定繳納中國企業所得稅。根據香港和中國內地的避免雙重課稅的協定，本集團適用的預扣稅率為5%。

年內稅項開支與綜合損益及其他全面收益表所列除稅前利潤對賬如下：

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Profit before taxation	除稅前溢利	493,898	1,398,119
Tax at the domestic income tax rate of 25% (2022: 25%)	按當地所得稅率25%計算之稅項 (2022年：25%)	123,474	349,530
Tax effect of share of results of joint ventures and associates	應佔合營企業和聯營企業業績之稅務影響	(136)	(78)
Tax effect of expenses not deductible in determining taxable profit	釐定應課稅溢利時不可扣稅支出之稅務影響	16,035	23,250
Tax effect of income not taxable in determining taxable profit	釐定應課稅溢利時毋須應課稅收入之稅務影響	(4,852)	(2,829)
Effect of concessionary rate granted to PRC subsidiaries	附屬公司獲優惠稅率之影響	(74,471)	(184,697)
Effect of different tax rate of subsidiaries operating in other jurisdictions	其他司法權區稅率差異之影響	(616)	(1,068)
Tax effect of deductible temporary differences not recognised	未確認可扣稅暫時性差異之稅務影響	21,288	39,419
Overprovision in respect of prior years	以前年度多提	(2,644)	(21,872)
Withholding tax on dividend income	中國附屬公司保留溢利之預扣稅	10,054	28,539
Land Appreciation Tax	土地增值稅	5,101	11,150
Income tax expense for the year	年內所得稅支出	93,233	241,344

9. INCOME TAX EXPENSE (CONTINUED)

The following is the analysis of the deferred tax balances for financial reporting purposes:

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	19,908	20,647
Deferred tax liabilities	遞延稅項負債	(27,710)	(58,178)
		(7,802)	(37,531)

The following are the major deferred tax (liabilities) assets recognised and movement thereon during the current and prior reporting period:

		Withholding tax 預扣稅 HK\$'000 千港元 (Note (i)) (附註(i))	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Right-of-use assets 使用權資產 HK\$'000 千港元 (Note (ii)) (附註(ii))	Others 其他 HK\$'000 千港元 (Note (iii)) (附註(iii))	Total 合計 HK\$'000 千港元
At 1 January 2022	於2022年1月1日	(56,032)	-	23,372	(9,844)	(42,504)
Credited (charged) to profit or loss	計入(扣除)至損益	14,740	(18,295)	(547)	8,139	4,037
Exchange realignment	匯兌調整	2,402	-	(2,178)	712	936
At 31 December 2022	於2022年12月31日	(38,890)	(18,295)	20,647	(993)	(37,531)
Credited (charged) to profit or loss	計入(扣除)至損益	29,524	48	(519)	580	29,633
Exchange realignment	匯兌調整	112	198	(220)	6	96
At 31 December 2023	於2023年12月31日	(9,254)	(18,049)	19,908	(407)	(7,802)

Notes:

- (i) At the end of the reporting period, the Group had retained profits of certain PRC subsidiaries amounting to HK\$1,509,845,000 (2022: HK\$2,087,786,000). Deferred tax liabilities have been recognised in respect of HK\$185,076,000 (2022: HK\$777,778,000) of such accumulated profits. No deferred tax liabilities has been recognised in respect of the remaining HK\$1,324,769,000 (2022: HK\$1,310,008,000) of such retained profits as it is the intention of the Directors of the Group to retain certain earnings within these subsidiaries.
- (ii) This related to the temporary differences arising from right-of-use assets acquired. In prior years, the Group received government grants relating to acquisitions of land use rights, which have been presented by deducting the grants in arriving at the carrying amounts of the leasehold land. The grants were recognised in profit or loss over the useful lives of the relevant assets as reduced depreciation charges.
- (iii) This is the deferred tax derived from the cumulative fair value gains before the development of the relevant land of the property project in previous years, and it is expected to be credited to profit or loss when the properties held for sale are sold or written-down.

9. 所得稅支出(續)

以下為遞延稅項餘額分析：

以下為主要遞延稅項(負債)資產於年內及去年同期確認及變動：

附註：

- (i) 於報告期末，本集團之若干中國附屬公司的保留溢利計有1,509,845,000港元(2022年：2,087,786,000港元)。其已就該等保留溢利中的185,076,000港元(2022年：777,778,000港元)確認遞延稅項負債。由於本集團董事有意留存若干溢利於該等附屬公司，故並無就該等保留溢利中之剩餘部份1,324,769,000港元(2022年：1,310,008,000港元)確認遞延稅項負債。
- (ii) 此項與購入使用權資產時產生的暫時性差異有關。於以前年度，本集團收到與取得土地使用權相關的政府補貼，並以此扣除租賃土地的賬面值列示。有關補貼於相關資產的可使用年期內通過抵減折舊費用確認到損益。
- (iii) 此乃以前年度物業項目相關地皮未發展前之累計公平值收益所衍生的遞延稅項，並預期於待售物業出售或減值時計入至損益。

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10. PROFIT FOR THE YEAR

10. 年內溢利

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	年內溢利已扣除(計入):		
Directors' emoluments (Note 13)	董事薪酬(附註13)	17,629	33,479
Other staff costs (excluding directors):	其他員工成本(董事除外):		
Salaries and other benefits	薪金及其他福利	328,430	373,158
Retirement benefit schemes contributions	退休福利計劃供款	18,968	19,552
Total staff costs	員工成本總額	365,027	426,189
Capitalised in inventories	已計入存貨之金額	(212,228)	(241,350)
		152,799	184,839
Finance costs:	融資成本:		
Interest on bank borrowings	銀行借款之利息支出	39,224	38,498
Lease liabilities	租賃負債	58	159
		39,282	38,657
Auditors' remuneration	核數師酬金		
– Audit services	– 審計服務	2,020	1,685
– Non-audit services	– 非審計服務	460	830
Cost of inventories recognised as expenses (including write-down of inventories of HK\$7,203,000 (2022: write-down of properties held for sale of HK\$157,676,000 (Note)))	已確認為支出的存貨成本(包括存貨之減值7,203,000港元(2022年: 待售物業之減值157,676,000港元(附註)))	2,988,410	3,743,496
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	389,580	395,968
Depreciation of right-of-use assets	使用權資產之折舊	6,640	5,892
Amortisation of intangible assets	無形資產之攤銷	2,724	2,893
Total depreciation and amortisation	折舊及攤銷合計	398,944	404,753
Capitalised in inventories	已計入存貨之金額	(334,564)	(327,852)
		64,380	76,901
Gross rental income from investment properties	投資物業的總租金收入	(2,110)	–
Less: direct operating expenses incurred for investment properties that generate rental income during the year	減: 當年產生租金收入的投資物業所發生的直接營業費用	1,254	–
		(856)	–

Note: The write-down of properties held for sale was related to a commercial building and its ancillary facilities considering the real estate market condition in the PRC in 2022.

附註: 考慮到2022年中國房地產市場狀況, 待售物業之減值乃與商業物業及其附屬設施有關。

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year of HK\$400,665,000 (2022: HK\$1,156,775,000) and 825,000,000 (2022: 825,000,000) shares in issue during the year.

The calculation of diluted earnings per share is based on the profit for the year and the weighted average number of ordinary shares in issue after adjusting for the potential dilutive effect caused by the share options granted under the share option scheme.

Number of shares

		2023 '000 千股	2022 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利而言之 普通股加權平均數	825,000	825,000
Effect of deemed issue of shares under the Company's share option scheme	根據本公司的購股權計劃 被視作為已發行股份之影響	13,289	35,825
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利而言之 普通股加權平均數	838,289	860,825

12. DIVIDENDS

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Dividends recognised as distributions during the year:	年內已確認分派之股息：		
Final dividend of HK32 cents per share for the year ended 31 December 2021	截至2021年12月31日止年度末期 股息每股32港仙	-	264,000
Interim dividend of HK38 cents per share for the year ended 31 December 2022	截至2022年12月31日止年度中期 股息每股38港仙	-	313,500
Final dividend of HK17 cents per share for the year ended 31 December 2022	截至2022年12月31日止年度末期 股息每股17港仙	140,250	-
Interim dividend of HK5 cents per share for the year ended 31 December 2023	截至2023年12月31日止年度中期 股息每股5港仙	41,250	-
		181,500	577,500

A final dividend of HK14 cents (2022: HK17 cents) per share amounting to HK\$115,500,000 (2022: HK\$140,250,000) in respect of the year ended 31 December 2023 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

11. 每股盈利

每股基本盈利乃按本公司擁有人之年內溢利400,665,000港元(2022年：1,156,775,000港元)及已發行股數825,000,000股(2022年：825,000,000股)作計算。

每股攤薄盈利計算乃根據本公司股東應佔溢利及已發行加權平均普通股股數，再就根據購股權計劃授出的購股權所造成的潛在攤薄影響作出調整。

股數**12. 股息**

董事會已建議派發截至2023年12月31日止年度之末期股息每股14港仙(2022年：17港仙)共115,500,000港元(2022年：140,250,000港元)，惟須待股東於即將舉行之週年大會上批准。

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13. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS

Directors' and chief executives' emoluments for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

13. 董事及主要行政人員薪酬

董事及主要行政人員於本年度之薪酬根據適用上市規則及香港公司條例披露如下：

		Salaries and other benefits	Contributions to retirement benefit schemes	Discretionary bonus payments	Total
	Fees	薪金及 其他福利	退休福利 計劃供款	酌情 獎金支付	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元 (Note) (附註)	千港元
Year ended 31 December 2023					
Ms. Wai Siu Kee		960	1,200	-	4,007
衛少琦女士					6,167
Mr. Lee Man Yan ("Mr. Lee")*		3,000	1,199	-	4,199
李文恩先生(「李先生」)*					
Mr. Yang Zuo Ning		600	1,051	1	1,652
楊作寧先生					
Professor Chan Albert Sun Chi JP		-	4,996	-	4,996
陳新滋教授太平紳士					
Mr. Wan Chi Keung, Aaron BBS JP		180	-	-	180
尹志強先生BBS太平紳士					
Mr. Wong Kai Tung, Tony*		105	-	-	105
王啟東先生*					
Mr. Heng Victor Ja Wei		180	-	-	180
邢家維先生					
Mr. Wong King Wai Kirk**		150	-	-	150
王經緯先生**					
		5,175	8,446	1	4,007
					17,629

13. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (CONTINUED)

13. 董事及主要行政人員薪酬(續)

	Fees	Salaries and other benefits	Contributions to retirement benefit schemes	Discretionary bonus payments	Share-based performance incentive	Total
	袍金	薪金及其他福利	退休福利計劃供款	酌情獎金支付	基於股份的績效相關獎勵	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
				(Note) (附註)	(Note 33) (附註33)	
Year ended 31 December 2022	截至2022年12月31日止年度					
Ms. Wai Siu Kee	960	1,200	–	11,568	–	13,728
Mr. Lee Man Yan ("Mr. Lee")*	3,000	1,264	–	–	8,059	12,323
Mr. Yang Zuo Ning	600	1,242	14	–	–	1,856
Professor Chan Albert Sun Chi JP	–	5,032	–	–	–	5,032
Mr. Wan Chi Keung, Aaron BBS JP	180	–	–	–	–	180
Mr. Wong Kai Tung, Tony	180	–	–	–	–	180
Mr. Heng Victor Ja Wei	180	–	–	–	–	180
	<u>5,100</u>	<u>8,738</u>	<u>14</u>	<u>11,568</u>	<u>8,059</u>	<u>33,479</u>

* Mr. Lee is also the chief executive officer of the Company.

* Mr. Wong Kai Tung, Tony resigned on 2 August 2023.

** Mr. Wong King Wai Kirk was appointed on 1 March 2023.

* 李先生同時亦為本公司之首席執行官。

* 王啟東先生於2023年8月2日辭任。

** 王經緯先生於2023年3月1日獲委任。

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Note: Other performance related incentive payments were determined with regards to individual performance. None of the directors waived any emoluments in both years.

以上的執行董事的酬金乃關於其在管理公司及集團事務上提供的服務。以上的非執行董事及獨立非執行董事的酬金乃關於其在出任為本公司董事上提供的服務。

附註：根據個人績效確定其他與績效相關的獎勵支付。所有董事均沒有在該兩年內放棄任何薪酬。

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14. FIVE HIGHEST PAID INDIVIDUALS

Of the five highest paid individuals of the Group during the year, four (2022: four) were directors of the Company, details of whose remuneration are set out in Note 13. Details of the remuneration for the year of the remaining one (2022: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,522	1,425

Their remuneration fell within the following bands:

		2023 Number of individuals 人數	2022 Number of individuals 人數
HK\$1,000,001 to HK\$1,500,000	HK\$1,000,001至HK\$1,500,000	-	1
HK\$1,500,001 to HK\$2,000,000	HK\$1,500,001至HK\$2,000,000	1	-

No compensation was paid to the above individuals and directors during the current year and prior year for the loss of office or as an inducement or upon joining the Company.

14. 首五名最高薪酬人士

年內，本集團五名最高薪酬人士中，4名（2022年：4名）為本公司董事，其酬金詳情載於附註13。餘下1名最高薪酬僱員（2022年：1名）為非本公司董事或行政總裁。其年薪詳情如下：

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,522	1,425

其薪酬於以下範圍：

		2023 Number of individuals 人數	2022 Number of individuals 人數
HK\$1,000,001 to HK\$1,500,000	HK\$1,000,001至HK\$1,500,000	-	1
HK\$1,500,001 to HK\$2,000,000	HK\$1,500,001至HK\$2,000,000	1	-

上述個人和董事在本年度和上年度沒有因離職或作為誘因或加入公司而獲得補償。

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings and leasehold improvements 樓宇及租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
COST	成本						
At 1 January 2022	於2022年1月1日	747,942	59,900	20,869	6,400,253	558,646	7,787,610
Additions	添置	–	4,256	2,421	65,851	475,684	548,212
Disposals	出售	–	(159)	(3,540)	(12,308)	–	(16,007)
Transfer	轉撥	25,165	69	–	142,294	(167,528)	–
Transfer from properties held for sale (Note 38)	自待售物業轉入 (附註38)	34,866	–	–	–	–	34,866
Exchange realignment	匯兌調整	(74,745)	(5,807)	(1,879)	(613,343)	(60,226)	(756,000)
At 31 December 2022	於2022年12月31日	733,228	58,259	17,871	5,982,747	806,576	7,598,681
Additions	添置	112	9,287	1,488	58,818	362,921	432,626
Disposals	出售	–	(176)	(1,474)	(7,937)	–	(9,587)
Transfer	轉撥	29,595	1,239	–	211,611	(242,445)	–
Transfer to investment properties (Note 16)	轉至投資物業 (附註16)	(31,868)	–	–	–	–	(31,868)
Exchange realignment	匯兌調整	(9,365)	(1,018)	(235)	(74,458)	(2,535)	(87,611)
At 31 December 2023	於2023年12月31日	721,702	67,591	17,650	6,170,781	924,517	7,902,241
DEPRECIATION	折舊						
At 1 January 2022	於2022年1月1日	189,685	39,473	15,360	2,501,988	–	2,746,506
Provided for the year	當年折舊	36,926	6,138	1,678	351,226	–	395,968
Elimination on disposal	出售時對銷	–	(138)	(3,162)	(7,937)	–	(11,237)
Exchange realignment	匯兌調整	(19,920)	(4,062)	(1,334)	(254,983)	–	(280,299)
At 31 December 2022	於2022年12月31日	206,691	41,411	12,542	2,590,294	–	2,850,938
Provided for the year	當年折舊	35,470	5,687	1,415	347,008	–	389,580
Elimination on disposal	出售時對銷	–	(152)	(1,327)	(5,085)	–	(6,564)
Elimination on transfer	轉撥時對銷	(1,792)	–	–	–	–	(1,792)
Exchange realignment	匯兌調整	(2,815)	(535)	(148)	(33,316)	–	(36,814)
At 31 December 2023	於2023年12月31日	237,554	46,411	12,482	2,898,901	–	3,195,348
CARRYING AMOUNT	賬面值						
At 31 December 2023	於2023年12月31日	484,148	21,180	5,168	3,271,880	924,517	4,706,893
At 31 December 2022	於2022年12月31日	526,537	16,848	5,329	3,392,453	806,576	4,747,743

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15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment except for construction in progress, and after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Buildings and leasehold improvements	5%
Furniture, fixtures and equipment	20%
Motor vehicles	20%
Plant and machinery	5%–20%

As at 31 December 2023, the Group's leasehold land and buildings represent buildings in the PRC and leasehold land and building located in Hong Kong amounting to HK\$479,894,000 and HK\$4,255,000 (2022: HK\$521,941,000 and HK\$4,596,000), respectively.

15. 物業、廠房及設備(續)

上述物業、廠房及設備項目除在建工程外並考慮剩餘價值後乃以直線法按下列年率折舊：

樓宇及租賃物業裝修	5%
傢俬、裝置及設備	20%
汽車	20%
廠房及機器	5%–20%

於2023年12月31日，本集團的租賃土地及樓宇代表位於中國的樓宇，位於香港的租賃土地及樓宇分別為479,894,000港元及4,255,000港元(2022年：521,941,000港元及4,596,000港元)。

16. INVESTMENT PROPERTIES

16. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2022	於2022年1月1日	–
Transfer from properties held for sale	轉自待售物業	<u>187,778</u>
At 31 December 2022	於2022年12月31日	187,778
Addition	添置	9,212
Transfer from property, plant and equipment	轉自物業、廠房及設備	31,868
Decrease in fair value recognised in profit or loss	計入損益之公平值減少	(8,843)
Exchange realignment	匯兌調整	<u>(2,433)</u>
At 31 December 2023	於2023年12月31日	<u>217,582</u>



16. INVESTMENT PROPERTIES (CONTINUED)

The Group leases out the commercial building and carpark building for generating rental income. The leases typically run for an initial period of 5 years for the commercial building and 2 years for the carpark building.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currency of the group entity. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The fair value of the Group's investment properties at the date of transfer from property, plant and equipment (2022: date of transfer from properties held for sale) and as at 31 December 2023 (2022: 31 December 2022) have been arrived at on the basis of a valuation carried out on those respective dates by Messrs Cushman & Wakefield Limited, an independent qualified professional valuer not connected to the Group (the "Valuer"). The fair value of investment properties at the date of transfer from property, plant and equipment (2022: date of transfer from properties held for sale) and as at 31 December 2023 (2022: 31 December 2022) were derived using the income capitalisation method and by adopting appropriate capitalisation rates after the current rental and the market rents potential of tenancies.

In determining the fair value of the relevant properties, the Group engages the Valuer to perform the valuation. The management of the Group works closely with the Valuer to establish the appropriate valuation techniques and inputs to the model.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

16. 投資物業(續)

本集團出租商業大廈及停車場大廈以賺取租金收入。商業大廈的租賃通常初步為期5年，停車場大廈的租賃通常初步為期2年。

由於所有租賃均以集團實體相關功能性貨幣結算，因此租賃安排下本集團無須承擔外幣風險。相關租賃合約並不包含剩餘價值保證及／或承租人於租賃期末選擇購入物業的選擇權。

本集團於自物業、廠房及設備轉入當日(2022年：自待售物業轉入當日)及2023年12月31日(2022年：2022年12月31日)之投資物業之公平值由與本集團概無關連之獨立合資格專業估值師戴德梁行有限公司(「估值師」)進行估值達致。投資物業於自物業、廠房及設備轉入當日(2022年：自待售物業轉入當日)及2023年12月31日(2022年：2022年12月31日)之公平值乃按收入資本化法，通過以資本化率計算當前租金和租賃市場潛在租金得出。

本集團聘用估值師進行估值以釐定相關投資物業的公平值。管理層與估值師緊密合作以確立合適的估值方法及輸入數據用於評估模型。

於估計投資物業之公平值時，該等物業當前用途為其最高和最佳用途。

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16. INVESTMENT PROPERTIES (CONTINUED)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used) at the date of transfer from property, plant and equipment (2022: date of transfer from properties held for sale) and as at 31 December 2023 (2022: 31 December 2022).

16. 投資物業(續)

下表載列該等投資物業於自物業、廠房及設備轉入當日(2022年：自待售物業轉入當日)及2023年12月31日(2022年：2022年12月31日)公平值之釐定方法(尤其是估值方法及所使用參數)。

Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value	
估值方法	重大不可觀察參數	不可觀察輸入數據與公平值之關係	
Commercial units, comprising the shops, apartments, offices and carparks, located in Changshu, the PRC 中國常熟的商業樓面，其包括商舖、服務式公寓、辦公室及停車場	Income capitalisation method 收入資本化法	Market rents, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties, which ranged from RMB23 to RMB46 (2022: from RMB20 to RMB45) per square metre per month and RMB212 per car parking space per month. 市場租金，考慮到位置的差異，以及可比物業與物業之間的門面和面積等個別因素，介乎每平方米每月人民幣23至46元(2022年：人民幣20至45元)及每停車位每月人民幣212元不等。	The higher the market rents, the higher the fair value. 市場租金越高，公平值越高。
	Reversionary yields, taking into account the capitalisation of rental income potential, nature of the properties, and prevailing market condition, of 4.5%–5.5% (2022: 4.5% to 5.5%). 復歸收益率，考慮到租金收入資本化的潛力、物業的性質和當前的市場狀況，介乎4.5%至5.5%(2022年：4.5%–5.5%)。	The higher the reversionary yields, the lower the fair value. 復歸收益率越高，公平值越低。	
The fair value measurement is categorised into Level 3 fair value hierarchy.		公平值計量分類為公平值等級之第三級。	
There were no transfers into or out of Level 3 during the year.		年內概無第三級的轉入或轉出。	

17. RIGHT-OF-USE ASSETS

17. 使用權資產

		Leasehold land 租賃土地 HK\$'000 千港元 (Note) (附註)	Office properties and dormitory 辦公室物業 及宿舍 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2022	於2022年1月1日	148,772	4,280	153,052
Addition	添置	–	910	910
Depreciation	折舊	(3,445)	(2,447)	(5,892)
Exchange realignment	匯兌調整	(13,859)	(362)	(14,221)
At 31 December 2022	於2022年12月31日	131,468	2,381	133,849
Addition	添置	66,143	7,078	73,221
Depreciation	折舊	(4,318)	(2,322)	(6,640)
Exchange realignment	匯兌調整	(4,307)	9	(4,298)
At 31 December 2023	於2023年12月31日	188,986	7,146	196,132
			2023 HK\$'000 千港元	2022 HK\$'000 千港元
Expense relating to short-term leases	短期租賃費用		144	205
Total cash outflow for leases	租賃現金流出總額		68,752	2,804

Note: In prior years, the Group received government subsidies relating to acquisitions of land use rights, which have been presented by deducting the subsidies in arriving at the carrying amounts of the leasehold lands. As at 31 December 2023, the government grants amounting to HK\$108,037,000 (2022: HK\$112,028,000) remained to be recognised in profit or loss over the lease terms as reduced depreciation expenses.

附註：於以前年度，本集團收到與取得土地使用權相關的政府補貼，並以此扣除租賃土地的賬面值列示。於2023年12月31日，金額為108,037,000港元（2022年：112,028,000港元）的政府補貼仍有待於租賃期內以減少折舊費用在損益中確認。

For both years, the Group leases office properties and dormitory from Lee & Man Paper Manufacturing Limited and its subsidiaries (the "LMP Group") for its operations. Lease contracts are entered into for fixed term of three years. Lease terms are negotiated on an individual basis. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

於兩個年度，本集團均自理文造紙有限公司及其子公司（「理文造紙集團」）租賃辦公室物業及宿舍以經營其業務。租賃合同的固定期限為3年。租賃條款是根據個別情況協商確定。本集團在確定租賃期限和評估不可撤銷的期限時，採用合同的定義並確定合同可強制執行的期限。

The Group has obtained the land use right certificates for all leasehold lands.

本集團已取得所有租賃土地的土地使用權證。

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17. RIGHT-OF-USE ASSETS (CONTINUED)**Restrictions or covenants on leases**

In addition, lease liabilities of HK\$7,148,000 are recognised with related right-of-use assets of HK\$7,146,000 as at 31 December 2023 (2022: lease liabilities of HK\$2,469,000 and related right-of-use assets of HK\$2,381,000). 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.

18. INTANGIBLE ASSETS**17. 使用權資產(續)****租賃的限制和契諾**

此外，於2023年12月31日，租賃負債7,148,000港元和其相關使用權資產7,146,000港元(2022年：租賃負債2,469,000港元和其相關使用權資產2,381,000港元)經已確認。租賃協議除出租人持有的租賃資產中的抵押權益外不施加任何契諾。租賃資產不得用作借貸擔保。

18. 無形資產

		Technical knowhow	Software	Total
		技術知識	軟件	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
COST	成本			
At 1 January 2022	於2022年1月1日	123,394	207	123,601
Addition	添置	–	380	380
Exchange realignment	匯兌調整	(11,654)	(55)	(11,709)
At 31 December 2022	於2022年12月31日	111,740	532	112,272
Exchange realignment	匯兌調整	(1,228)	(6)	(1,234)
At 31 December 2023	於2023年12月31日	110,512	526	111,038
AMORTISATION	攤銷			
At 1 January 2022	於2022年1月1日	24,144	158	24,302
Provided for the year	當年攤銷	2,793	100	2,893
Exchange realignment	匯兌調整	(2,434)	(20)	(2,454)
At 31 December 2022	於2022年12月31日	24,503	238	24,741
Provided for the year	當年攤銷	2,649	75	2,724
Exchange realignment	匯兌調整	(308)	(4)	(312)
At 31 December 2023	於2023年12月31日	26,844	309	27,153
CARRYING VALUE	賬面值			
At 31 December 2023	於2023年12月31日	83,668	217	83,885
At 31 December 2022	於2022年12月31日	87,237	294	87,531

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Technical knowhow	10 to 39 years
Software	5 years

上述無形資產有既定使用年限。該等無形資產乃按直線法於以下年期內予以攤銷：

技術知識	10至39年
軟件	5年

19. INTERESTS IN JOINT VENTURES

19. 合營企業之權益

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Cost of unlisted investments in joint ventures	非上市合營企業之投資成本	125,166	125,166
Exchange realignment	匯兌調整	(12,608)	(11,990)
Share of loss and other comprehensive expense	應佔虧損及其他全面支出	(13,778)	(14,522)
		98,780	98,654

Details of each of the Group's joint ventures at the end of the reporting period are as follows:

截至報告期末，本集團於每間合營企業的詳情載列如下：

Name of entity 實體名稱	Place of establishment/ incorporation 成立地點	Class of shares held 所持股票 類型	Proportion of ownership interest held by the Group 本集團間接持有的 已發行及繳足資本比例		Principal activity 主要業務
			2023	2022	
常熟東港置業有限公司 (Note 附註)	PRC 中國	Registered capital 註冊資本	40%	40%	Provision of port facilities 提供港口設施
Southern Hill Company Limited 南峰有限公司	Hong Kong 香港	Ordinary 普通股	50%	50%	Investment holding 投資控股

Note: The Group is able to exercise joint control over the relevant activities of this entity, as the major decisions regarding the relevant activities of this entity require unanimous consent of their respective shareholders according to the shareholders agreements.

附註：本集團能夠對該實體的相關活動實施共同控制，因據股東協議該實體相關活動的重大決策需獲得各自股東的一致同意。

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19. INTERESTS IN JOINT VENTURES (CONTINUED)

The joint ventures are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the major joint venture is as follows:

19. 合營企業之權益(續)

合營企業乃以權益法計入綜合財務報表。

有關主要合營企業之財務資料如下：

		Southern Hill Company Limited and its subsidiary 南峰有限公司及其附屬公司	
		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Current assets	流動資產	13,230	8,280
Non-current assets	非流動資產	212,513	218,717
Current liabilities	流動負債	(262)	(1,296)
Non-current liabilities	非流動負債	(63,909)	(63,355)

The above amounts of assets and liabilities include the following:

以上資產及負債金額包括以下：

		Southern Hill Company Limited and its subsidiary 南峰有限公司及其附屬公司	
		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	12,880	7,846
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動財務負債(不包括應付貿易及其他款項及撥備)	(63,909)	(63,355)

19. INTERESTS IN JOINT VENTURES (CONTINUED)

19. 合營企業之權益(續)

		Southern Hill Company Limited and its subsidiary 南峰有限公司及其附屬公司	
		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Revenue	收入	8,921	9,432
Profit (loss) for the year	年內溢利(虧損)	62	(53)
Other comprehensive expense for the year	年內其他全面支出	(836)	(19,316)
Total comprehensive expense for the year	年內全面支出	(774)	(19,369)

The above profit (loss) for the year includes the following:

上述年內溢利(虧損)包括以下：

		Southern Hill Company Limited and its subsidiary 南峰有限公司及其附屬公司	
		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	(5,217)	(5,531)
Interest income	利息收入	111	216
Interest expense	利息支出	(1,932)	(2,380)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Southern Hill Company Limited and its subsidiary recognised in the consolidated financial statements:

以上有關南峰有限公司及其附屬公司之權益賬面金額的財務資料計入綜合財務報表之對賬：

		Southern Hill Company Limited and its subsidiary 南峰有限公司及其附屬公司	
		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Net assets	淨資產	161,572	162,346
Proportion of the Group's ownership interest	本集團持有之擁有權部份	50%	50%
Carrying amount of the Group's interest	本集團投資之賬面金額	80,786	81,173

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20. INTERESTS IN ASSOCIATES

20. 聯營企業之權益

	2023 HK\$'000 千港元	2022 HK\$'000 千港元
Cost of unlisted investment in associates 非上市合營企業之投資成本	25,796	25,796
Exchange realignment 匯兌調整	(1,025)	(776)
Share of loss and other comprehensive expense 應佔虧損及其他全面支出	(883)	(682)
	23,888	24,338

Details of the Group's associates at the end of the reporting period are as follows:

截至本報告期間，本集團之聯營企業之詳細資料如下：

Name of entity 實體名稱	Place of establishment 成立地點	Class of shares held 所持股票 類型	Proportion of ownership interest held by the Group 本集團所佔的 權益比例		Principal activity 主要業務
			2023	2022	
瑞昌市碼頭熱力有限公司	PRC 中國	Registered capital 註冊資本	49%	49%	Sale of steam, construction and maintenance of steam pipelines, sale of heat-supply equipment and appliance 銷售蒸氣，建造及維護蒸氣管道，銷售提供熱力之設備及器具
江蘇新效材料科技有限公司	PRC 中國	Registered capital 註冊資本	28%	28%	Research and product development 研發及產品開發

The associates are accounted for using the equity method in these consolidated financial statements.

聯營企業乃以權益法計入綜合財務報表。

21. AMOUNTS DUE FROM (TO) JOINT VENTURES/AN ASSOCIATE

21. 應收(應付)合營企業/聯營企業款項

As at 31 December 2023, the amount due from a joint venture amounting to HK\$11,085,000 (2022: HK\$14,197,000) represented the loan to 常熟東港置業有限公司. As at 31 December 2023, the amount was unsecured, interest-bearing and repayable in October 2024. The loan agreement was renewed in 2023. As at 31 December 2022, the loan was unsecured, interest-bearing and repayable in October 2023.

於2023年12月31日，計有11,085,000港元(2022年：14,197,000港元)之應收合營企業款項為常熟東港置業有限公司的借款。於2023年12月31日，該金額為無抵押，計息及須於2024年10月償還。貸款協議於2023年續期。截至2022年12月31日，該貸款無抵押，計息及須於2023年10月償還。

The remaining amounts due from (to) a joint venture and the amount due from an associate are unsecured, interest-free and repayable on demand.

其餘應收(應付)合營企業款項及應收聯營企業款項為無抵押，免息及按要求償還。

Details of impairment assessment are set out in Note 41.

減值評估詳情載於附註41。

22. GOODWILL**22. 商譽**

		HK\$'000 千港元
COST AND CARRYING VALUES		
At 1 January 2022	成本及賬面值 在2022年1月1日	2,896
Exchange realignment	匯兌調整	(274)
At 31 December 2022	在2022年12月31日	2,622
Exchange realignment	匯兌調整	(29)
At 31 December 2023	於2023年12月31日	2,593

23. INVENTORIES**23. 存貨**

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Raw materials and consumables	原材料及耗用品	531,468	521,950
Work in progress	在製品	41,057	47,226
Finished goods	製成品	215,224	274,961
		787,749	844,137

24. PROPERTIES HELD FOR SALE**24. 待售物業**

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Properties for sale	待售物業	23,806	64,950

The properties held for sale are located in the PRC.

待售物業位於中國。

As at 31 December 2023, the carrying amount of leasehold land included in properties held for sale was HK\$2,614,000 (2022: HK\$6,776,000). The carrying amount of leasehold land is measured at cost less any accumulated depreciation. The residual values are determined as the estimated disposal values of the leasehold land component. No depreciation charge is made on the leasehold lands taking into account the estimated residual values as at 31 December 2023 and 2022.

於2023年12月31日，待售物業及發展中物業所包括的租賃土地的賬面值為2,614,000港元（2022年：6,776,000港元）。租賃土地的賬面值以成本減去任何累計折舊計量。剩餘價值確定為租賃土地部分的估計處置價值。考慮到截至2023年12月31日和2022年12月31日的估計殘值，未對租賃土地計提折舊費用。

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25. TRADE, BILLS AND OTHER RECEIVABLES

The Group allows its trade customers a credit period ranged from 7 to 150 days.

The ageing analysis of trade receivables and bills receivable based on invoice date/the date of revenue recognition at the end of the reporting period is as follows:

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Not exceeding 30 days	不超過30天	112,991	111,019
31–60 days	31至60天	31,498	7,450
61–90 days	61至90天	11,728	4,627
91–120 days	91至120天	13,587	2,221
Over 120 days	超過120天	20,049	4,113
Trade receivables at amortised cost	應收貿易賬款，按攤銷成本	189,853	129,430
Not exceeding 30 days	不超過30天	52,405	61,538
31–60 days	31至60天	35,303	9,745
61–90 days	61至90天	2,467	3,313
91–120 days	91至120天	3,050	2,810
Over 120 days	超過120天	995	5,732
Bills receivable at FVTOCI	應收票據，按公平值計入其他全面收益	94,220	83,138
Prepayments and deposits to suppliers	預付款項及付供應商訂金	88,716	85,348
Value-added tax receivables	應收增值稅項	22,578	28,855
Other receivables	其他應收款項	12,863	11,621
Total trade, bills and other receivables	應收貿易，票據及其他款項合計	408,230	338,392

Before accepting any new customer, the Group assesses the potential customer's credit quality by investigating its historical credit record and then defines its credit limit. Trade receivables that are neither past due nor impaired are considered to be recovered based on historical data adjusted by forward-looking information.

At 31 December 2023, trade receivables (excluding bills receivable) of HK\$29,981,000 (2022: HK\$16,682,000) was past due. The Group does not hold any collateral over the overdue balance.

25. 應收貿易，票據及其他款項

本集團一般給予貿易客戶之賒賬期為7至150天。

於報告期末，應收貿易賬款及應收票據按發票日期/收入確認日期之賬齡分析如下：

於接納任何新客戶前，本集團透過調查客戶之過往信貸記錄評估其潛在信貸質量並隨後界定其信貸額度。按過往資訊經前瞻性資料調整，既無過期亦無減值之應收貿易賬款會被視作可收回。

於2023年12月31日，計有29,981,000港元(2022年：16,682,000港元)應收貿易賬款逾期(應收票據除外)。本集團並無就逾期結餘持有任何抵押品。

25. TRADE, BILLS AND OTHER RECEIVABLES (CONTINUED)

During the year ended 31 December 2023, the Group endorsed bills to suppliers to settle the accounts payable of same amounts and discounted bills to banks. As at 31 December 2023, the amounts of immature endorsed bills and discounted bills were HK\$389,126,000 (2022: HK\$650,822,000) and HK\$510,315,000 (2022: HK\$617,085,000), respectively. In accordance to the relevant laws in the PRC, the holders of the relevant bills have a right of recourse against the Group if the issuing banks default payment. In the opinion of the directors, the fair values of the Group's obligations relating to the recourse are insignificant.

Details of impairment assessment are set out in Note 41.

26. AMOUNTS DUE FROM (TO) RELATED COMPANIES

Amounts due from the LMP Group	應收理文造紙集團
Amount due to the LMP Group	應付理文造紙集團

Note: The LMP Group is beneficially owned and controlled by Mr. Lee's family member. The amounts represents a trade balance which is unsecured, interest-free bearing and aged within 90 days.

Details of impairment assessment are set out in Note 41.

27. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The deposits carry prevailing market interest rates which range up to 5.4% (2022: 4.3%) per annum.

Details of impairment assessment on bank balances are set out in Note 41.

25. 應收貿易，票據及其他款項(續)

截至2023年12月31日止年度內，本集團有向供應商背書票據以結清同額之應付賬款和向銀行貼現票據。於2023年12月31日，未到期背書票據及貼現票據金額分別為389,126,000港元(2022年：650,822,000港元)及510,315,000港元(2022年：617,085,000港元)。根據中國相關法律，如果開票銀行違約，相關票據持有人有權向本集團追索。董事認為，本集團與追索有關責任的公平值並不重大。

減值評估詳情載於附註41。

26. 應收(應付)關連公司款項

2023	2022
HK\$'000	HK\$'000
千港元	千港元
15,268	12,411
(8,551)	(10,861)

*附註：*理文造紙集團由李先生家族成員實益擁有和控制。款項為貿易餘額，無抵押，免息並於90天內到期。

減值評估詳情載於附註41。

27. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及原本為3個月或少於3個月到期之短期銀行存款。該等存款按市場年息率至最高5.4%(2022年：4.3%)計息。

有關銀行結餘減值測試之進一步詳情載於附註41。

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28. TRADE AND OTHER PAYABLES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The credit period obtained for trade purchases is 7 to 45 days.

The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Not exceeding 30 days	不超過30天	88,893	116,709
31–60 days	31至60天	28,398	24,610
61–90 days	61至90天	6,846	14,327
Over 90 days	90天以上	34,696	28,165
Trade payables	應付貿易賬款	158,833	183,811
Construction costs payable and accruals	應付工程款項及預提費用	129,550	165,754
Other payables	其他應付款項	90,474	115,749
Value-added tax accruals	預提增值稅項	658	7,771
Other accruals	其他預提費用	28,727	49,851
Total trade and other payables	應付貿易及其他款項合計	408,242	522,936
Analysed for reporting purposes as:	作報告分析用途：		
Non-current liabilities	非流動負債	24,897	30,415
Current liabilities	流動負債	383,345	492,521
		408,242	522,936

As at 31 December 2023, the balance of other payables included a non-current deferred income, amounting to HK\$19,061,000 (2022: HK\$27,304,000), received from the PRC government for an innovative technology project. The amounts will be utilised to the relevant research and development expenses.

應付貿易及其他款項主要包括貿易購貨及持續開支成本之未付款項。貿易購貨之除賬期為7至45天。

應付貿易賬款於報告期末按發票日之賬齡分析如下：

於2023年12月31日，收取了中國政府給予之創新科技項目金額為19,061,000港元(2022年：27,304,000港元)之非流動遞延收入已包含在其他應付款中。這筆款項將用於相應的研發費用。

29. CONTRACT LIABILITIES

Manufacture and sale of chemical products	製造和銷售化工產品	57,914	64,041
Sale of properties	物業銷售	1,188	2,425
		59,102	66,466

29. 合約負債

	2023 HK\$'000 千港元	2022 HK\$'000 千港元
Manufacture and sale of chemical products	57,914	64,041
Sale of properties	1,188	2,425
	59,102	66,466

29. CONTRACT LIABILITIES (CONTINUED)

As at 1 January 2022, contract liabilities amounted to HK\$120,772,000.

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
Manufacture and sale of chemical products	製造和銷售化工產品	54,194	108,868
Sale of properties	物業銷售	1,915	2,196
		56,109	111,064

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Manufacture and sale of chemical products

Contract liabilities represent receipts in advance from customers and are recognised as revenue when the Group performs its obligations under the contracts. Performance obligation is expected to be satisfied within one year from the inception of contracts.

Sale of properties

The Group receives the consideration in advance from sale of properties to customers. The advanced receipts result in contract liabilities being recognised until the customer obtains control of the completed property.

29. 合約負債(續)

於 2022 年 1 月 1 日，合約負債為 120,772,000 港元。

下表列示於本年度之收入確認中，有多少屬合約負債結轉。

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
Manufacture and sale of chemical products	製造和銷售化工產品	54,194	108,868
Sale of properties	物業銷售	1,915	2,196
		56,109	111,064

對已確認合約負債之數額造成影響之一般付款條款如下：

製造和銷售化工產品

合約負債是指來自客戶的預收款項，其於本集團履行合約義務時確認為收入。預期自合約訂立之日起一年內履行履約義務。

物業銷售

本集團自客戶收取物業銷售預收款項。由預收款項產生之合約負債會於客戶取得已竣工物業之控制權前確認。

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30. LEASE LIABILITIES

30. 租賃負債

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	2,359	2,398
Within a period of more than one year but not exceeding two years	逾一年但不逾兩年	2,395	71
Within a period of more than two years but not exceeding five years	逾兩年但不逾五年	2,394	—
		7,148	2,469
Less: amount due for settlement within 12 months shown under current liabilities	減：列作流動負債而將於12個月內到期結清之款項	(2,359)	(2,398)
Amount due for settlement after 12 months shown under non-current liabilities	列作非流動負債而將於12個月後到期結清之款項	4,789	71

The weighted average incremental borrowing rate applied to lease liabilities is 3.00% (2022: 4.15%).

應用於租賃負債的加權平均增量借款利率為3.00%(2022年：4.15%)。

Lease obligations are denominated in RMB.

租賃負債乃以人民幣計值。

31. BANK BORROWINGS

31. 銀行借款

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Unsecured bank loans	無抵押銀行借款	671,767	743,992
Carrying amount of bank borrowings based on scheduled repayment dates set out in the loan agreements:	按借款協議所列預計還款日期之銀行借款的賬面值：		
Within one year	一年內	671,767	523,156
More than one year, but not exceeding two years	逾一年但不逾兩年	—	220,836
		671,767	743,992
Less: amount due for settlement within 12 months shown under current liabilities	減：列作流動負債而將於12個月內到期結清之款項	(671,767)	(523,156)
Amount due for settlement after 12 months shown under non-current liabilities	列作非流動負債而將於12個月後到期結清之款項	—	220,836

31. BANK BORROWINGS (CONTINUED)

The exposure of the Group's borrowings are as follows:

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
Fixed-rate borrowings	定息借款	597,011	289,660
Variable-rate borrowings	浮息借款	74,756	454,332
		671,767	743,992

As at 31 December 2023, the Group's variable-rate borrowings carry interests at 0.75% over Hong Kong Interbank Offered Rate ("HIBOR") (2022: 1.3% over HIBOR).

於2023年12月31日，本集團的浮息借款按香港銀行同業拆息上浮0.75%（2022年：香港銀行同業拆息上浮1.3%）。

The ranges of effective interest rates per annum on the Group's borrowings are as follows:

本集團借款之實際年利率範圍如下：

		2023	2022
Effective interest rates:	於報告期末之實際利率：		
Fixed-rate borrowings	定息借款	2.60% to 4.18%	2.65% to 4.18%
Variable-rate borrowings	浮息借款	4.05% to 6.69%	5.74%

The following amounts of bank borrowings are denominated in currency other than the functional currency of the relevant group entities.

以下金額的銀行借款以相關集團實體的功能貨幣以外的貨幣計值。

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
HK dollars	港元	74,756	454,331

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32. SHARE CAPITAL

32. 股本

		Number of ordinary shares 普通股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each:	每股面值0.10港元之普通股：		
Authorised:	法定：		
At 1 January 2022, 31 December 2022 and 31 December 2023	於2022年1月1日、2022年12月31日及 2023年12月31日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 1 January 2022, 31 December 2022 and 31 December 2023	於2022年1月1日、2022年12月31日及 2023年12月31日	825,000,000	82,500

There was no movement in the Company's share capital for both years.

本公司之股本於該兩個年度內並無變動。

33. SHARE OPTION SCHEME

33. 購股權計劃

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 14 July 2017 for the purpose of providing incentives to directors and eligible persons (the "Participants"). The Scheme has a term of 10 years from the date which the Board of Directors resolved to offer the options to the Participants, i.e. 13 June 2017, and therefore it expires on 12 June 2026. On 14 July 2017, 82,500,000 share options with an aggregate market value of HK\$154,200,000 were granted and the provision of the Scheme shall remain in full force and the holder of all options granted under the Scheme prior to such termination shall be entitled to exercise the outstanding options pursuant to the terms of the Scheme until expiry of the said options.

The purpose of the Scheme is to reward the Participants who has contributed or will contribute to the Group and to encourage the Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The Scheme expressly provides that the Board of Directors may, with respect to each grant of options, determine the subscription price, the minimum period (if any) for which an option must be held before it can be exercised, performance targets (if any) and other conditions that apply to the options.

本公司之購股權計劃(「計劃」)乃根據於2017年7月14日通過之決議案採納，旨在為董事及合資格人士(「參與者」)提供獎勵。該計劃自董事會決議向參與者提供期權(即2017年6月13日)起計10年，因此於2026年6月12日屆滿。於2017年7月14日，82,500,000購股權以市值154,200,000港元已獲授出，而該計劃的條款將繼續全面生效，而於終止前根據該計劃授出的所有購股權持有人有權根據計劃條款行使尚未行使購股權，直至該等計劃屆滿為止。

該計劃旨在獎勵曾經或將為本集團作出貢獻之參與者，並鼓勵參與者為本公司及其股東之整體利益，致力於提升本公司及其股份之價值。該計劃明確訂明，就每次授出購股權而言，董事會可釐定認購價(遵照上市規則第17.03(9)條)，於購股權可予行使前必須持有購股權之最短期限(如有)，表現目標(如有)及適用於購股權之其他條件。

33. SHARE OPTION SCHEME (CONTINUED)

The options granted on 14 July 2017 were vested on 1 April 2022. These options are exercisable by Mr. Lee during the period from 1 April 2022 to 31 March 2027 as the Group had achieved the performance targets.

The exercise price of the options granted to Mr. Lee is HK\$3.72, which was determined at the Board meeting on 13 June 2017 by reference to the highest of (i) HK\$0.10, being the par value of a share in the Company, (ii) HK\$3.72, being the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of the above Board meeting approving the exercise price and the grant, and (iii) the average closing price of the shares in the Company as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the date of the above Board meeting approving the exercise price and the grant.

The following table discloses movements of the Company's share options during the years ended 31 December 2023 and 2022:

Director 董事	Date of grant 授出日期	Exercise price 行使價 HK\$ 港元	Exercisable period 行使期	Number of share options 購股權數目
Mr. Lee 李先生	14.7.2017 2017年7月14日	3.72	1.4.2022 – 31.3.2027 2022年4月1日–2027年3月31日	82,500,000

Exercisable as at:
可予行使於：
31 December
2023 and 2022
2023年12月31日及
2022年12月31日

82,500,000

The estimated fair value of the share options granted under the Scheme on 14 July 2017 was approximately HK\$154,200,000, calculated using the Binomial Model (the "Model").

Details of the inputs used in the Model at the date of grant were stated in the Annual Report 2017 of the Company.

The Group recognises no expense for the year ended 31 December 2023 (2022: HK\$8,059,000) in relation to share options granted by the Company.

33. 購股權計劃(續)

於2017年7月14日授出的購股權已於2022年4月1日歸屬。因本集團已達致表現目標該等購股權將可由李先生於2022年4月1日至2027年3月31日期間內予以行使。

授予李先生之購股權之行使價為3.72港元，已於2017年6月13日的董事會會議上參考下列三者之價格(以最高者為準)釐定：(i) 0.10港元，即股份面值，(ii)於批准行使價及有關授出之上述董事會會議當日在聯交所發出之每日報價表所列之股份收市價3.72港元，及(iii)於緊接就批准行使價及有關授出而召開上述董事會會議當日前五個交易日在聯交所發出之每日報價表所列之股份平均收市價。

截至2023年12月31日及2022年12月31日止年度內，本公司購股權變動呈列如下：

於2017年7月14日所授出購股權之估算公平價值為154,200,000港元，乃採用二項式模型(「模型」)釐定。

該模型在授出日期之輸入數據詳情已於本公司之2017年報中列示。

就本公司授出之購股權，於截至2023年12月31日止年度本集團沒有確認任何費用(2022年：8,059,000港元)。

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34. CAPITAL COMMITMENTS

Acquisition of property, plant and equipment	購置物業廠房及設備
Acquisition of right-of-use assets	購置使用權資產

2023 HK\$'000 千港元	2022 HK\$'000 千港元
285,372	252,351
8,791	—
294,163	252,351

35. OTHER COMMITMENT

At the end of the reporting period, the Group had commitments for granting shareholder's loan of HK\$26,458,000 (2022: HK\$26,458,000) to Southern Hill Company Limited to cover the initial costs and expenses of undertaking the pier construction in Jiangxi Province, the PRC.

36. RETIREMENT BENEFIT SCHEMES

Defined contribution scheme

The Group operates the Mandatory Provided Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes monthly the lower of HK\$1,500 or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the government of the PRC. The PRC subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

The Group's contributions under the above-mentioned defined contribution schemes are expensed as incurred and not reduced by contributions forfeited by those employees who leave the defined contribution schemes prior to vesting fully in the contributions.

The total cost recognised to profit or loss of HK\$18,969,000 (2022: HK\$19,566,000) represents contributions payable to these schemes by the Group in respect of the current reporting period.

34. 資本承擔

35. 其他承擔

於報告期末，本集團承諾給予26,458,000港元(2022年：26,458,000港元)的股東貸款予南峰有限公司用作承擔興建位於中國江西省之碼頭至今之初期成本及支出。

36. 退休福利計劃

界定供款計劃

本集團為所有合資格的僱員設立一項強積金計劃(「強積金計劃」)。強積金計劃之資產與本集團之資產分開持有，並由受託人控制。本集團向強積金計劃供款1,500港元或有關每月薪酬成本之5%(以較低者為準)，而僱員之供款比率相同。

本集團之中國附屬公司之僱員均為中國政府管理之國營退休福利計劃之成員，該等中國附屬公司須按薪酬開支之若干百分比向退休福利計劃供款，本集團對有關退休福利計劃之責任是作出指定之供款。

本集團向上述之界定供款計劃之供款在其產生時支銷，倘任何僱員於全數歸屬該等供款前退出界定供款計劃，則該等僱員被沒收之供款亦不會沖減上述支銷。

於報告年度內，本集團在這些計劃中的應付供款額為18,969,000港元(2022年：19,566,000港元)，總費用已在損益中列賬。

37. RELATED PARTY TRANSACTIONS AND BALANCES**37. 關連交易及結餘**

Apart from the transaction and balances with related parties as set out in Notes 17, 21 and 26, the Group had significant transactions with related parties during the year as follows:

除附註17、21及26所轉載之關連人士交易之結餘外，本集團與關連人士於年內所進行之重大交易如下：

Name of related party 關連方名稱	Relationship 關係	Nature of transactions 交易性質	2023 HK\$'000 千港元	2022 HK\$'000 千港元
The LMP Group 理文造紙集團	A Group beneficially owned and controlled by Mr. Lee's family members 由李先生家族成員 實益擁有及控制之公司	Electricity and steam fee paid 已付發電及蒸氣費	78,300	85,451
		Sales of chemical products 銷售化工產品	176,138	182,465
		Electricity and steam fee received 已收發電及蒸氣費	68,526	70,411
		Rental income received 已收租金收入	2,709	2,731
		Loading fees paid 已付裝卸費用	4,328	4,873
常熟東港置業 有限公司	A joint venture 合營企業	Management fee paid 已付管理費	6,110	4,608
		Interest received 已收利息	487	614
瑞昌理文物流 有限公司	A joint venture 合營企業	Management fee paid 已付管理費	2,660	2,805
瑞昌市碼頭熱力 有限公司	An associate 聯營企業	Steam fee received 已收蒸氣費	21,667	17,222

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37. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Except for the related party transactions and balances described above, the Group has entered into a joint venture arrangement with the LMP Group. Details of the joint venture and the commitment to the joint venture are set out in Notes 19 and 21, respectively.

The remuneration of directors and other members of key management during the year was as follows:

Short-term employee benefits	短期員工福利
Post-employment benefits	退休福利

37. 關連交易及結餘(續)

除上文所述關連人士交易及結餘外，本集團與理文造紙集團訂立合營企業安排。合營企業及對合營企業之其他承擔詳情分別載於附註19及21。

董事及其他主要管理層成員於年內之酬金如下：

2023 HK\$'000 千港元	2022 HK\$'000 千港元
27,676	42,170
157	119
27,833	42,289

38. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2023, the Group's acquisition of property, plant and equipment of HK\$255,039,000 (2022: HK\$129,576,000) was settled through transfer of deposits paid in the prior years; and the Group's property, plant and equipment of HK\$32,238,000 (including revaluation gain of HK\$1,792,000) (2022: nil) was transferred to investment properties.

During the year ended 31 December 2022, the Group's properties held for sale of HK\$222,644,000 were transferred to investment properties of HK\$187,778,000 and property, plant and equipment of HK\$34,866,000, respectively, upon change in use in accordance with the Group's accounting policies as set out in Note 3.

38. 主要非現金交易

截至2023年12月31日止年度，本集團通過轉讓過往年度已付按金而收購物業、廠房及設備255,039,000港元(2022年：129,576,000港元)；以及本集團的物業、廠房及設備32,238,000港元(包括重估收益1,792,000港元)(2022年：無)轉至投資物業。

截至2022年12月31日止年度，本集團待售物業222,644,000港元根據附註3所載本集團會計政策於用途變更後分別轉為投資物業187,778,000港元及物業、廠房及設備34,866,000港元。

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at 31 December 2023 and 2022 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued and fully paid share capital/paid-in capital 已發行及繳足股本 面值/實繳股本	Attributable equity interest 所佔權益		Principal activities* 主要業務*
			2023	2022	
Jiangsu L&M (Note) 江蘇理文化工有限公司 (附註)	PRC 中國	Paid-in capital – US\$108,750,000 (2022: US\$78,750,000) 實繳股本 – 108,750,000美元 (2022 : 78,750,000美元)	100%	100%	Manufacture and sale of chemical products 生產及銷售工業化工產品
Jiangxi L&M (Note) 江西理文化工有限公司 (附註)	PRC 中國	Paid-in capital – US\$354,956,543 (2022: US\$351,544,900) 實繳股本 – 354,956,543美元 (2022 : 351,544,900美元)	100%	100%	Manufacture and sale of chemical products 生產及銷售工業化工產品
Lee & Man (International) Investment Limited 理文(國際)投資有限公司	Hong Kong 香港	Ordinary shares – HK\$100 普通股 – 100港元	100%	100%	Investment holding 投資控股
Lee & Man Chemical Investment Limited 理文化工投資有限公司	British Virgin Islands 英屬處女群島	Share – US\$1 股份 – 1美元	100%	100%	Investment holding 投資控股
Changshu Yunhong Realty Limited 常熟運鴻置業有限公司	PRC 中國	Paid-in capital – RMB350,000,000 (2022: RMB250,000,000) 實繳股本 – 人民幣350,000,000元 (2022 : 人民幣250,000,000元)	100%	100%	Property development 物業發展
Guangzhou Lee & Man Technology Company Limited 廣州理文科技有限公司	PRC 中國	Paid-in capital – RMB11,000,000 實繳股本 – 人民幣11,000,000元	100%	100%	Research and product development 科研及產品開發
Zhuhai Lee & Man Materials Science Company Limited 珠海理文新材料有限公司	PRC 中國	Paid-in capital – US\$21,600,000 (2022: US\$19,600,000) 實繳股本 – 21,600,000美元 (2022 : 19,600,000美元)	100%	100%	Manufacture and sale of chemical products 生產及銷售工業化工產品

* The principal place of operation of each company is the same as its place of incorporation unless otherwise stated.

Note: These companies are registered in the form of wholly-owned foreign investment enterprise.

39. 本公司主要附屬公司

於2023年12月31日及2022年12月31日
本公司之主要附屬公司詳情如下：

* 除非另有說明，否則每家公司的主要營業地點與其註冊地點相同。

附註：該等公司均以外商獨資企業形式註冊。

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Only Lee & Man Chemical Investment Limited is directly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results and/or net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year.

40. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the bank borrowings disclosed in Note 31, net of bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debts.

39. 本公司主要附屬公司(續)

只有理文化工投資有限公司是由本公司直接持有。

董事認為上表載列之本公司附屬公司，乃主要影響本集團之業績或資產之公司。董事認為若提供其他附屬公司之詳情將導致篇幅冗長。

概無附屬公司於年終或年內任何時間持有任何未贖回之債務證券。

40. 資本風險管理

本集團進行資本管理，以確保本集團旗下各實體能夠持續經營業務，同時透過優化債務及股本結餘爭取股東最大回報。本集團的整體策略自上年度保持不變。

本集團的資本結構包括淨負債(其中包括附註31所披露的銀行借款並扣除銀行結餘及現金)及本公司權益持有人應佔權益(包含已發行股本及各項儲備)。

本公司董事定時檢討資本架構。作為該項檢討的一部分，董事會考慮資本成本及各類資本的相關風險。根據董事的建議，本集團將透過派付股息、發行新股以及發行新債以平衡其整體資本架構。

41. FINANCIAL INSTRUMENTS**41. 金融工具****41a. Categories of financial instruments****41a. 金融工具之類別**

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
<i>Financial assets</i>	金融資產		
Financial assets at amortised cost	按攤銷成本之金融資產	494,422	595,090
Financial assets at FVTOCI	按公平值計入其他全面收益之 金融資產	94,220	83,138
<i>Financial liabilities</i>	金融負債		
Financial liabilities at amortised cost	按攤銷成本之金融負債	1,041,297	1,201,060

41b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bills receivable, amounts due from (to) joint ventures/an associate/related companies, bank balances and cash, trade and other payables and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk**(i) Currency risk**

The Group mainly operates in the PRC and the exposure in exchange rate risks mainly arises from fluctuations of foreign currencies, including HK dollars and US dollars against the functional currency of the relevant group entities. Material transactions and balances that are not denominated in the functional currency of the relevant entities give rise to foreign currency exposure as follows:

- (i) US dollars – in terms of bank balances and cash.
- (ii) HK dollars – in terms of bank balances and cash and bank borrowings.

41b. 財務風險管理目標及政策

本集團之主要金融工具包括應收貿易及其他款項、應收票據、合營企業、聯營企業及關連公司之應收(應付)款項、銀行結餘及現金、應付貿易及其他款項及銀行借款。該等金融工具詳情於相關附註披露。該等金融工具的相關風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。下文載列如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時及有效地採取適當之措施。

市場風險**(i) 貨幣風險**

本集團主要於中國經營業務，匯率風險主要由外幣(包括美元及港元)兌換相關集團實體功能貨幣波動時所產生。並非以相關實體功能貨幣列值之重大交易及結餘產生之外幣風險如下：

- (i) 美元—銀行結餘及現金。
- (ii) 港元—於銀行結餘及現金及銀行借款。

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41. FINANCIAL INSTRUMENTS (CONTINUED)

41b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Exchange rate fluctuations and market trend have always been the concern of the Group. Management will monitor the foreign currency exposure closely and consider the use of hedging instruments when the need arises.

Non-derivative foreign currency financial assets and financial liabilities

At the end of the reporting period, the carrying amount of the Group's financial monetary assets and financial monetary liabilities denominated in currencies other than the functional currency of the relevant group entities are as follows:

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Assets	資產		
HK dollars	港元	83,254	5,773
US dollars	美元	2,578	76,557
Liabilities	負債		
HK dollars	港元	74,756	454,331

41. 金融工具(續)

41b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

本集團一向關注匯率波動及市場趨勢。管理層會密切監控外匯風險並適時採用對沖工具。

非衍生外幣金融資產及金融負債

於報告期末，本集團除以相關實體功能貨幣以外之貨幣記賬的金融貨幣資產及金融貨幣負債，其賬面值如下：

41. FINANCIAL INSTRUMENTS (CONTINUED)**41b. Financial risk management objectives and policies**
(Continued)**Market risk (Continued)**(i) **Currency risk (Continued)**

Non-derivative foreign currency financial assets and financial liabilities (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% appreciation and depreciation in the functional currency of the relevant group entities (i.e. RMB and HK dollars) against the above foreign currencies. 5% is the sensitivity rate and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis adjusts their translation at the period end for a 5% change in foreign currency rates. A strengthening of the functional currency of the relevant group entities against the above foreign currencies would give rise to the following impact to post-tax profit for the year and vice versa.

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets and liabilities:	貨幣性資產及負債：		
(Decrease) increase on post-tax profit for the year	年度除稅後溢利(減少)增加		
– HK dollars	– 港元	(319)	22,428
– US dollars	– 美元	(97)	(3,354)

41. 金融工具(續)**41b. 財務風險管理目標及政策(續)****市場風險(續)**(i) **貨幣風險(續)**

非衍生外幣金融資產及金融負債(續)

敏感性分析

下表詳細載列就本集團內相關集團實體功能貨幣(即人民幣及港元)兌換上述外幣時上升及下降5%之敏感度。5%之敏感度亦代表管理層評估外幣匯率的合理可能變化。在期末時5%的外幣匯率轉變，有關的匯兌差額將在敏感性分析中作出調整。當相關集團實體之功能貨幣兌換上述外幣處強勢時，將令年度除稅後溢利有所影響，反之亦然。

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41. FINANCIAL INSTRUMENTS (CONTINUED)

41b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

Non-derivative financial assets and liabilities

The Group's cash flow interest rate risks mainly relate to its variable rate borrowings (see Note 31 for details of these borrowings). The Group's bank balances also have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances.

The Group is exposed to fair value interest rate risk in relation to fixed rate bank borrowings (see Note 31 for detail of these borrowings). The Group aims at keeping borrowings at variable rates.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's HK dollars denominated borrowings and LPR arising from the Group's RMB denominated borrowings.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative financial instruments at the end of the reporting period. For variable rate bank borrowings and bank balances, the analysis is prepared assuming the stipulated change taking place at the beginning of the financial year and held constant throughout both years in the case of instruments that have floating rates. 10 (2022: 10) basis point and 50 (2022: 50) basis point increase or decrease are used by the management for the assessment of the possible change in interest rates of variable rate bank balances and variable rate borrowings, respectively.

41. 金融工具(續)

41b. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險管理

非衍生金融資產及負債

本集團之現金流利率風險主要與其浮息借款有關(該等借款詳情見附註31)。本集團的銀行結餘亦因應市場銀行結餘利率波動，而須面對現金流利率風險。

本集團面對利率風險之公平值乃由於固定利率之銀行借款(該等借款詳情見附註31)本集團期望銀行借款維持浮動利率。

本集團對金融負債利率的風險詳見本附註的流動性風險管理部分。本集團現金流量利率風險主要集中於本集團港元計值借款所面對之香港銀行同業拆息利率波動及本集團人民幣計值借款所面對之借貸基準利率波動。

敏感性分析

以下敏感性分析是根據非衍生金融工具於本報告期末之利率風險釐定。就浮息銀行借款及銀行結餘而言，分析將按假設於財務年度開始時已出現所訂明之變動並於兩年內維持不變(如屬以浮動利率計息之工具)而編製。10(2022年：10)基點及50(2022年：50)基點的增減是管理層作分別對浮動利率的銀行存款及借款有關利率變動可能性的評估時使用。

41. FINANCIAL INSTRUMENTS (CONTINUED)**41b. Financial risk management objectives and policies**
(Continued)*Market risk (Continued)**(ii) Interest rate risk (Continued)*

Non-derivative financial assets and liabilities (Continued)

Sensitivity analysis (Continued)

If interest rates had been 10 basis point higher or lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2023 would increase or decrease by HK\$136,000 (2022: HK\$347,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank balances.

If interest rates had been 50 basis point higher or lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2023 would decrease or increase by HK\$280,000 (2022: HK\$2,272,000). This is mainly attributable to the Group's exposure to interest rates on its bank borrowings.

Credit risk and impairment assessment

As at 31 December 2023 and 2022, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position and the amounts of immature endorsed bills and discounted bills.

41. 金融工具(續)**41b. 財務風險管理目標及政策(續)***市場風險(續)**(ii) 利率風險管理(續)*

非衍生金融資產及負債(續)

敏感性分析(續)

倘利率增加或減少10個基點且所有其他可變因素維持不變，則本集團截至2023年12月31日止年度之除稅後溢利將增加或減少136,000港元(2022年：347,000港元)，此乃由於附帶浮動利息銀行結餘而令本集團面對利率風險。

倘利率增加或減少50個基點且所有其他可變因素維持不變，則本集團截至2023年12月31日止年度之除稅後溢利將減少或增加280,000港元(2022年：2,272,000港元)。此乃由於銀行借款附帶浮動利息而令本集團面對利率風險。

信貸風險及減值評估

於2023年12月31日及2022年12月31日，本集團所面對的可導致本集團綜合財務狀況表的每類金融資產賬面值產生財務虧損之最大信貸風險乃是交易對手或債務人未能履行責任及未到期之背書票據及貼現票據之價值。

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41. FINANCIAL INSTRUMENTS (CONTINUED)

41b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (other than bills receivable)

In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, except for those which had been determined as credit impaired of which are assessed individually, the Group performs impairment assessment under ECL model on trade debtors by assigning each of them to different groups by industry and using a provision matrix on different aging of receivables. For the year ended 31 December 2023 and 2022, the Group assessed the ECL for trade receivables were insignificant and thus no loss allowance was recognised.

The Group has concentration of credit risk as 3.39% (2022: 5.81%) and 20.18% (2022: 16.12%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

Bills receivable

In order to minimise the credit risk, the Group would only accept bills issued by banks with high credit ratings assigned by international credit-rating agencies as the agreed payment method from certain customers. The directors of the Company consider the credit risk on bills receivable is limited.

Other receivables and amounts due from joint ventures/an associate/related companies

The Group assessed the impairment for its other receivables and amounts due from joint ventures/an associate/related companies individually based on internal credit rating and ageing of these debtors which, in the opinion of the directors of the Company, have no significant increase in credit risk since initial recognition. ECL is estimated based on historical observed default rates over the expected life of debtors and is adjusted for forward-looking information that is available without undue cost or effort. For the year ended 31 December 2023 and 2022, the Group assessed the 12m ECL for other receivables and amounts due from joint ventures/an associate/related companies were insignificant and thus no loss allowance was recognised.

41. 金融工具(續)

41b. 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

客戶合約產生之貿易應收賬款(應收票據除外)

為了最大程度地降低信貸風險，本公司董事會已經委派一個團隊負責釐定信貸限額、信貸批准及其他監控規程，以確保後續措施可以收回逾期債務。此外，除已被認定為已發生信貸虧損且已進行單獨評估的應收賬款外，本集團對貿易應收賬款採用不同賬齡的撥備矩陣，按其行業劃分至不同組別，按照預期信貸虧損模型進行減值評估。截至2023年12月31日及2022年12月31日止年度，本集團經評估後認為貿易應收賬款的預期信貸虧損並不重大，故無提撥任何虧損準備。

本集團的信貸集中風險分別為貿易應收賬款總額的3.39% (2022年：5.81%)和20.18% (2022年：16.12%)，分別來自本集團的最大客戶和五個最大客戶。

應收票據

為減低信貸風險，本集團僅接受由國際信貸評級機構評定為高信貸評級的銀行所發行的票據作為若干客戶的約定付款方式。本公司董事認為應收票據的信貸風險有限。

其他應收款項及應收合營企業／聯營企業／關連公司款項

本集團根據個別內部信用評級和債務人之賬齡，分別對其他應收款項及應收合營企業／聯營企業／關連公司款項進行減值評估。本公司董事認為，自初始確認以來，信貸風險並無顯著增加。預期信貸虧損乃按債務人於預計年內觀察所得之過往違約率進行估算，並就毋須付出不必要成本或努力即可獲得之前瞻性資料作出調整。截至2023年12月31日和2022年12月31日止年度，本集團經評估後認為其他應收款項及應收合營企業／聯營企業／關連公司款項的十二個月預期信貸虧損並不重大，故無提撥任何虧損準備。

41. FINANCIAL INSTRUMENTS (CONTINUED)**41. 金融工具(續)****41b. Financial risk management objectives and policies**
(Continued)**41b. 金融風險管理目標及政策(續)***Credit risk and impairment assessment (Continued)**信貸風險及減值評估(續)**Bank balances**銀行結餘*

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant.

由於往來銀行均為國際信用評級機構指定的信用評級較高的銀行，故銀行結餘之信貸風險有限。本集團評估銀行結餘之十二個月預期信貸虧損時參考與外部信用評級機構發佈的相應信用評級等級的違約概率和違約虧損。根據平均虧損率，銀行結餘之十二個月預期信貸虧損被認為並不重大。

The Group's internal credit risk grading assessment comprises the following categories:

本集團內部信貸風險評級等級評估包括以下各個類別：

Category 類別	Description 概述	Trade receivables/ bills receivable 貿易應收賬款/ 應收票據	Other financial assets 其他金融資產
Performing 履約	The counterparty has a low risk of default 交易對手擁有偏低違約風險	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	12m ECL 12個月預期信貸虧損
Doubtful 可疑	There has been a significant increase in credit risk since initial recognition 信貸風險自初始確認以來大幅增加	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值
In default 違約	There is evidence indicating that the asset is credit-impaired 有證據指出該資產出現信貸減值	Lifetime ECL – credit-impaired 終身預期信貸虧損 – 信貸減值	Lifetime ECL – credit-impaired 終身預期信貸虧損 – 信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據指出債務人正面對嚴重財政困難且本集團並無實際把握收回款項	Amounts are written off 撇賬金額	Amounts are written off 撇賬金額

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綜合財務報表附註

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41. FINANCIAL INSTRUMENTS (CONTINUED)

41b. Financial risk management objectives and policies
(Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

		External credit rating 外部信貸 評估	Internal credit rating 內部信貸 評估	12-month or lifetime ECL 12個月或終身 預期信貸虧損	Gross carrying amount 總賬面值	2023 HK\$'000 千港元	2022 HK\$'000 千港元
	Notes 附註						
Bills receivable at FVTOCI	25	Baa3–Aa3	N/A	Lifetime ECL – not credit-impaired		94,220	83,138
按公平值計入其他全面 收益之應收票據		Baa3–Aa3	不適用	終身預期信貸虧損 – 非信貸減值			
Financial assets at amortised cost 按攤銷成本之金融資產							
Trade receivables	25	N/A	Performing	Lifetime ECL – not credit-impaired		189,853	129,430
應收貿易款項		不適用	履約	終身預期信貸虧損 – 非信貸減值			
Other receivables	25	N/A	Performing	12-month ECL		12,863	11,621
其他應收款項		不適用	履約	12個月預期信貸虧損			
Amounts due from joint ventures	21	N/A	Performing	12-month ECL		11,140	14,225
應收合營企業款項		不適用	履約	12個月預期信貸虧損			
Amount due from an associate	21	N/A	Performing	12-month ECL		1,796	5,707
應收聯營企業款項		不適用	履約	12個月預期信貸虧損			
Amounts due from related companies	26	N/A	Performing	12-month ECL		15,268	12,411
應收關連公司款項		不適用	履約	12個月預期信貸虧損			
Bank balances	27	A2–Aaa	N/A	12-month ECL		263,502	421,487
銀行結餘		A2–Aaa	不適用	12個月預期信貸虧損			

41. 金融工具(續)

41b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

下表詳列本集團對於需受預期信貸
風險評估的金融資產的信貸風險：

41. FINANCIAL INSTRUMENTS (CONTINUED)**41b. Financial risk management objectives and policies**
(Continued)*Credit risk and impairment assessment (Continued)*

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Liquidity risk

In the management of the Group's liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The management of the Group monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent the interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

The table includes both interest and principal cash outflows. To the extent that interest flows are floating rate, the discounting rate and the undiscounted amount is derived from interest rate at the end of the reporting period.

41. 金融工具(續)**41b. 財務風險管理目標及政策(續)***信貸風險及減值評估(續)*

當有資料顯示交易對手處於嚴重財務困難及金額無可收回的現實前景，例如當交易對手已處於清盤當中或進入破產程序，則本集團撤銷項貿易應收賬款。

流動資金風險

在管理本集團流動資金風險時，本集團監控及維持管理層認為足夠的現金及現金等價物水平，為本集團的業務營運提供資金並減輕現金流量波動的影響。本集團之管理層監控銀行借款的使用狀況及確保遵守貸款契約。

下表詳列本集團非衍生金融負債和租賃負債的餘下合約到期日，乃根據本集團可能被要求還款的最早日期金融負債的未折現現金流量編製。其他非衍生金融負債之到期日根據議定的還款日期計算。該表皆包括利息及本金之現金流量。於報告期末，某程度上其利息流為浮動利率，而其未折現金額則根據利率計算。

該表包括利息和本金兩者的現金流出。就浮息利息流出而言，折現率及未折現金額是根據報告期末的利率得出的。

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綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (CONTINUED)

41. 金融工具(續)

41b. Financial risk management objectives and policies

41b. 財務風險管理目標及政策(續)

(Continued)

Liquidity risk (Continued)

流動資金風險(續)

	Weighted average effective interest rate	Repayable on demand or less than 30 days	31-60 days	61-90 days	91-365 days	1-2 years	2-5 years	Total undiscounted cash flows	Carrying amount
	實際加權平均利率	應要求償還或少於30天	31-60天	61-90天	91-365天	1-2年	2-5年	現金流量總計	賬面值
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2023	於2023年12月31日								
Trade and other payables	應付貿易及其他款項	-	354,618	-	-	-	5,836	360,454	360,454
Amount due to a related company	應付關連公司款項	-	8,551	-	-	-	-	8,551	8,551
Amount due to a joint venture	應付合營企業款項	-	525	-	-	-	-	525	525
Lease liabilities	租賃負債	3.00	276	206	206	1,852	2,470	7,480	7,148
Fixed-rate borrowings	定息借款	2.95	33,005	-	53,933	520,008	-	606,946	597,011
Variable-rate borrowings	浮息借款	6.41	-	-	-	77,810	-	77,810	74,756
			<u>396,975</u>	<u>206</u>	<u>54,139</u>	<u>599,670</u>	<u>2,470</u>	<u>1,061,766</u>	<u>1,048,445</u>

	Weighted average effective interest rate	Repayable on demand or less than 30 days	31-60 days	61-90 days	91-365 days	1-2 years	2-5 years	Total undiscounted cash flows	Carrying amount
	實際加權平均利率	應要求償還或少於30天	31-60天	61-90天	91-365天	1-2年	2-5年	現金流量總計	賬面值
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2022	於2022年12月31日								
Trade and other payables	應付貿易及其他款項	-	442,669	-	-	-	3,111	445,781	445,781
Amount due to a related company	應付關連公司款項	-	10,861	-	-	-	-	10,861	10,861
Amount due to a joint venture	應付合營企業款項	-	259	-	-	-	-	259	259
Amount due to an associate	應付聯營企業款項	-	167	-	-	-	-	167	167
Lease liabilities	租賃負債	4.15	205	205	205	1,842	71	2,528	2,469
Fixed-rate borrowings	定息借款	3.02	4,110	-	111,800	104,504	74,332	294,746	289,660
Variable-rate borrowings	浮息借款	5.74	-	5,035	-	306,061	162,617	473,713	454,332
			<u>458,272</u>	<u>5,240</u>	<u>112,005</u>	<u>412,407</u>	<u>237,020</u>	<u>1,228,055</u>	<u>1,203,529</u>

41. FINANCIAL INSTRUMENTS (CONTINUED)**41c. Fair value measurements of financial instruments***Fair value of financial instruments that are recorded at amortised cost*

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

41. 金融工具(續)**41c. 金融工具的公平值計量***以成本攤銷入賬的金融工具的公平值*

本公司董事認為，於綜合財務報表中按攤銷成本列賬的金融資產及金融負債的賬面值與報告期末的公平值相若。

42. 由融資活動所產生負債之對賬

下表詳述本集團來自融資活動的負債變動，包括現金及非現金變動。融資活動產生的負債是現金流量或未來現金流量將在本集團綜合現金流量表中分類為融資活動現金流量的負債。

		Bank borrowings	Lease liabilities	Dividend payable	Total
		銀行借款	租賃負債	應付股息	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2022	於2022年1月1日	1,032,904	4,368	–	1,037,272
Financing cash flows	融資現金流量	(298,681)	(2,599)	(577,500)	(878,780)
Dividends recognised as distribution	已確認之股息分派	–	–	577,500	577,500
New lease entered	新訂租賃	–	910	–	910
Finance costs recognised	已確認之財務費用	38,498	159	–	38,657
Exchange realignment	匯兌調整	(28,729)	(369)	–	(29,098)
		<u>743,992</u>	<u>2,469</u>	<u>–</u>	<u>746,461</u>
At 31 December 2022	於2022年12月31日	743,992	2,469	–	746,461
Financing cash flows	融資現金流量	(114,445)	(2,465)	(181,500)	(298,410)
Dividends recognised as distribution	已確認之股息分派	–	–	181,500	181,500
New lease entered	新訂租賃	–	7,078	–	7,078
Finance costs recognised	已確認之財務費用	39,224	58	–	39,282
Exchange realignment	匯兌調整	2,996	8	–	3,004
		<u>671,767</u>	<u>7,148</u>	<u>–</u>	<u>678,915</u>
At 31 December 2023	於2023年12月31日	671,767	7,148	–	678,915

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綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 43. 本公司財務狀況表

		2023	2022
		HK\$'000	HK\$'000
		千港元	千港元
NON-CURRENT ASSETS	非流動資產		
Amount due from a subsidiary	應收一家附屬公司款項	356,329	366,337
Investments in a subsidiary	附屬公司投資	53,208	53,799
		409,537	420,136
CURRENT ASSETS	流動資產		
Prepayments	預付款項	179	288
Bank balances	銀行結餘	560	1,446
Amount due from a subsidiary	應收一家附屬公司款項	160,000	350,000
		160,739	351,734
CURRENT LIABILITY	流動負債		
Other payables	其他應付款項	5,678	13,659
NET CURRENT ASSETS	流動資產淨值	155,061	338,075
NET ASSETS	資產淨值	564,598	758,211
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	82,500	82,500
Reserves	儲備	482,098	675,711
TOTAL EQUITY	權益總額	564,598	758,211

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED) 43. 本公司財務狀況表(續)

Movement of the reserves

儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2022	於2022年1月1日	20,307	(102,808)	3,282	146,141	1,209,217	1,276,139
Loss for the year	年內虧損	-	-	-	-	(38,205)	(38,205)
Exchange differences arising from translation	因換算而產生之匯兌差額	-	-	7,218	-	-	7,218
Total comprehensive income (expense) for the year	年內全面收益(支出)總額	-	-	7,218	-	(38,205)	(30,987)
Dividends	股息	-	-	-	-	(577,500)	(577,500)
Recognition of equity settled share based payments	確認以股份結算之付款	-	-	-	8,059	-	8,059
At 31 December 2022	於2022年12月31日	20,307	(102,808)	10,500	154,200	593,512	675,711
Loss for the year	年內虧損	-	-	-	-	(12,948)	(12,948)
Exchange differences arising from translation	因換算而產生之匯兌差額	-	-	835	-	-	835
Total comprehensive income (expense) for the year	年內全面收益(支出)總額	-	-	835	-	(12,948)	(12,113)
Dividends	股息	-	-	-	-	(181,500)	(181,500)
At 31 December 2023	於2023年12月31日	20,307	(102,808)	11,335	154,200	399,064	482,098

The contributed surplus of the Company represents the offsetting of (i) difference between the aggregate net tangible assets of the subsidiaries acquired by the Company pursuant to a group reorganisation in December 2001 and the nominal value of the Company's shares issued for the acquisition and (ii) distribution in specie in 2011.

本公司之實繳盈餘乃(i)本公司於2001年12月之集團重組所收購之附屬公司之有形資產淨值總和與本公司因該收購而發行股本面值之差額及(ii)於2011年之實物分派之對銷。

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