CHERVON 泉峰®

泉峰控股有限公司
Chervon Holdings Limited

(Incorporated in Hong Kong with limited liability) (於香港註冊成立的有限公司)

Stock Code 股份代號 : 2285

2021

Annual Report 年度報告

BETTER
TOOLS
造好工具
助世界一臂之力

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COMPANY INTRODUCTION
公司介紹

OVERVIEW

We are a global provider of power tools and outdoor power equipment ("**OPE**"). Our focus on innovation, especially lithium-ion battery system technology, has enabled us to achieve significant scale and rapid growth. We offer a comprehensive range of products under a portfolio of well-recognized brands, which are tailored to address the diverse needs of our end users around the world. Our power tools target both industrial/professional and consumer end users, and our OPE products target both premium and mass-market end users. We currently own five differentiated and well-recognized brands that cover key geographies and segments, namely *EGO, FLEX, SKIL, DEVON and X-TRON*.

We focus on user-centric innovation and product offerings, which is supported by our integrated system of research and development, manufacturing and sales and distribution capabilities. Our broad end user base for lithium-ion battery powered products enables us to rapidly accumulate industry knowledge, technology know-how and end-user insights. Leveraging such knowledge and insights, we have been able to continuously introduce new products showcasing advanced technology and product design capabilities. We then produce these new, user-centric products in a consistently high-quality manner through our smart manufacturing system and distributing them through our multi-channel sales and distribution network. Our global operations and local market knowledge enable us to expand market shares and meet end user needs in our target markets. Our robust brand portfolio, which resonates with our end users, also helps solidify our market position.

概覽

我們為一家電動工具及戶外動力設備(「**OPE**」)的全球供應商。我們對創新的高度專注(尤其是鋰電池系統技術領域的創新)，已促使我們取得龐大的市場規模並助力我們實現高速增長。我們提供知名品牌組合下的全套產品，該等產品專為滿足全球終端用戶的多樣化需求而量身定制。我們的電動工具的目標客戶為工業級／專業級及消費級終端用戶，而我們的OPE產品的目標客戶為高端及大眾市場終端用戶。我們目前擁有*EGO*、*FLEX*、*SKIL*、*大有及小強*五個差異化且廣受認可的品牌，覆蓋主要地區及細分市場。

我們專注於以用戶為中心的創新及產品品類，研發、製造及銷售與分銷能力的一體化體系為此提供了支持。我們鋰電產品廣泛的終端用戶群幫助我們快速積累行業知識、技術知識及終端用戶洞察力。憑藉有關知識及洞察力，我們能夠持續推出展示先進技術及產品設計能力的新產品。隨後，我們通過我們的智能製造系統以始終如一的高質量生產該等以用戶為中心的新產品並通過我們的多渠道銷售及分銷網絡進行新產品的分銷。我們的全球運營及本地化市場營銷經驗幫助我們擴大市場份額並滿足目標市場的終端用戶需求。我們強大的品牌組合不僅能滿足終端用戶的需求，亦有助於鞏固我們的市場地位。

OUR VISION

Better Tools. Better World.

我們的願景

造好工具，助世界一臂之力。

OUR MISSION

Providing superior products to users worldwide through continuous innovation, we are determined to become a global leader in power tools and outdoor power equipment in the lithium-ion, intelligent and digital era.

我們的使命

我們立志通過持續創新，為全球用戶提供卓越的產品，成為電動工具及戶外動力設備行業鋰電化、智能化及數字化時代的創新驅動型領導者。

CORPORATE INFORMATION
公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Pan Longquan *(Chairman, Chief Executive Officer)*
Ms. Zhang Tong
Mr. Ke Zuqian
Mr. Michael John Clancy (appointed on August 4, 2021)
Mr. Xiao Jun (resigned on August 4, 2021)
Mr. Cheng Hong Kei (resigned on August 4, 2021)

Independent Non-executive Directors

Mr. Tian Ming (appointed on December 8, 2021)
Dr. Li Minghui (appointed on December 8, 2021)
Mr. Jiang Li (appointed on December 8, 2021)

AUDIT COMMITTEE

Dr. Li Minghui *(Chairperson)*
Mr. Tian Ming
Mr. Jiang Li

REMUNERATION COMMITTEE

Mr. Tian Ming *(Chairperson)*
Ms. Zhang Tong
Dr. Li Minghui

NOMINATION COMMITTEE

Mr. Jiang Li *(Chairperson)*
Mr. Tian Ming
Mr. Pan Longquan

JOINT COMPANY SECRETARIES

Mr. Hu Yian
Ms. Chow Yuk Yin Ivy *(FCG, HKFCG)*

AUTHORIZED REPRESENTATIVES

Ms. Zhang Tong
Mr. Hu Yian

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
8/F Prince's Building
10 Chater Road
Central, Hong Kong

董事會

執行董事

潘龍泉先生*(董事長, 行政總裁)*
張彤女士
柯祖謙先生
Michael John Clancy先生(於2021年8月4日獲委任)
肖鈞先生(於2021年8月4日辭任)
鄭康棋先生(於2021年8月4日辭任)

獨立非執行董事

田明先生(於2021年12月8日獲委任)
李明輝博士(於2021年12月8日獲委任)
蔣立先生(於2021年12月8日獲委任)

審核委員會

李明輝博士*(主席)*
田明先生
蔣立先生

薪酬委員會

田明先生*(主席)*
張彤女士
李明輝博士

提名委員會

蔣立先生*(主席)*
田明先生
潘龍泉先生

聯席公司秘書

胡以安先生
周玉燕女士*(FCG，HKFCG)*

授權代表

張彤女士
胡以安先生

核數師

畢馬威會計師事務所
執業會計師
於《財務匯報局條例》下的註冊公眾利益實體核數師
香港中環
遮打道10號
太子大廈8樓

LEGAL ADVISER

Simpson Thacher & Bartlett
35/F, ICBC Tower
3 Garden Road
Central
Hong Kong

法律顧問

盛信律師事務所
香港
中環
花園道3號
中國工商銀行大廈35樓

COMPLIANCE ADVISOR

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

合規顧問

國泰君安融資有限公司
香港
皇后大道中181號
新紀元廣場
低座27樓

REGISTERED OFFICE

Unit 04, 22/F, Saxon Tower
7 Cheung Shun Street
Lai Chi Kok
Kowloon
Hong Kong

註冊辦事處

香港
九龍
荔枝角
長順街7號
西頓中心22樓04室

HEADQUARTERS

No. 99 West Tianyuan Road
Jiangning Economic and Technological
Development Zone
Nanjing
PRC

總部

中國
南京市
江寧經濟技術
開發區
天元西路99號

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 04, 22/F, Saxon Tower
7 Cheung Shun Street
Lai Chi Kok
Kowloon
Hong Kong

香港主要營業地點

香港
九龍
荔枝角
長順街7號
西頓中心22樓04室

SHARE REGISTRAR

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

股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

PRINCIPAL BANKS

The Hongkong and Shanghai Banking Corporation Limited
Bank of Communications – Nanjing Jiangning Branch

主要往來銀行

香港上海滙豐銀行有限公司
交通銀行—南京江寧支行

STOCK CODE

2285

股份代號

2285

COMPANY'S WEBSITE

https://global.chervongroup.com

公司網站

https://global.chervongroup.com

LISTING DATE

December 30, 2021

上市日期

2021年12月30日

A summary of the results and of the assets and liabilities of the Group for the last four financial years, as extracted from the published audited financial statements, is set out below:

本集團於過去四個財政年度之業績以及資產及負債概要(摘錄自已刊發經審核財務報表)載列如下：

RESULTS

業績

		Year ended December 31, 截至12月31日止年度			
		2018 2018年	2019 2019年	2020 2020年	**2021 2021年**
		(In US$ thousands, except per share data) (千美元，每股數據除外)			
Revenue	收入	690,698	843,578	1,200,902	**1,757,784**
(Loss)/profit before tax	除稅前(虧損)／利潤	(14,414)	42,348	59,511	**176,098**
Income tax credit/(expense)	所得稅抵免／(開支)	957	(6,266)	(11,123)	**(26,377)**
(Loss)/profit for the year	年內(虧損)／利潤	(13,457)	36,082	48,388	**149,721**
Attributable to:	以下人士應佔：				
Equity shareholders of the Company	本公司權益股東	(14,084)	33,976	44,359	**144,544**
Non-controlling interests	非控股權益	627	2,106	4,029	**5,177**
Earnings per share	每股盈利				
– Basic (cents)	– 基本(分)	(4)	9	11	**36**
– Diluted (cents)	– 攤薄(分)	(4)	9	11	**36**

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		As of December 31, 截至12月31日			
		2018 2018年	2019 2019年	2020 2020年	**2021 2021年**
		(In US$ thousands) (千美元)			
Assets	**資產**				
Total assets	資產總值	745,810	867,177	1,091,467	**2,056,156**
Equity and liabilities	**權益及負債**				
Equity attributable to equity shareholders of the Company	本公司權益股東應佔權益	149,802	182,131	259,738	**797,017**
Non-controlling interests	非控股權益	17,313	18,707	24,286	**–**
Total equity	權益總額	167,115	200,838	284,024	**797,017**
Total liabilities	負債總額	578,695	666,339	807,443	**1,259,139**
Total equity and liabilities	權益及負債總額	745,810	867,177	1,091,467	**2,056,156**

Note: No financial information for the year ended, or as of, December 31, 2017 has been published.

附註： 概無刊發截至2017年12月31日止年度或截至該日的財務資料。

CHAIRMAN'S STATEMENT
董事長致辭

2021 was a historical year for Chervon. The Company was listed on the Main Board of the Stock Exchange of Hong Kong on December 30, 2021. The initial public offering not only brings us greater market attention and resources, but also places upon us enormous responsibilities towards our shareholders, employees and other key stakeholders. Looking back to the past two decades, it is clear that our relentless focus on user-centric innovation is what drove us to achieve significant scale, rapid growth and market leadership. I am proud of what our Group and thousands of employees across the globe have accomplished, collectively and individually, under our shared vision of "Better Tools. Better World." We remain committed to making significant investments for Chervon, now as a public company, to continue succeeding in a new era.

2021年對於泉峰來説是歷史性的一年。公司於2021年12月30日在香港聯合交易所主板上市。首次公開募股不僅讓泉峰獲得了更大的市場關注度和資源，更意味着我們將承擔更多對股東、員工以及其他利益相關方的責任。回顧過去的二十年，泉峰堅持「以用戶為中心」的創新策略，持續驅動公司發展，實現了規模顯著擴張和業務快速增長，並成就了泉峰在全球市場的領先地位。秉持「造好工具，助世界一臂之力」的美好願景，泉峰及全球數千名泉峰人共同創造了這一了不起的成就，我為此深感自豪。如今，作為一家上市公司，泉峰將一如既往地為未來投資，以期在新時代繼續取得成功。

In 2021, we continued to face challenges amidst the ongoing COVID-19 pandemic and global trade tensions, yet remained resilient and produced remarkable results. We delivered revenue of US$1,757.8 million, a 46.4% year-over-year growth, reflecting strong performance across our business segments and geographic regions. Our net profit more than tripled from US$48.4 million to US$149.7 million, and our adjusted net profit grew by 79.0% from US$69.8 million to US$125.0 million. We believe our robust revenue and profit growth is propelled by improvements to our product portfolio, brand recognition, sales and distribution network and manufacturing capability, among other accomplishments.

2021年，儘管持續的COVID-19大流行和全球貿易緊張局勢帶來的挑戰始終存在，但我們保持了企業的韌性，並取得了卓越的成就。我們實現收入1,757.8百萬美元，同比增長46.4%，各業務分部和地理區域都有強勁的業績表現。我們的淨利潤從48.4百萬美元增長了兩倍多至149.7百萬美元，調整後的淨利潤從69.8百萬美元增長79.0%至125.0百萬美元。傲人業績的背後，源自我們對產品組合、品牌知名度、銷售和分銷網絡以及製造能力的持續打造和提升。

Our focus on innovating and making great products, particularly in the cordless segment, remains a key pillar of our growth strategy. In 2021, we introduced 232 new products, 77% of which are powered by lithium-ion batteries. We continued promoting end-user recognition of our brand portfolio, including *EGO*, *FLEX*, *SKIL, DEVON* and *X-TRON*, which comprehensively cover industrial/professional and consumer power tools and premium and mass-market OPE products. As of year-end 2021, our products were sold to customers in more than 100 countries and regions across North America, Europe, Oceania and Asia through our strong, multi-channel sales and distribution network. We also continued investing in strengthening our smart, vertically-integrated manufacturing system and expanding our production capacity.

我們專注於製造創新性的出色產品，特別是在無繩工具領域，仍然是我們增長戰略的關鍵支柱。2021年，我們推出232款新產品，其中鋰離子電池驅動產品佔比77%。我們繼續提升終端使用者對我們品牌組合的認可度，包括*EGO*、*FLEX*、*SKIL*、*大有*和*小強*，全面涵蓋工業級／專業級和消費級電動工具以及高端和大眾市場的OPE產品。截至2021年底，我們的產品通過強大的多渠道銷售和分銷網絡銷往北美、歐洲、大洋洲和亞洲的100多個國家和地區。我們還將繼續加大我們生產製造體系方向的投資，加強我們的智慧化、縱向一體化製造系統，並提升產能。

We are committed to being a responsible corporate citizen by innovating in green products, promoting energy conservation, reducing carbon emissions and implementing sound corporate governance practices. Our cordless power tools and OPE products help alleviate air pollution and reduce environmental noises, while delivering performance, comfort, convenience, as well as cost-savings to our end-users as they are able to use our powerful, compatible lithium-ion battery platforms across a wide range of tools and equipment. We believe fulfilling our ESG responsibilities also creates value for our shareholders.

我們致力於成為負責任的企業公民，推動開發創新綠色產品、促進節能減排、減少碳排放並實施完善良好的公司治理實踐。我們的無繩電動工具和OPE產品，不僅有助於減輕空氣污染並降低環境噪音，同時，終端使用者通過使用我們強大、廣泛、兼容的鋰離子電池平台產品，將得到更好的性能、舒適性、便利性以及成本的節約。我們相信，履行我們的環境、社會和管治責任也會為我們的股東創造價值。

I would like to express my heart-felt gratitude towards our customers, end-users and shareholders for their trust and support bestowed upon us, and express my deep appreciation for our management team, employees and suppliers for their efforts in making 2021 a remarkable year. In 2022, we will continue to invest in building our product portfolio, sales and distribution network, brand recognition, production capacity and human capital. With an unwavering commitment to user-centric innovation and speed to market, we believe we are well positioned to capture growth opportunities across business segments and geographies in the months and years ahead.

衷心感謝我們的客戶、用戶和股東對我們的信任和支持！感謝我們的管理團隊、員工和供應商的努力，共同創造了不平凡的2021！2022年，我們將持續對產品組合、銷售和分銷網絡、品牌知名度、生產能力和人力資本建設進行投資。憑藉對以用戶為中心的創新和快速佔據市場的堅定承諾，面對未來，我們已做好準備，把握市場機會，再創佳績！

Pan Longquan
Executive Director, Chairman and Chief Executive Officer

April 29, 2022

潘龍泉先生
執行董事、董事長兼行政總裁

2022年4月29日

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論與分析

BUSINESS OVERVIEW AND OUTLOOK

Business Overview

We are pleased to announce that in 2021 we have achieved remarkable results and further expanded our overall competitive advantages. The Group's revenue grew by 46.4% from US$1,200.9 million in 2020 to US$1,757.8 million in 2021, further strengthening our market leadership position. Improvements in our product portfolio, brand recognition and sales and distribution network have contributed to the significant growth.

We have made significant accomplishments across our business units in 2021. Our power tools segment delivered revenue growth of 33.9% from US$661.1 million in 2020 to US$885.2 million in 2021. Our outdoor power equipment ("**OPE**") segment delivered revenue growth of 62.0% from US$533.7 million in 2020 to US$864.6 million in 2021.

Introducing new products grounded in advanced technology and end-user insights

We continue to develop new products in-house and drive industry transformations. Leveraging our research and

業務概覽及展望

業務概覽

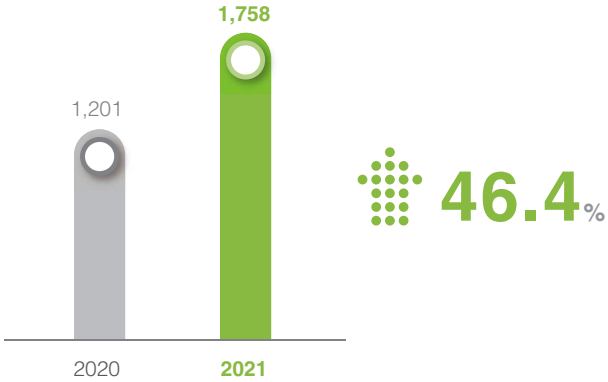
我們欣然宣佈，於2021年，我們取得了出色的業績，並進一步擴大了我們的整體競爭優勢。本集團的收入由2020年的1,200.9百萬美元增長46.4%至2021年的1,757.8百萬美元，進一步鞏固了我們的市場領導地位。我們產品組合的升級、品牌知名度以及銷售和分銷網絡的提升對促進業績的顯著增長作出了貢獻。

2021年，我們的業務單位取得了重大成就。我們電動工具分部的收入由2020年的661.1百萬美元增長33.9%至2021年的885.2百萬美元。我們戶外動力設備(「**OPE**」)分部的收入由2020年的533.7百萬美元增長62.0%至2021年的864.6百萬美元。

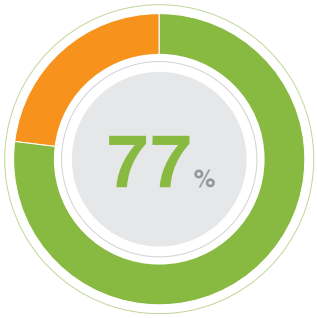
推出基於先進技術和終端用戶洞察的新產品

我們繼續在內部開發新產品，並推動行業轉型。利用我們的研發能力，我們不斷升級產品組合。2021

REVENUE
收入



(in US$ millions)
（百萬美元）



Lithium-ion battery powered new products
as a percentage of all new products introduced in 2021
新鋰電產品佔2021年
全部新上市產品的百分比

development capabilities, we have continuously upgraded our product portfolio. In 2021, we introduced 232 new products in total, and lithium-ion battery powered products accounted for approximately 77% of the new products.

年，我們共推出了232款新產品，鋰離子電池供電產品約佔新產品的77%。

For example, in the OPE segment, we have brought to market our riding mowers in 2021, which are equipped with brushless motor technology and powered by removable platform-compatible *EGO* lithium-ion batteries. These batteries are one of the first of its kind to apply across riding mowers, walk-behind mowers and handheld OPE products. We also launched the *SKIL* 40V OPE tools to strongly complement our suite of products in the mass-market OPE segment, further strengthening our growth potential.

例如，在OPE分部，我們在2021年推出騎乘式割草機產品，該等割草機配備了無刷電機技術，並由可拆卸平台兼容的*EGO*鋰離子電池供電，同時該等電池是同類電池中首款應用於騎乘式割草機、手推式割草機和手持式OPE產品的電池。另外，我們還推出了*SKIL* 40V OPE工具，以有力補充我們在OPE領域大眾市場的產品系列，進一步增強我們的增長潛力。

In the power tool segment, we introduced a new series of lithium-ion battery powered high-end professional tools in North America, under our century-year old heritage brand *FLEX*, representing our first but significant step ahead in the North America professional power tool market.

在電動工具領域，我們以擁有百年歷史的傳統品牌*FLEX*，在北美推出了一系列由鋰離子電池供電的全新高端專業工具，這代表了我們在北美專業電動工具市場邁出的第一步，意義重大。

Increasing end-user recognition for our brand portfolio

Supported by our end-user insights, advanced technologies and global sales and distribution network, we continue to increase end-user recognition for our proprietary brands in their respective markets. We have achieved rapid growth in large part through our five well-recognized and differentiated brands that comprehensively cover industrial/professional and consumer power tools and premium and mass-market OPE products. As of December 31, 2021, we had over nine million battery platforms sold globally under our *EGO* brand. In 2021, we also sold over one million battery packs on the 20V platform under our *DEVON* brand, making us a leader in China's high-end lithium-ion battery power tool market. Revenue from our original brand manufacturing ("**OBM**") business grew by 51.7% from US$746.3 million in 2020 to US$1,132 million in 2021, and accounted for 64.4% of our total revenue in 2021, demonstrating the strengths of our proprietary brands.

提高終端用戶對我們品牌組合的認知度

我們以終端用戶洞察、先進技術以及全球銷售和分銷網絡為支持，不斷提高終端用戶對我們專有品牌在其各自市場的認知度。我們之所以實現快速增長，很大程度上是通過我們五個為人熟知且具有差異化的品牌實現的，這些品牌全面覆蓋了工業級／專業級和消費級電動工具以及高端和大眾市場的OPE產品。截至2021年12月31日，我們以*EGO*品牌在全球銷售逾900萬個電池平台。2021年，我們還在*大有*品牌的20V平台上銷售了超過100萬個電池組，使我們成為中國高端鋰離子電池電動工具市場的領導者。我們原始品牌製造（「**OBM**」）業務的收入由2020年的746.3百萬美元增長了51.7%至2021年的1,132百萬美元，佔我們2021年總收入的64.4%，證明了我們的自有品牌的優勢。

Enhancing our multi-channel sales and distribution network

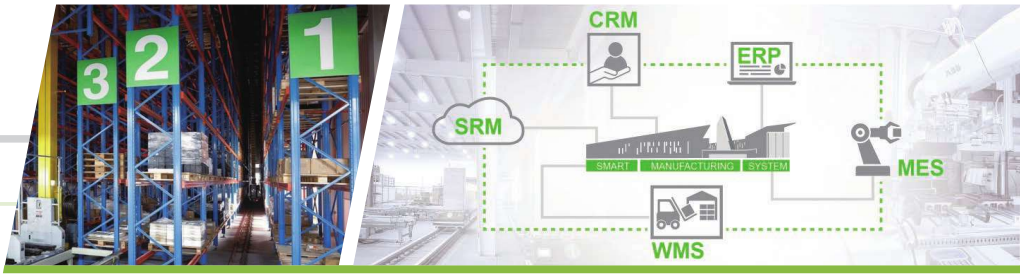
We continue to enhance our global multi-channel sales and distribution network that offers us effective touchpoints for end users across key markets, including North America, Europe, Oceania and Asia. We have deepened our collaboration with leading home centers and mass market retailers, and also strengthened our partnership with qualified distributors and local retailers to diversify our sales channels and promote brand recognition. By 2021, which was the first full year for our strategic partnership with a Fortune 500 home improvement company, power tools and OPE products under our *EGO*, *SKIL* and *FLEX* brands have become available across its stores in North America, which significantly contributed to our revenue growth in the relevant markets. Sales of *EGO*-branded OPE products through our dealer network also increased significantly in the European and Oceania markets.

Furthermore, we have enhanced our online sales channels by collaborating with e-commerce platforms and operating our own e-stores. Sales of our OBM products through our pure-play e-commerce channels in North America increased by over 100% from 2020 to 2021.

加強我們的多渠道銷售和分銷網絡

我們將繼續加強我們的全球多渠道銷售和分銷網絡，有效觸達北美、歐洲、大洋洲和亞洲等主要市場的終端用戶。我們深化了與領先的家居建材賣場和大眾市場零售商的合作，並加強了與合資格分銷商和本地零售商的合作夥伴關係，使我們的銷售渠道多樣化，並提高了品牌知名度。2021年是我們與一家財富500強家居建材賣場建立戰略合作夥伴關係後完整運營的第一個整年，我們的*EGO*、*SKIL*及*FLEX*品牌的電動工具和OPE產品已在該公司的北美的商店上市，這為我們相關市場的收入增長做出了重大貢獻。通過我們的經銷商網絡，*EGO*品牌OPE產品的銷量在歐洲和大洋洲市場亦增長顯著。

此外，我們通過與電子商務平台合作和運營自有網店來增強我們的在線銷售渠道。通過我們在北美的專營電子商務渠道，我們的OBM產品的銷量自2020年至2021年增長超過100%。



Improving our manufacturing technologies and production management capabilities, and expanding our production capacity

We continue to build competitive advantages by advancing our manufacturing technologies and production management capabilities. We have made long-term investments in a vertically integrated manufacturing system, which enables us to incorporate new technologies into core product components such as battery packs, motors and electric control circuits. We have focused on promoting the application of industrial engineering and quality control technologies in our assembly lines, and continued to improve the level of automation and transparency in our manufacturing system by horizontally integrating our information technology systems.

提高我們的製造技術和生產管理能力，擴大我們的生產能力

我們通過推進製造技術和生產管理能力，持續構建競爭優勢。我們已作出長期投資，建立縱向一體化製造系統，憑藉該系統，我們能夠將新技術融入核心產品組件，如電池組、電機和電氣控制電路。我們專注於推動工業工程和品質控制技術在組裝線上的應用，並通過橫向整合我們的信息技術系統，不斷提高製造系統的自動化水平和透明度。

Impact of the COVID-19 Pandemic

During the Reporting Period, the coronavirus disease 2019 ("**COVID-19**") pandemic has affected our operations and supply chain as a result of the government-imposed suspensions, and led to increases in the costs and time for transportation of our products in certain regions of the world. However, we believe that the COVID-19 pandemic has not had a material adverse impact on our results of operations in 2021. Our production facilities and offices generally remained open and we undertook measures such as social distancing, mask-wearing and mandatory virus testing for our employees. We also believe the COVID-19 pandemic has not had a material adverse effect on the demand from our customers and end-users.

COVID-19疫情的影響

於報告期間，2019冠狀病毒病（「**COVID-19**」）疫情導致我們的營運及供應鏈因政府實施的暫停措施而受到影響，並導致我們產品在全球若干地區的運輸成本及運輸時間增加。然而，我們認為COVID-19疫情並未對我們2021年的經營業績造成重大不利影響。我們的生產設施及辦公室普遍保持開放，我們為僱員採取保持社交距離、佩戴口罩及強制病毒測試等措施。我們亦認為，COVID-19疫情並未對我們客戶及終端用戶的需求造成重大不利影響。

At this point, we cannot accurately predict what effects the COVID-19 pandemic will have on our business going forward, which will depend on, among other factors, the ultimate geographic spread of the virus, the duration of the pandemic and the corresponding travel restrictions and business closures imposed by government authorities. The continued impacts of COVID-19 or any future outbreak of a contagious disease may have a material adverse effect on our business, financial condition or results of operations.

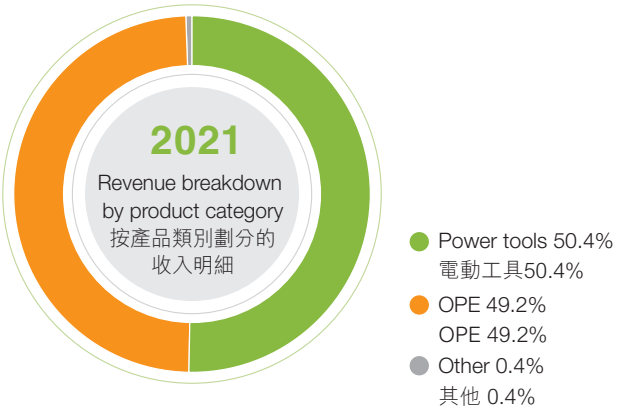
目前，我們無法準確預測COVID-19疫情對我們未來業務的影響，這將取決於病毒的最終地理傳播、疫情的持續時間以及政府當局實施的相應旅行限制及停業等因素。COVID-19的持續影響或任何未來爆發的傳染病可能對我們的業務、財務狀況或經營業績造成重大不利影響。

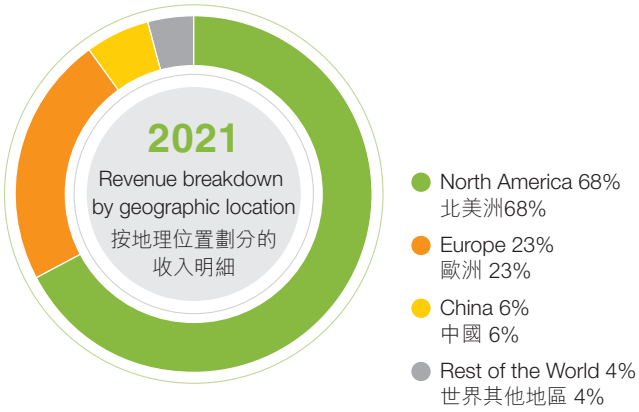
Business Outlook

To drive sustainable long-term growth, we will continue to develop new products, expand our multi-channel sales and distributions network, enhance brand recognition, expand production capacities and improve operational efficiency and invest in human capital development. We will endeavor to consistently outperform the market and deliver superior results for our shareholders, employees and communities in a socially and environmentally responsible manner.

業務前景

為了推動可持續的長期增長，我們將繼續開發新產品，擴大我們的多渠道銷售和分銷網絡，提高品牌知名度，擴大生產能力，提高運營效率，並投資於人力資本開發。我們將努力不斷超越市場，以對社會和環境負責的方式為我們的股東、員工和社區提供卓越業績。





FINANCIAL REVIEW

Financial Results

Revenue

The Group's revenue increased by 46.4% from US$1,200.9 million in 2020 to US$1,757.8 million in 2021, primarily due to improvements in our product portfolio, brand recognition and sales and distribution network, as well as favorable market conditions.

Revenue by product category

Revenue from the sales of power tools increased by 33.9% from US$661.1 million in 2020 to US$885.2 million in 2021, primarily driven by the growth of sales across our proprietary brands and the expansion of our original design manufacturing ("**ODM**") business for power tools with key customers.

Revenue from the sales of OPE products increased by 62.0% from US$533.7 million in 2020 to US$864.6 million in 2021, primarily driven by the increased sales of our *EGO*-branded OPE products across key markets and *SKIL*-branded OPE products in North America, as well as the expansion of our ODM business for our OPE products with key customers.

Revenue by geographic location

We achieved significant revenue growth across our geographic regions in 2021. Our revenue generated from North America, our largest geographic market, increased by 48.6% from US$798.9 million in 2020 to US$1,187.4 million in 2021. Our revenue from Europe increased by 36.0% from US$297.3 million in 2020 to US$404.2 million in 2021. Our revenue from China grew by 52.3% from US$69.3 million in 2020 to

財務回顧

財務業績

收入

本集團的收入由2020年的1,200.9百萬美元增長46.4%至2021年的1,757.8百萬美元，主要由於我們的產品組合、品牌知名度、銷售及分銷網絡的提升以及有利的市場條件。

按產品類別劃分的收入

電動工具的銷售收入由2020年的661.1百萬美元增長33.9%至2021年的885.2百萬美元，主要由於我們自有品牌的銷售額增長，以及我們與主要客戶的電動工具原設計製造（「**ODM**」）業務的擴張。

OPE產品的銷售收入由2020年的533.7百萬美元增長62.0%至2021年的864.6百萬美元，主要由於我們的*EGO*品牌的OPE產品在主要市場以及*SKIL*品牌的OPE產品在北美的銷售額增加，以及我們OPE產品的ODM業務得到擴展。

按地理位置劃分的收入

2021年，我們的收入在各地都實現了顯著增長。我們來自北美（我們最大的地域市場）的收入由2020年的798.9百萬美元增長48.6%至2021年的1,187.4百萬美元。我們來自歐洲的收入由2020年的297.3百萬美元增長36.0%至2021年的404.2百萬美元。我們來自中國的收入由2020年的69.3百萬美元增長52.3%至2021年的105.5百萬美元。我們來自世

US$105.5 million in 2021. Our revenue from rest of the world grew by 71.3% from US$35.4 million in 2020 to US$60.7 million in 2021.

界其他地區的收入由2020年的35.4百萬美元增長71.3%至2021年的60.7百萬美元。

Gross Profit and Gross Profit Margin

Our gross profit increased by 34.1% from US$368.7 million in 2020 to US$494.5 million in 2021. During the same years, our overall gross profit margin decreased from 30.7% to 28.1%, primarily due to the impact of increases in raw material costs, Renminbi ("**RMB**") appreciation and rising international shipping costs. Going forward, we will seek to improve our gross profit margins by introducing innovative products with higher margins and improving operating efficiency, among other measures.

毛利及毛利率

我們的毛利由2020年的368.7百萬美元增長34.1%至2021年的494.5百萬美元。同年，我們的整體毛利率由30.7%下降至28.1%，主要受原材料成本上漲、人民幣(「**人民幣**」)升值及國際運輸成本上漲的影響。展望未來，我們將通過推出利潤更高的創新產品並提高運營效率等措施來提高毛利率。

Other Revenue and Other Net Loss or Gain

Other Revenue

Our other revenue, which primarily consisted of government grants, sale of scrap materials and rental income, amounted to US$5.2 million in 2021, as compared to US$5.8 million in 2020.

其他收入及其他虧損或收益淨額

其他收入

2021年，我們的其他收入(主要包括政府補助、廢料銷售及租金收益)為5.2百萬美元，而2020年則為5.8百萬美元。

Other Net Gain or Loss

We had other net gain of US$37.9 million in 2021, as compared to other net loss of US$3.1 million in 2020. Our other net gain in 2021 was primarily attributable to (i) a gain on the disposal of a subsidiary of US$22.0 million, which was related to the sale of our interests in Nanjing Jiuhao Electromechanical Industry Co., Ltd. (南京玖浩機電實業有限公司) ("**Jiuhao Electromechanical**") and (ii) net unrealized gains on convertible bonds of US$19.2 million, which was contributed by our investments in the convertible bond issued by Nanjing Chervon Auto Precision Technology Co., Ltd. (南京泉峰汽車精密技術股份有限公司) ("**Chervon Auto Precision Technology**").

其他收益或虧損淨額

2021年，我們的其他收益淨額為37.9百萬美元，而2020年的其他虧損淨額為3.1百萬美元。我們於2021年的其他收益淨額主要是由於(i)出售一間附屬公司的收益為22.0百萬美元，該收益與出售我們於南京玖浩機電實業有限公司(「**玖浩機電**」)的權益有關，及(ii)可換股債券的未變現收益淨額為19.2百萬美元，該收益由我們對南京泉峰汽車精密技術有限公司(「**泉峰汽車精密技術**」)發行的可換股債券的投資所貢獻。

Selling and Distribution Expenses

Our selling and distribution expenses increased by 8.9% from US$179.4 million in 2020 to US$195.5 million in 2021, primarily due to a significant increase in our investments in marketing activities to maintain the momentum of sales growth, partially offset by a decrease in warranty costs.

銷售及分銷開支

我們的銷售及分銷開支由2020年的179.4百萬美元增加8.9%至2021年的195.5百萬美元，主要是由於我們為保持銷售增長勢頭，對營銷活動的投資大幅增加，部分被保修成本減少所抵銷。

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased by 25.1% from US$82.8 million in 2020 to US$103.6 million in 2021, primarily due to increases in costs and expenses related to our initial public offering.

行政及其他經營開支

我們的行政及其他經營開支由2020年的82.8百萬美元增加25.1%至2021年的103.6百萬美元，主要由於與首次公開發售有關的成本及開支增加。

Research and Development Costs

Our research and development costs increased by 28.8% from US$38.9 million in 2020 to US$50.2 million in 2021, primarily due to our continued investments in research and development and new product initiatives.

研發成本

我們的研發成本由2020年的38.9百萬美元增加28.8%至2021年的50.2百萬美元，主要由於我們持續投資於研發及新產品計劃。

Net Finance Costs

Our net finance costs decreased by 4.3% from US$17.4 million in 2020 to US$16.6 million in 2021.

財務成本淨額

我們的財務成本淨額由2020年的17.4百萬美元下跌4.3%至2021年的16.6百萬美元。

Profit Before Tax

As a result of the foregoing, our profit before income tax in 2021 amounted to US$176.1 million, representing an increase of 195.9% as compared to US$59.5 million in 2020.

除稅前利潤

由於上述原因，我們2021年的除稅前利潤為176.1百萬美元，較2020年的59.5百萬美元增長195.9%。

Income Tax Expense

Our income tax expense was US$26.4 million in 2021, representing an increase of 137.1% from US$11.1 million in 2020. Our effective tax rate was 15.0% in 2021, as compared to 18.7% in 2020, primarily due to additional tax incentives that we obtained in 2021 as a result of increases in our research and development activities.

所得稅開支

所得稅開支由2020年的11.1百萬美元增長137.1%至2021年的26.4百萬美元。2021年的實際稅率為15.0%，而2020年的實際稅率為18.7%，主要由於我們於2021年因研發活動增加而獲得額外的稅務優惠。

Profit For The Year

As a result of the foregoing, our profit for the year increased by 209.4% from US$48.4 million in 2020 to US$149.7 million in 2021. Our net profit margin increased from 4.0% to 8.5% during the respective years.

年內利潤

由於上述原因，我們的年內利潤由2020年的48.4百萬美元增長209.4%至2021年的149.7百萬美元。於各年度，我們的淨利率從4.0%上升至8.5%。

Non-HKFRSs Measure: Adjusted Net Profit

To supplement our consolidated results which are prepared and presented in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), we utilize non-HKFRSs adjusted net profit ("**Adjusted Net Profit**") as an additional financial measure. We derive Adjusted Net Profit from profit for the year by excluding (i) listing expenses, (ii) equity settled share-based payment expenses, (iii) gain on disposal of associates, (iv) gain on disposal of a subsidiary, (v) net unrealized gains on convertible bonds and (vi) income tax effects of non-HKFRSs adjustments.

非香港財務報告準則計量：經調整純利

為補充我們根據香港財務報告準則(「**香港財務報告準則**」)編製及呈列的綜合業績，我們使用非香港財務報告準則經調整純利(「**經調整純利**」)作為額外財務計量。我們從年內利潤中扣除(i)上市開支、(ii)以權益結算以股份為基礎的付款開支、(iii)出售聯營公司的收益、(iv)出售一間附屬公司的收益、(v)可換股債券的未變現收益淨額及(vi)非香港財務報告準則調整的所得稅影響得出經調整純利。

Adjusted Net Profit is not required by, or presented in accordance with, HKFRSs. We believe that the presentation of non-HKFRSs measures when shown in conjunction with the corresponding HKFRSs measures provides useful information

經調整純利並非香港財務報告準則所規定或根據香港財務報告準則呈列。我們相信，連同相應香港財務報告準則計量一併呈列非香港財務報告準則計量，可消除管理層認為不能反映我們經營表現的項

to investors and management regarding financial and business trends in relation to our financial condition and results of operations, by eliminating any potential impact of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and the impact of certain investment transactions. We also believe that the non-HKFRSs measures are appropriate for evaluating the Group's operating performance. However, the use of this particular non-HKFRSs measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for the analysis of, our results of operations or financial conditions as reported under HKFRSs. In addition, this non-HKFRSs financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

目（如若干非現金項目及若干投資交易的影響）的任何潛在影響，為投資者及管理層提供有關我們財務狀況及經營業績的財務及業務趨勢的有用資料。我們亦認為，非香港財務報告準則計量適用於評估本集團的經營表現。然而，使用該特定非香港財務報告準則計量作為分析工具存在局限性， 閣下不應視其為獨立於或可代替我們根據香港財務報告準則所呈報經營業績或財務狀況的分析。此外，該非香港財務報告準則財務計量的定義可能與其他公司所使用的類似詞彙有所不同，因此可能無法與其他公司所使用的類似計量進行比較。

The following table reconciles our Adjusted Net Profit for the years presented to the most directly comparable financial measure calculated and presented in accordance with HKFRSs, which is profit for the year:

下表載列所呈列年度的經調整純利與根據香港財務報告準則計算及呈列的最直接可資比較財務計量（即年內利潤）的對賬：

		Year Ended December 31, 截至12月31日止年度	
		2021	2020
		2021年	2020年
		US$'000	US$'000
		千美元	千美元
Profit for the year	年內利潤	**149,721**	48,388
Add:	加：		
Listing expenses	上市開支	**7,873**	272
Equity-settled share-based payment expenses	以權益結算以股份為基礎的付款開支	**–**	21,077
Loss on disposal of associates[1]	出售聯營公司虧損[1]	**677**	131
(Gain) on disposal of a subsidiary[2]	出售一間附屬公司之（收益）[2]	**(21,969)**	–
Net unrealized (gains) on convertible bonds[3]	可換股債券未變現（收益）淨額[3]	**(19,230)**	–
Income tax effects of non-HKFRSs adjustments[4]	非香港財務報告準則調整的所得稅影響[4]	**7,965**	(33)
Adjusted net profit	**經調整純利**	**125,037**	69,835

Notes:

(1) Represents the loss on disposal of our interests in Nanjing Suquan Investment Co., Ltd. (南京蘇泉投資管理有限公司) in 2021 and Nanjing Jiangning Lianshang Investment Co., Ltd. (南京江寧聯商股權投資有限公司) in 2020.

附註：

(1) 指出售我們於2021年在南京蘇泉投資管理有限公司及於2020年在南京江寧聯商投資有限公司的權益所產生的虧損。

(2) Represents the gain on disposal of our interests in Jiuhao Electromechanical in 2021.

(3) Represents the net unrealized gains on our investment in the convertible bond issued by Chervon Auto Precision Technology.

(4) Represents income tax effects of non-HKFRSs adjustments.

(2) 指於2021年出售我們於玖浩機電的權益的收益。

(3) 指我們於泉峰汽車精密技術發行的可換股債券的投資的未變現收益淨額。

(4) 指非香港財務報告準則調整的所得稅影響。

Liquidity and Financial Resources

Financial Position

The Group continued to maintain a strong financial position. As of December 31, 2021, the Group had US$665.0 million in cash and cash equivalents (2020: US$166.9 million), primarily due to strong operating cash flow performance and receipt of net proceeds from our initial public offering. 54.4%, 25.8%, 15.8%, 1.5% and 2.4% of our cash and cash equivalents and pledged deposits as of December 31, 2021 were denominated in HK dollar, RMB, US dollar, euro and other currencies, respectively.

Funding and Treasury Policy

The Group's funding and finance policy aims to maintain stable financial position and mitigate financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

Borrowings and Gearing Ratio

As of December 31, 2021, the Group had bank loans of US$433.6 million (2020: US$337.9 million), which were primarily denominated in RMB, and lease liabilities of US$23.2 million (2020: US$16.7 million). As of the same date, fixed-rate and floating-rate loans account for 58.8% and 41.2%, respectively, of the Group's total bank loans.

As of December 31, 2021, short-term bank loans and current portion of long-term bank loans collectively accounted for 98.0% of the total bank loans (2020: 86.0%).

流動資金及財務資源

財務狀況

本集團繼續維持強勁的財務狀況。截至2021年12月31日，本集團擁有665.0百萬美元現金及現金等價物（2020年：166.9百萬美元），主要由於強勁的經營現金流表現以及我們首次公開發售的所得款項淨額。截至2021年12月31日，我們54.4%、25.8%、15.8%、1.5%及2.4%的現金及現金等價物以及已抵押存款分別以港元、人民幣、美元、歐元及其他貨幣計值。

資金及庫務政策

本集團的資金及財務政策旨在維持穩健的財務狀況及減低財務風險。本集團定期檢討其資金需求以維持充足財務資源，以支持其現有業務營運以及其未來投資及擴展計劃。

借款及資本負債比率

截至2021年12月31日，本集團的銀行貸款為433.6百萬美元（2020年：337.9百萬美元），主要以人民幣計值，租賃負債為23.2百萬美元（2020年：16.7百萬美元）。截至同日，定息及浮息貸款分別佔本集團銀行貸款總額的58.8%及41.2%。

截至2021年12月31日，短期銀行貸款及長期銀行貸款的即期部分合共佔銀行貸款總額的98.0%（2020年：86.0%）。

The Group's gearing ratio (which equals total debt (including bank loans and lease liabilities) divided by total equity) decreased from 1.2 as of December 31, 2020 to 0.6 as of December 31, 2021.

本集團的資本負債比率（等於債務總額（包括銀行貸款及租賃負債）除以權益總額）由截至2020年12月31日的1.2降至截至2021年12月31日的0.6。

Working Capital

The Group's inventories amounted to US$592.0 million as of December 31, 2021 as compared to US$288.7 million as of December 31, 2020, primarily due to our business expansions and efforts to build up inventories to meet rising customer demands. Our inventory turnover days remained relatively stable at 127 days in 2021, as compared to 129 days in 2020.

營運資金

截至2021年12月31日，本集團的存貨為592.0百萬美元，而截至2020年12月31日則為288.7百萬美元，主要由於我們的業務擴張以及努力增加存貨，以滿足客戶不斷增長的需求。2021年，我們的存貨周轉天數保持穩定為127天，而2020年則為129天。

The Group's trade and bills receivables turnover days were at 56 days in 2021, as compared to 59 days in 2020.

本集團2021年的貿易應收款項及應收票據周轉天數為56天，而2020年為59天。

The Group's trade and bills payables turnover days were 110 days in 2021, as compared to 90 days in 2020, primarily due to (i) the impact of inventory increases during the fourth quarter of 2021 to meet rising customer demands, which resulted in higher balances of bills payables, and (ii) more favorable credit terms that we obtained from our suppliers.

本集團2021年的貿易應付款項及應付票據周轉天數為110天，而2020年為90天，主要原因是(i)於2021年第四季度增加存貨以滿足不斷增長的客戶需求的影響，進而導致應付票據結餘增加，及(ii)我們自供應商獲得更優惠的信貸條款。

Capital Expenditures

Our capital expenditures in 2021 amounted to US$81.2 million (2020: US$31.6 million), primarily due to the expansion of our production capacity.

資本開支

我們2021年的資本開支為81.2百萬美元（2020年：31.6百萬美元），主要由於我們擴大生產能力。

Capital Commitments

As of December 31, 2021, our capital commitments (including those contracted for and authorized but not contracted for) for the construction of plant and buildings and acquisition of machinery and equipment amounted to US$467.7 million (2020: US$49.5 million) for the expansion of our production capacity as disclosed in the Prospectus of the Company dated December 17, 2021 (the "**Prospectus**").

資本承擔

截至2021年12月31日，我們用於廠房及樓宇建設及購買機械及設備的資本承擔（包括已訂約及已授權而未訂約的資本承擔）為467.7百萬美元（2020年：49.5百萬美元），用於擴大產能（如本公司日期為2021年12月17日的招股章程（「**招股章程**」）所披露）。

Pledge of Assets

During the Reporting Period, certain assets of the Group were pledged as security for bank loans, as further detailed below:

資產抵押

於報告期內，本集團部分資產已抵押為銀行貸款的擔保，詳情如下：

		As of December 31, 截至12月31日	
		2021	2020
		2021年	2020年
		US$'000	US$'000
		千美元	千美元
Plant and buildings	廠房及樓宇	**44,226**	44,724
Leasehold land	租賃土地	**25,487**	25,503
Investment properties	投資物業	**–**	959
Intangible assets	無形資產	**1,459**	1,754
Inventories	存貨	**124,040**	98,519
Trade and bills receivables	貿易應收款項及應收票據	**81,562**	92,175
Pledged deposits	已抵押存款	**26,524**	10,413
Other assets	其他資產	**4,252**	6,801
Total	總計	**307,550**	280,848

As of December 31, 2021, the Group had pledged deposits of US$48.3 million (2020: US$22.2 million), which will be released upon the settlement of letters of credit and bills payables and by the Group or the expiry of relevant banking facilities.

截至2021年12月31日，本集團的已抵押存款為48.3百萬美元（2020年：22.2百萬美元），該款項將在本集團結算信用證及應付票據後或相關銀行融資到期時獲解除。

During the Reporting Period, certain bank facilities granted to the Group were pledged with the shares of Chervon Auto Precision Technology held by Chervon Precision Technology Holdings Limited. Pursuant to the agreements on September 9, 2021 and November 23, 2021 with the relevant banks, such pledged shares have been released.

於報告期內，向本集團提供的若干銀行融資以泉峰汽車精密技術控股有限公司持有的泉峰汽車精密技術股份作抵押。根據2021年9月9日和2021年11月23日與相關銀行的協議，該等質押股份已解除。

Contingent Liabilities

During the Reporting Period, the Group issued guarantees in respect of loans made by certain financial institutions to Chervon Auto Precision Technology, which is an associate of the Group, and such guarantees have been released.

或有負債

於報告期內，本集團就若干金融機構向泉峰汽車精密技術（本集團的聯營公司）作出的貸款出具擔保，該等擔保已解除。

During the Reporting Period, the Group also issued guarantees to financial institutions in the People's Republic of China

於報告期內，本集團亦就我們獨立第三方客戶的若干債務向中華人民共和國（「**中國**」）的金融機構提

("**PRC**") for certain indebtedness of our independent third-party customers, who are typically qualified distributors of ours in the PRC. As of December 31, 2021, the maximum guarantee amount was US$10.0 million (2020: US$9.8 million) and the guarantee issued was US$2.1 million (2020: US$1.9 million).

供了擔保，該等客戶通常是本公司在中國的合資格分銷商。截至2021年12月31日，最高擔保金額為10.0百萬美元（2020年：9.8百萬美元），已出具擔保為2.1百萬美元（2020年：1.9百萬美元）。

Significant Investments Held

For the Reporting Period, the Group did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as of December 31, 2021).

持有重大投資

於報告期間，本集團並無持有任何重大投資（包括對截至2021年12月31日價值佔本公司總資產5%或以上的被投資公司的任何投資）。

Material Acquisitions and Disposals of Subsidiaries and Associates

On February 25, 2021, the Group has entered into an agreement with Chervon (Nanjing) Management Services Co., Ltd. (泉峰(南京)管理服務有限公司) ("**Chervon Management Services**"), which is a related party wholly owned by Mr. Pan Longquan ("**Mr. Pan**"). Pursuant to the agreement, the Group agreed to transfer 100% equity interest in Jiuhao Electromechanical to Chervon Management Services for a cash consideration of RMB171,160,100 (US$26,314,000 equivalent). The consideration was determined with reference to the valuation of Jiuhao Electromechanical performed by independent valuation firm. The registration of the transfer was completed on March 8, 2021, upon which Jiuhao Electromechanical ceased to be the Group's subsidiary.

重大收購及出售附屬公司及聯營公司

於2021年2月25日，本集團與泉峰（南京）管理服務有限公司（「**泉峰管理服務**」）（由潘龍泉先生（「**潘先生**」）全資擁有的關聯方）訂立協議。根據該協議，本集團同意向泉峰管理服務轉讓於玖浩機電之100%股權，現金代價為人民幣171,160,100元（相當於26,314,000美元）。代價乃參考獨立估值公司對玖浩機電進行之估值釐定。轉讓登記已於2021年3月8日完成，自此，玖浩機電不再為本集團的附屬公司。

During the fourth quarter of 2021, Chervon (China) Investment Co., Ltd. ("**Chervon (China) Investment**") exercised its pre-emptive rights to subscribe for public A-share convertible bonds issued by Chervon Auto Precision Technology in an aggregate principal amount of RMB118.6 million (US$18.6 million equivalent). Chervon (China) Investment is the Company's wholly-owned subsidiary and owns 23.12% of Chervon Auto Precision Technology. Please refer to the section headed "Connected Transactions" of the Prospectus for further details.

於2021年第四季度，泉峰（中國）投資有限公司（「**泉峰（中國）投資**」）行使其優先認購權認購泉峰汽車精密技術發行的公開A股可換股債券，本金總額為人民幣118.6百萬元（相當於18.6百萬美元）。泉峰（中國）投資為本公司之全資附屬公司，並擁有泉峰汽車精密技術之23.12%權益。有關進一步詳情，請參閱招股章程「關連交易」一節。

Save as disclosed above, during the Reporting Period, the Group did not have material acquisitions or disposals of subsidiaries or associates.

除上文所披露者外，於報告期間，本集團並無重大收購或出售附屬公司或聯營公司。

Future Plans for Major Investments and Capital Assets

On January 28, 2022, Chervon (China) Investment Co., Ltd. ("**Chervon (China) Investment**"), a subsidiary of the Company, entered into a subscription agreement (the "**Subscription Agreement**"), pursuant to which Chervon (China) Investment agreed to conditionally subscribe for the A shares of Chervon Auto Precision Technology through a non-public offering (the "**Proposed Subscription**") with a total subscription amount up to RMB500.0 million (US$78.4 million equivalent) (the "**Maximum Subscription Amount**"). Pursuant to the Subscription Agreement, the final total number of A shares of Chervon Auto Precision Technology to be subscribed shall represent not more than 10% of the enlarged total issued share capital of Chervon Auto Precision Technology upon completion of the non-public offering (the "**Maximum Subscription Threshold**"). On March 30, 2022, Chervon (China) Investment and Chervon Auto Precision Technology entered into a supplemental subscription agreement to the Subscription Agreement, pursuant to which the parties agreed to include a supplemental provision to the Subscription Agreement that, subject to the Maximum Subscription Amount and the Maximum Subscription Threshold, the minimum number of A Shares to be conditionally subscribed for by Chervon (China) Investment will be not less than 15% and not more than 30% of the actual number of A Shares of Chervon Auto Precision Technology to be issued through the non-public offering, while other terms and conditions of the Subscription Agreement remain unchanged and in full force and effect in all respects. The final subscription price per A share and the final total subscription amount will be set out in a supplemental agreement to be entered between Chervon (China) Investment and Chervon Auto Precision Technology and the Company will make further announcement(s) as and when appropriate. The Company, through Chervon (China) Investment, currently holds 23.12% of Chervon Auto Precision Technology as of the date of this report. Upon completion of the Proposed Subscription, Chervon Auto Precision Technology will not become a subsidiary of Chervon (China) Investment.

Save for (i) the Proposed Subscription for A shares of Chervon Auto Precision Technology as described above and (ii) the expansion plans as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group has no specific plans for major investments or acquisitions of major capital assets or other businesses.

重大投資及資本資產的未來計劃

於2022年1月28日，本公司附屬公司泉峰(中國)投資有限公司(「**泉峰(中國)投資**」)訂立認購協議(「**認購協議**」)，據此，泉峰(中國)投資有條件同意透過非公開發售認購泉峰汽車精密技術的A股，總認購金額最高為人民幣500.0百萬元(相當於78.4百萬美元)(「**最高認購金額**」)(「**建議認購事項**」)。根據認購協議，最終認購泉峰汽車精密技術A股股份總數不超過非公開發售完成後泉峰汽車精密技術擴大後已發行總股本的10%(「**最高認購門檻**」)。於2022年3月30日，泉峰(中國)投資與泉峰汽車精密技術訂立補充認購協議，據此雙方同意在認購協議中納入補充條款，根據最高認購金額及最高認購門檻，泉峰(中國)投資將有條件認購A股股份的最低數量將不低於泉峰汽車精密技術通過非公開發行的實際A股數量的15%且不高於30%，而認購協議的其他條款和條件保持不變，並在各方面完全有效。每股A股的最終認購價及最終總認購金額將載於泉峰(中國)投資與泉峰汽車精密技術訂立的補充協議，而本公司將於適當時候作出進一步公告。截至本報告日期，本公司透過泉峰(中國)投資現時持有泉峰汽車精密技術23.12%權益。於建議認購事項完成後，泉峰汽車精密技術將不會成為泉峰(中國)投資的附屬公司。

除(i)上述建議認購泉峰汽車精密技術A股及(ii)招股章程「未來計劃及所得款項用途」一節所披露的擴張計劃外，本集團並無重大投資或收購重大資本資產或其他業務的具體計劃。

Exposure to Fluctuations in Foreign Exchange Rates

The Group manufactures and sells its products in many countries throughout the world. As a result, there is exposure to foreign currency risk as the Group enters into transactions and make investments denominated in multiple currencies. For example, changes in currency exchange rates may affect the relative prices at which the Group and its competitors sell products in the same market and the costs of products and services the Group requires for its operations. The Group's predominant exposures are in US dollar, euro and RMB. The Group is subject to risks arising from the translation of balance sheets and income statements of its subsidiaries to US dollars as well as the risks arising from the export of products and sales outside the country of manufacturing.

外匯匯率波動風險

本集團於全球多個國家製造及銷售其產品。因此，由於本集團進行的交易與投資是以多種貨幣計值，故面臨外幣風險。例如，貨幣匯率變動可能影響本集團及其競爭對手於同一市場銷售產品的相對價格及本集團營運所需的產品及服務成本。本集團的主要風險存在於美元、歐元及人民幣之間的兑換。本集團面臨著將其附屬公司的資產負債表及收益表換算為美元所產生的風險，以及出口產品及於製造國家以外的銷售所產生的風險。

The Group enters into foreign exchange forward contracts with financial institutions to mitigate its exposures to fluctuations in foreign exchange rates. Fluctuations in the foreign exchange rates may lead to losses resulting from the Group's exposure to foreign exchange forward contracts or similar arrangements. Our net foreign exchange loss in 2021 amounted to US$14.1 million (2020: US$11.5 million). Our net realized and unrealized gains on derivative financial instruments (which primarily include foreign exchange forward contracts) in 2021 were US$10.1 million (2020: US$8.2 million).

本集團與金融機構訂立外匯遠期合約，以減輕其外匯匯率波動的風險。外匯匯率波動可能導致本集團承受外匯遠期合約或類似安排的風險而產生虧損。我們於2021年的外匯虧損淨額為14.1百萬美元（2020年：11.5百萬美元）。我們於2021年的衍生金融工具的已變現及未變現收益淨額（主要包括外匯遠期合約）為10.1百萬美元（2020年：8.2百萬美元）。

Investment Risk Management

Our investment strategy is grounded in the principles of compliance, prudence, safety and effectiveness. Each investment decision is made based on internal vetting and discussions, considering factors such as market dynamics, expected returns and risks involved. We believe that our internal strategy and policies regarding investments and the related risk management mechanisms are adequate, and that our investment decisions have been in full compliance with our investment strategy and policies.

投資風險管理

我們的投資策略建基於合規、審慎、安全及有效的原則。各項投資決策均根據內部審查及討論作出，並考慮市場動態、預期回報及所涉及風險等因素。我們相信，我們有關投資的內部策略及政策以及相關風險管理機制乃屬充分，且我們的投資決策已完全遵守我們的投資策略及政策。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2021, the Group's largest customer and five largest customers accounted for approximately 40.9% and 64.7% (2020: 29.0% and 64.8%) respectively of the Group's total revenue; and the Group's largest supplier and five largest suppliers accounted for approximately 9.3% and 14.7% (2020: 16.1% and 24.8%) respectively of the Group's total purchases.

As far as the Directors are aware, none of the Directors, their associates or any shareholders of the Company ("**Shareholders**") who owned more than 5% of the Company's share capital had any interest in the five largest customers or suppliers of the Group.

主要客戶及供應商

截至2021年12月31日止年度，本集團的最大客戶及五大客戶分別約佔本集團總收入的40.9%及64.7%（2020年：29.0%及64.8%）；而本集團的最大供應商及五大供應商分別約佔本集團總採購額的9.3%及14.7%（2020年：16.1%及24.8%）。

就董事所知，概無董事、彼等之聯繫人或擁有本公司股本5%以上之本公司任何股東（「**股東**」）於本集團的五大客戶或供應商中擁有任何權益。

HUMAN RESOURCES

The number of employees of the Group was 6,732 as of December 31, 2021 (2020: 5,084). The total staff costs for the Reporting Period was US$189.5 million as compared to US$173.7 million in 2020. Pursuant to a Board resolution dated December 30, 2020, we granted to certain qualified employees of the Group the right to subscribe to a total of 11,670,600 ordinary shares of the Company, which resulted in equity settled share-based expenses of US$21.1 million in 2020. We did not incur equity settled share-based expenses during the Reporting Period.

The Group is committed to hiring, retaining and promoting top talents across its global teams. As part of its retention strategy, the Group offers competitive remuneration packages to its employees, including salary and allowances, performance-based bonuses and long term incentive programs. The Group also provides regular and specialized training tailored to the needs of its employees in different departments.

人力資源

截至2021年12月31日，本集團僱員數目為6,732人（2020年：5,084人）。與2020年的173.7百萬美元相比，報告期內的僱員成本總額為189.5百萬美元。根據日期為2020年12月30日的董事會決議，我們授予本集團若干合資格員工認購本公司合共11,670,600股普通股的權利，導致2020年以股權結算的股份開支為21.1百萬美元。於報告期間，我們並無產生以權益結算以股份為基礎的開支。

本集團致力聘用、挽留及提升其全球團隊的頂尖人才。作為其挽留人才策略的一部分，本集團向其僱員提供具競爭力的薪酬待遇，包括薪金及津貼、績效花紅及長期激勵計劃。本集團亦根據不同部門僱員的需要提供定期及專門的培訓。

OTHER INFORMATION

其他資料

USE OF NET PROCEEDS FROM GLOBAL OFFERING

The Company's shares (the "**Shares**") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on December 30, 2021 (the "**Listing Date**"). The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering (as defined in the Prospectus), including the full exercise of the over-allotment option, of approximately HK$3,467.2 million. Since the Listing Date and up to December 31, 2021, the Company had not utilized the net proceeds from the Global Offering. The Company intends to apply such net proceeds according to the manner, proportions and timeline as disclosed in the Prospectus.

The unutilized net proceeds are placed in licensed banks in PRC and Hong Kong as of the date of this report.

全球發售所得款項淨額

本公司股份(「**股份**」)已於2021年12月30日(「**上市日期**」)在香港聯合交易所有限公司(「**聯交所**」)主板上市。本公司獲得的全球發售(定義見招股章程所界定)所得款項淨額(扣除包銷佣金及相關成本及開支後)約為3,467.2百萬港元，包括超額配股權的悉數行使。自上市日期起及直至2021年12月31日，本公司並無動用全球發售所得款項淨額。本公司擬根據招股章程中披露的方式、比例及時間表使用該等所得款項淨額。

未動用的所得款項淨額已於本報告日期存入中國及香港的持牌銀行。

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of US$0.0715 per ordinary share (equivalent to HK$0.5577 per ordinary share) for the year ended December 31, 2021. This proposed final dividend is subject to the approval of the Shareholders at the annual general meeting of the Company (the "**AGM**") to be held on Thursday, June 2, 2022, and will be paid to those Shareholders whose names appear on the Company's register of members as of Tuesday, June 28, 2022.

末期股息

董事會已建議就截至2021年12月31日止年度派付每股普通股0.0715美元(相當於每股普通股0.5577港元)之末期股息。該建議末期股息須經股東於2022年6月2日(星期四)舉行的本公司股東週年大會(「**股東週年大會**」)批准，並將派付予截至2022年6月28日(星期二)名列本公司股東名冊的股東。

CLOSURE OF REGISTER OF MEMBERS/RECORD DATE

The register of members of the Company will be closed from Friday, May 27, 2022 to Thursday, June 2, 2022, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Thursday, May 26, 2022.

暫停辦理股份過戶登記手續／記錄日期

為釐定有權出席股東週年大會的股東身份，本公司將於2022年5月27日(星期五)起至2022年6月2日(星期四)止(包括首尾兩日)暫停辦理股份過戶登記手續，期間不會辦理股份過戶登記。為符合資格出席股東週年大會，最遲須於2022年5月26日(星期四)下午四時三十分將所有過戶表格連同有關股票送交本公司的股份過戶登記處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓)，以作登記。

Record date for determining the entitlement of the Shareholders to the final dividend (if approved by the Shareholders in the AGM) is Tuesday, June 28, 2022. To qualify for the final dividend, all transfers forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Monday, June 27, 2022. The register of members of the Company will be closed on Tuesday, June 28, 2022, on which date no share transfers will be registered.

確定股東有權獲得末期股息(如股東在股東週年大會上批准)的記錄日期為2022年6月28日(星期二)。為符合資格收取末期股息，最遲須於2022年6月27日(星期一)下午四時三十分將所有過戶表格連同有關股票送交本公司的股份過戶登記處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓)，以作登記。本公司將於2022年6月28日(星期二)暫停辦理股份過戶登記手續，屆時將不會辦理任何股份過戶登記手續。

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG 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**") as its own code of corporate governance.

企業管治

本公司致力維持高水平的企業管治，以保障股東權益，提升企業價值，提高企業價值及問責性。本公司已採納載於《香港聯合交易所有限公司證券上市規則》(「**上市規則**」)附錄十四所載企業管治守則(「**企業管治守則**」)，作為其自身之企業管治守則。

The Company was listed on the Stock Exchange on the Listing Date and the CG Code as set out in Appendix 14 to the Listing Rules was not applicable to the Company before the Listing Date. Since the Listing Date and up to the date of this report, the Company has complied with all applicable code provisions under the CG Code and adopted most of the best practices set out therein except for the following provision.

本公司於上市日期於聯交所上市，而上市規則附錄十四所載企業管治守則於上市日期前並不適用於本公司。自上市日期起直至本報告日期，本公司已遵守企業管治守則項下所有適用守則條文並採納其中所載大部分最佳常規，惟以下條文除外。

Code provision C.2.1 in Part 2 of the CG Code, recommends, but does not require, that the roles of chairperson and chief executive should be separate and should not be performed by the same person. Our Company deviates from this provision as Mr. Pan performs both the roles of the Chairman of our Board and the chief executive officer of our Company. Mr. Pan is the principal founder of our Group and has extensive experience in the business operations and management of our Group. Our Board believes that vesting the roles of both chairman and chief executive officer to Mr. Pan has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning. This structure will enable our Company to make and implement decisions promptly and effectively.

企業管治守則第2部分第C.2.1條建議(但並未規定)，主席及行政總裁的角色應有區分，不應由同一人兼任。由於潘先生兼任本公司董事長及行政總裁之職，因此，本公司未遵守本條文。潘先生為本集團的主要創辦人，於本集團的業務運營及管理方面擁有豐富經驗。董事會認為，由潘先生兼任董事長及行政總裁職務有利於確保本集團內部領導貫徹一致，並能夠提高整體戰略規劃的有效性及效率。該架構將使本公司能夠迅速有效地作出及實施決策。

Our Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of our Board, including the relevant Board committees, and three independent non-executive Directors. Our Board will reassess the division of the roles of chairman and the chief executive officer from time-to-time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of our Group as a whole.

董事會認為，該安排將不會損害權力與權限的平衡。此外，所有重大決策均經諮詢董事會成員（包括相關董事委員會）及三名獨立非執行董事後作出。董事會將不時重新評估董事長與行政總裁的角色分工，並可能於日後在考慮本集團的整體情況後建議由不同人士擔任這兩種角色。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions since the Listing Date. Having made specific enquiry with the Directors, all of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code during the period from the Listing Date and up to the date of this report.

證券交易的標準守則

自上市日起，本公司已採納上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》（「**標準守則**」），作為有關董事進行證券交易的行為守則。經向董事作出具體查詢，全體董事均已確認，其自上市日期起及直至本報告日期止期間一直遵守標準守則所載的規定標準。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the period from the Listing Date and up to the date of this report, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

購買、出售或贖回本公司股份

自上市日期起及直至本報告日期止期間，本公司及其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

PUBLIC FLOAT

The Company has applied to the Stock Exchange to request the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules, and the Stock Exchange has granted to the Company, a waiver from strict compliance with the requirements under Rule 8.08(1)(a) of the Listing Rules. Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 18.43% (being the minimum public float prescribed by the Stock Exchange and the Listing Rules) of the Company's entire issued share capital were held by the public since the Listing Date and up to the date of the Annual Report.

公眾持股量

本公司已向聯交所申請，要求聯交所根據上市規則第8.08(1)(d)條行使其酌情權，而聯交所已向本公司授出豁免嚴格遵守上市規則第8.08(1)(a)條的規定的豁免。根據本公司可獲得之公開資料及就董事所深知，自上市日期及直至本年報日期，公眾至少持有本公司全部已發行股本的18.43%（即聯交所及上市規則規定的最低公眾持股量）。

EVENTS AFTER THE REPORTING PERIOD

The following significant events took place subsequent to December 31, 2021:

(a) On January 21, 2022, the Company successfully issued and allotted additional 10,787,400 Shares pursuant to the over-allotment option, representing 15% of the maximum number of offer shares initially available under the Global Offering (as defined in the Prospectus), at the offer price of HK$43.60 per Share.

(b) On January 28, 2022, Chervon (China) Investment, a subsidiary of the Company, entered into a subscription agreement and conditionally agreed to subscribe for A shares of Chervon Auto Precision Technology through non-public offering with a total subscription amount up to RMB500.0 million (US$78.4 million equivalent). Please refer to the section headed "Future Plans for Major Investments and Capital Assets" for further details.

As of the date of this report, save as disclosed above, there was no important event affecting the Group which occurred after the end of the Reporting Period.

報告期後事項

以下重大事項於2021年12月31日之後發生：

(a) 於2022年1月21日，本公司根據超額配股權成功發行及額外配發10,787,400股股份，佔全球發售（定義見招股章程所界定）項下初步可供認購發售股份數目的15%，發售價為每股43.60港元。

(b) 於2022年1月28日，本公司附屬公司泉峰（中國）投資訂立認購協議並有條件地同意通過非公開發行方式認購泉峰汽車精密技術A股股份，認購總額不超過人民幣500.0百萬元（相當於78.4百萬美元）。有關進一步詳情，請參閱「重大投資及資本資產的未來計劃」一節。

截至本報告日期，除上述所披露者外，於報告期後概無發生影響本集團之重大事項。

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the CG Code. As of the date of this report, the Audit Committee consists of three independent non-executive Directors, namely Dr. Li Minghui, Mr. Tian Ming and Mr. Jiang Li (with Dr. Li Minghui possessing the appropriate professional qualifications and accounting expertise).

The Audit Committee has jointly reviewed with the Board the accounting principles and practices adopted by the Group, and discussed the Group's internal controls and financial reporting matters with the management. The Audit Committee has reviewed and discussed the Annual Results.

審核委員會

本公司已遵照企業管治守則成立審核委員會並制定書面職權範圍。截至本報告日期，審核委員會由三名獨立非執行董事李明輝博士、田明先生及蔣立先生組成（李明輝博士具有適當的專業資格及會計專長）。

審核委員會已與董事會共同審閱本集團採納的會計原則及慣例，並與管理層討論本集團的內部控制及財務報告事宜。審核委員會已審閱及討論年度業績。

DIRECTORS

Executive Directors

Mr. Pan Longquan (**潘龍泉**) ("**Mr. Pan**"), aged 58, is our principal founder, executive Director, Chairman and Chief Executive Officer. Mr. Pan is primarily responsible for supervising overall operations, management, strategic planning and business development of our Group.

Mr. Pan has over 30 years of experience in the power tool and OPE industry and 27 years of management experience in our Group. Mr. Pan founded our principal operating subsidiary, Nanjing Chervon Industry Co., Ltd. ("**Nanjing Chervon Industry**")[1] and has served as its chairman since September 1997. On June 22, 1999, Mr. Pan was appointed as our executive Director, Chairman and Chief Executive Officer. Mr. Pan currently serves as a director in a number of our subsidiaries and as the general manager of Chervon (China) Investment Co., Ltd.* (泉峰(中國)投資有限公司) ("**Chervon China Investment**"). He is also a director of Chervon Global Holdings Limited ("**Chervon Global**") and its various subsidiaries, which are principally engaged in the production of key automobile and mechanical components and investment management. Mr. Pan serves as the chairman of Nanjing Chervon Auto Precision Technology Co., Ltd. (南京泉峰汽車精密技術股份有限公司) ("**Chervon Auto Precision Technology**"), a company listed on the Shanghai Stock Exchange (stock code: 603982.SH) since October 2012. Prior to founding the predecessor company of our Group, Nanjing Chervon International Trading Co., Ltd.* (南京泉峰國際貿易有限公司) ("**Chervon International Trading**") in 1994, Mr. Pan served as a salesperson in Nanjing Machinery, Minerals, Metals & Medicine Import and Export Company* (南京機械五金礦產醫藥保健品進出口公司), a company engaged in machinery import and export trading, from July 1988 to June 1993.

Mr. Pan received his bachelor's degree and his master's degree in earth sciences from Nanjing University (南京大學) in the PRC, in July 1985 and July 1988, respectively.

Note:

(1) Nanjing Chervon Industry Co., Ltd. (南京德朔實業有限公司) was renamed as Nanjing Chervon Industry Co., Ltd. (南京泉峰科技有限公司) while its English name remains unchanged.

董事

執行董事

潘龍泉先生(「**潘先生**」)，58歲，為我們的主要創辦人、執行董事、董事長兼行政總裁。潘先生主要負責監督本集團的整體運營、管理、戰略規劃及業務開發。

潘先生擁有逾30年的電動工具及OPE行業經驗，管理本集團達27年。潘先生創立了我們的主要運營附屬公司南京泉峰科技有限公司(「**南京泉峰科技**」)[1]，並自1997年9月起擔任其董事長。於1999年6月22日，潘先生被委任為執行董事、董事長兼行政總裁。潘先生目前擔任我們多家附屬公司的董事及泉峰(中國)投資有限公司(「**泉峰(中國)投資**」)的總經理。其亦為Chervon Global Holdings Limited(「**Chervon Global**」)及其多家附屬公司的董事，該等公司主要從事關鍵汽車及機械零部件的生產以及投資管理。潘先生自2012年10月起擔任南京泉峰汽車精密技術股份有限公司(「**泉峰汽車精密技術**」)(在上海證券交易所上市的公司，證券代碼：603982.SH)的董事長。於1994年創辦本集團的前身公司南京泉峰國際貿易有限公司(「**泉峰國際貿易**」)前，潘先生於1988年7月至1993年6月擔任南京機械五金礦產醫藥保健品進出口公司(一家從事機械進出口貿易的公司)的銷售員。

潘先生分別於1985年7月及1988年7月獲得中國南京大學地球科學學士學位及碩士學位。

附註：

(1) Nanjing Chervon Industry Co., Ltd.(南京德朔實業有限公司)更名為Nanjing Chervon Industry Co., Ltd.(南京泉峰科技有限公司)，其英文名未變動。

Ms. Zhang Tong (張彤) ("**Ms. Zhang**"), aged 50, is our co-founder, executive Director and executive vice president for the North America sales & marketing. Ms. Zhang is primarily responsible for supervising overall operations, management, strategic planning and sales and marketing development of our Group in North America.

張彤女士(「**張女士**」)，50歲，為我們的共同創辦人、執行董事兼北美銷售及營銷部執行副總裁。張女士主要負責監督本集團在北美的整體運營、管理、戰略規劃以及銷售及營銷開發。

Ms. Zhang has over 20 years of experience in the power tool and OPE products industry and management experience in our Group. Ms. Zhang co-founded our principal operating subsidiary, Nanjing Chervon Industry, and has served as its director since September 1997. On June 22, 1999, Ms. Zhang was appointed as our executive Director and executive vice president for the North America sales and marketing. Ms. Zhang currently serves as a director in a number of our subsidiaries. She is also a director of Chervon Global and its various subsidiaries, which are principally engaged in the production of key automobile and mechanical components and investment management. Ms. Zhang serves as a director of Chervon Auto Precision Technology, a company listed on the Shanghai Stock Exchange (stock code: 603982.SH), since October 2016.

張女士擁有逾20年的電動工具及OPE產品行業經驗，並擁有管理本集團的經驗。張女士共同創辦了我們的主要運營附屬公司南京泉峰科技，並自1997年9月起擔任其董事。於1999年6月22日，張女士被委任為我們的執行董事兼北美銷售及營銷執行副總裁。張女士目前擔任我們多家附屬公司的董事。其亦為Chervon Global及其多家附屬公司的董事，該等公司主要從事關鍵汽車及機械零部件的生產以及投資管理。張女士自2016年10月起擔任泉峰汽車精密技術(在上海證券交易所上市的公司，證券代碼：603982.SH)的董事。

Ms. Zhang studied foreign trade English from Hohai University (河海大學) in the PRC and graduated in July 1991. Ms. Zhang received her master's degree in business management from China Europe International Business School (中歐商學院) in the PRC in May 2012.

張女士於中國河海大學學習外貿英語，並於1991年7月畢業。張女士於2012年5月取得中國中歐商學院工商管理碩士學位。

Mr. Ke Zuqian (柯祖謙) ("**Mr. Ke**"), aged 61, is our co-founder, executive Director and executive vice president for manufacturing and supply chain. Mr. Ke is primarily responsible for supervising manufacturing and production processes and management of our Group.

柯祖謙先生(「**柯先生**」)，61歲，為我們的聯合創辦人、執行董事兼製造及供應鏈執行副總裁。柯先生主要負責監督本集團的製造及生產流程以及管理。

Mr. Ke has over 20 years of experience in the power tool and OPE products industry and management experience in our Group. Mr. Ke joined Chervon International Trading in January 1996 as a technical director, and has served as a director and a vice general manager of Nanjing Chervon Industry since September 1997. On June 22, 1999, Mr. Ke was appointed as our executive Director and executive vice president for manufacturing. Mr. Ke currently serves as a director in a number of our subsidiaries and as the general manager of Nanjing Chervon Industry. He is also a director of Chervon Global and its various subsidiaries, which are principally engaged in the production of key automobile and mechanical components and investment management. Mr. Ke serves as a director of Chervon Auto Precision Technology, a company listed on the Shanghai Stock Exchange (stock code: 603982.SH), since October 2016. Prior to joining our Group, Mr. Ke was a lecturer in Tongji University (同濟大學) from July 1984 to June 1992, a technical manager in TÜV Rheinland (TUV德國萊茵公司), a technical services provider, from July 1992 to May 1994 and a technical manager in TÜV SUD (TUV添福產品服務公司), a testing and certification provider, from June 1994 to December 1995.

柯先生擁有逾20年的電動工具及OPE產品行業經驗，並擁有管理本集團的經驗。柯先生於1996年1月加入泉峰國際貿易，擔任技術總監，並自1997年9月起擔任南京泉峰科技的董事兼副總經理。於1999年6月22日，柯先生被委任為我們的執行董事兼製造執行副總裁。柯先生目前擔任我們多家附屬公司的董事及南京泉峰科技的總經理。其亦為Chervon Global及其多家附屬公司的董事，該等公司主要從事關鍵汽車及機械零部件的生產以及投資管理。柯先生自2016年10月起擔任泉峰汽車精密技術(在上海證券交易所上市的公司，證券代碼：603982.SH)的董事。加入本集團前，柯先生於1984年7月至1992年6月擔任同濟大學講師，於1992年7月至1994年5月擔任技術服務供應商TUV德國萊茵公司的技術經理，並於1994年6月至1995年12月擔任測試及認證供應商TUV添福產品服務公司的技術經理。

Mr. Ke received his bachelor's degree and his master's degree in industrial automation from Tongji University (同濟大學) in the PRC in July 1984 and April 1990, respectively.

柯先生分別於1984年7月及1990年4月獲得中國同濟大學工業自動化學士學位及碩士學位。

Mr. Michael John Clancy ("**Mr. Clancy**"), aged 66, is our executive Director and senior vice president for the North America sales and marketing. Mr. Clancy is primarily responsible for supervising overall operations, management, strategic planning and sales and marketing development of our Group in North America.

Michael John Clancy先生(「**Clancy先生**」)，66歲，為我們的執行董事兼北美銷售及營銷高級副總裁。Clancy先生主要負責監督本集團在北美的整體運營、管理、戰略規劃以及銷售及營銷開發。

Mr. Clancy has extensive experience in the power tool industry and has accumulated over 30 years of experience in corporate management.

Clancy先生擁有豐富的電動工具行業經驗，並累積了逾30年的企業管理經驗。

Mr. Clancy joined our Group in September 2018 and has since served as the chief executive officer of Chervon NA. Mr. Clancy was appointed as our executive Director on August 4, 2021. Prior to joining our Group, Mr. Clancy served as the vice president for the national accounts unit of Skil Corporation from 1978 to 1992, a power tool and accessory supplier which was later acquired by our Group, the vice president of the consumer business group of Rust-Oleum Corporation, a paint supplier, from 1992 to 1995 the president of RotoZip Tool Corp, a power tool and accessory supplier, from 1995 to 2000 and the senior vice president of the North American Sales organization and the project management of Robert Bosch Tool Corporation, a power tool and accessory supplier, from 2010 to 2016 and from 2016 to 2017, respectively.

Clancy先生於2018年9月加入本集團，自此擔任Chervon NA的行政總裁。Clancy先生於2021年8月4日獲委任為執行董事。於加入本集團前，Clancy先生曾於1978年至1992年、1992年至1995年、1995年至2000年、2010年至2016年及2016年至2017年分別擔任Skil Corporation(一家電動工具及配件供應商，其後被本集團收購)全國大客戶部的副總裁、塗料供應商Rust-Oleum Corporation的消費業務組副總裁及RotoZip Tool Corp(一家電動工具及配件供應商)的總裁及Robert Bosch Tool Corporation(一家電動工具及配件供應商)的北美銷售組織與項目管理高級副總裁。

Mr. Clancy received his bachelor's degree in business from Western Illinois University in the U.S. in May 1977 and his master's degree in business administration from Depaul University in the U.S. in February 1983. Mr. Clancy has been one of the board members of the Outdoor Power Equipment Institute since March 2021.

Clancy先生於1977年5月獲得美國西伊利諾大學(Western Illinois University)商業學士學位，並於1983年2月獲得美國德保羅大學(Depaul University)工商管理碩士學位。Clancy先生自2021年3月起為戶外動力設備協會的理事會成員之一。

Independent Non-executive Directors

Mr. Tian Ming (田明), aged 61, has been appointed as our independent non-executive Director with effect from December 8, 2021. Mr. Tian is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Tian has 20 years of extensive experience in the fields of competitive strategy, operation management and property investment and development. Mr. Tian worked at the Nanjing People's Government (南京市人民政府) from July 1991 to October 2001, with his last position being the deputy department head. He was also the executive secretary of Nanjing Changjiang Waterway Bureau (南京市長江航道管理局) from December 1979 to April 1991. In December 2001, Mr. Tian founded Landsea Group Co., Ltd. (朗詩集團股份有限公司), a company principally engaged in property development, and has since served as its director and chief executive officer. He has been the chairman of the board of Shanghai Landleaf Architecture Technology Co., Ltd.* (上海朗綠建築科技有限公司) since July 2013, a company principally engaged in providing green construction technologies related services and the shares of which were listed on the National Equities Exchange and Quotations Co., Ltd. (stock code: 870998.NEEQ) from February 2017 to March 2020.

Mr. Tian has served as the chairman and an executive director in Landsea Green Properties Co., Ltd. (朗詩綠色地產有限公司) (stock code: 106.HK) since July 2013 and Landsea Homes Corporation, a company listed on the NASDAQ Stock Market (symbols: "LSEA", "LSEAW") since January 2021. He was appointed as a director of Landsea Green Life Service Company Limited (朗詩綠色生活服務有限公司) (stock code: 1965.HK) in December 2020, and subsequently, its chairman of the board and a non-executive director in January 2021 and has served since then.

Mr. Tian served on various committees, such as the vice president of China Real Estate Chamber of Commerce (全聯房地產商會) from October 2016 to October 2021, the president of the CEIBS Alumni Association from April 2017 to April 2020, and the rotating chairman of China Urban Realty Association (中城聯盟) from April 2018 to April 2020.

獨立非執行董事

田明先生，61歲，獲委任為獨立非執行董事，自2021年12月8日起生效。田先生主要負責監督董事會並向其提供獨立判斷。

田先生在競爭策略、運營管理及物業投資與開發方面擁有20年的豐富經驗。田先生於1991年7月至2001年10月任職於南京市人民政府，最後職位為副處長。其亦於1979年12月至1991年4月擔任南京市長江航道管理局的行政秘書。於2001年12月，田先生創立朗詩集團股份有限公司（一家主要從事物業開發的公司），並自此擔任該公司董事兼行政總裁。其自2013年7月起擔任上海朗綠建築科技有限公司董事長，該公司主要提供綠色建築技術相關服務，其股份自2017年2月至2020年3月於全國中小企業股份轉讓系統有限責任公司上市（證券代碼：870998.NEEQ）。

田先生分別自2013年7月起及自2021年1月起擔任朗詩綠色地產有限公司（股份代號：106.HK）及Landsea Homes Corporation（一家於納斯達克股票市場上市的公司，股份代號：「LSEA」、「LSEAW」）的董事長兼執行董事。田先生於2020年12月獲委任為朗詩綠色生活服務有限公司（股份代號：1965.HK）的董事，其後，於2021年1月獲委任為其董事長兼非執行董事並任職至今。

田先生曾於多個商會任職，例如於2016年10月至2021年10月擔任全聯房地產商會副會長，於2017年4月至2020年4月擔任中歐國際工商學院校友總會會長以及於2018年4月至2020年4月擔任中城聯盟輪值主席。

Mr. Tian received a diploma in engine management from Nanjing Heyun School* (南京河運學校) (currently known as Nanjing Maritime School* (南京航運學校)) in the PRC in December 1979 and a diploma in Chinese from Nanjing Vocational Tertiary Institute* (南京職工高等學校) in the PRC in December 1988. Mr. Tian completed a master's course programme in administrative management from Nanjing University (南京大學) in the PRC in August 1997 and received his master's degree in business management from China Europe International Business School (中歐國際工商學院) ("**CEIBS**") in the PRC in September 2007. Mr. Tian was awarded the "EY Entrepreneur of the Year" in the real estate industry by Ernst & Young in October 2019.

田先生於1979年12月取得中國南京河運學校(現稱南京航運學校)發動機管理文憑，並於1988年12月取得中國南京職工高等學校中文文憑。田先生於1997年8月在中國南京大學完成行政管理碩士課程，並於2007年9月獲得中國中歐國際工商學院(「**中歐國際工商學院**」)工商管理碩士學位。田先生於2019年10月榮獲安永授予房地產行業「安永企業家獎」。

Dr. Li Minghui (李明輝), aged 48, has been appointed as our independent non-executive Director with effect from December 8, 2021. Dr. Li is primarily responsible for supervising and providing independent judgment to our Board. Dr. Li was a lecturer in accounting from August 2003 to July 2005 and an associate professor in accounting from August 2005 to November 2006 at the School of Management in Xiamen University (廈門大學). Dr. Li served as an associate professor at the School of Business in Nanjing University (南京大學) from December 2006 to December 2009. Since December 2009, Dr. Li has been a professor in accounting at the School of Business in Nanjing University (南京大學).

李明輝博士，48歲，獲委任為獨立非執行董事，自2021年12月8日起生效。李博士主要負責監督董事會並向其提供獨立判斷。李博士於2003年8月至2005年7月擔任廈門大學管理學院會計學講師，並於2005年8月至2006年11月擔任該校會計學副教授。李博士於2006年12月至2009年12月擔任南京大學商學院副教授。自2009年12月起，李博士擔任南京大學商學院會計學教授。

Dr. Li has been an independent non-executive director of Nanjing Zhongweixin Software Technology Co., Ltd.* (南京中衛信軟件科技股份有限公司), a company principally engaged in computer software development since August 2020 and has also served as an independent non-executive director of a number of listed companies, including Baosheng Science and Technology Innovation Co., Ltd. (寶勝科技創新股份有限公司) (stock code: 600973.SH) from December 2014 to May 2019, Changchai Co., Ltd. (常柴股份有限公司) (stock code: 000570.SZ) from March 2015 to April 2020, Jiangsu Fasten Co., Ltd. (江蘇法爾勝股份有限公司) (stock code: 000890.SZ) from April 2015 to November 2019, Nanjing Securities Co., Ltd. (南京證券股份有限公司) (stock code: 601990.SH) since May 2016 and GCL Energy Technology Co., Ltd. (協鑫能源科技股份有限公司) (stock code: 002015.SZ) since June 2019.

李博士自2020年8月起擔任南京中衛信軟件科技股份有限公司(一家主要從事計算機軟件開發的公司)的獨立非執行董事，同時還自2014年12月至2019年5月於寶勝科技創新股份有限公司(證券代碼：600973.SH)、自2015年3月至2020年4月於常柴股份有限公司(證券代碼：000570.SZ)、自2015年4月至2019年11月於江蘇法爾勝股份有限公司(證券代碼：000890.SZ)、自2016年5月起於南京證券股份有限公司(證券代碼：601990.SH)以及自2019年6月起於協鑫能源科技股份有限公司(證券代碼：002015.SZ)等多家上市公司擔任獨立非執行董事。

Dr. Li has been a director of China Audit Society (中國審計學會) since December 2009 and the vice president of Jiangsu Audit Society* (江蘇審計學會) since January 2019.

李博士自2009年12月起擔任中國審計學會的理事並自2019年1月起擔任江蘇審計學會的副會長。

Dr. Li received his bachelor's degree in accounting from Nanjing University of Science and Technology (南京理工大學) in the PRC in June 1997 and his master's degree in accounting from Shandong University of Economics (山東經濟學院) (currently known as Shandong University of Finance and Economics (山東財經大學)) in the PRC in June 2000. Dr. Li obtained his doctorate degree in accounting from Xiamen University (廈門大學) in July 2003. Dr. Li is qualified as a non-practicing certified public accountant issued by The Chinese Institute of Certified Public Accountants since December 2009.

李博士於1997年6月取得中國南京理工大學會計學學士學位，並於2000年6月取得中國山東經濟學院（現稱為山東財經大學）會計學碩士學位。李博士於2003年7月取得廈門大學會計學博士學位。李博士自2009年12月起為中國註冊會計師協會非執業註冊會計師。

Mr. Jiang Li (蔣立), aged 57, has been appointed as our independent non-executive Director with effect from December 8, 2021. Mr. Jiang is primarily responsible for supervising and providing independent judgment to our Board.

蔣立先生，57歲，獲委任為我們的獨立非執行董事，自2021年12月8日起生效。蔣先生主要負責監督董事會並向其提供獨立判斷。

Mr. Jiang was the founder of Nanjing Tianjia Air-conditioning Equipment Co., Ltd.* (南京天加空調設備有限公司), which was later renamed as Nanjing Tianjia Environmental Technology Co., Ltd.* (南京天加環境科技有限公司) and had been appointed as its director and general manager in 1999, and has currently served as the chairman of the board of the same. Mr. Jiang served as a director of MayAir Technology (China) Co., Ltd (美埃（中國）環境科技股份有限公司) from July 2019 to March 2020 and was appointed as the chairman of its board since March 2020. Mr. Jiang has been a director of Guangzhou Smardt Chiller Manufacturing Co., Ltd.* (廣州思茂特冷凍設備製造有限公司) since January 2021. Mr. Jiang is also a member of the National Professional Standardization Technical Committee* (全國專業標準化技術委員會).

蔣先生為南京天加空調設備有限公司（其後更名為南京天加環境科技有限公司）的創始人，並於1999年獲委任為其董事及總經理，現任董事長。蔣先生於2019年7月至2020年3月擔任美埃（中國）環境科技股份有限公司的董事，自2020年3月起獲委任為該公司董事會主席。蔣先生自2021年1月起擔任廣州思茂特冷凍設備製造有限公司董事。蔣先生亦為全國專業標準化技術委員會成員。

Mr. Jiang received his master's degree in business management from China Europe International Business School (中歐商學院) in the PRC in September 2009. During his career, Mr. Jiang was nominated as an innovative enterprise talent by the Ministry of Science and Technology* (科技部創新企業人才) and an excellent contributor to the cause of socialism with Chinese characteristics in Jiangsu Province* (江蘇省優秀中國特色社會主義事業建設者). Mr Jiang was also awarded the first prize and the second prize in China machinery industry science and technology* (中國機械工業科學技術一等獎及二等獎) and Nanjing science and technology progress award* (南京市科技進步獎).

蔣先生於2009年9月取得中國中歐商學院工商管理碩士學位。在蔣先生的職業生涯中，其被提名為科技部創新企業人才及江蘇省優秀中國特色社會主義事業建設者。蔣先生亦榮獲中國機械工業科學技術一等獎及二等獎及南京市科技進步獎。

SENIOR MANAGEMENT

Mr. Hu Yian (胡以安), aged 53, is our chief financial officer. Mr. Hu is primarily responsible for overseeing overall financial operations, financing and investment activities of our Group.

Mr. Hu joined our Group in April 2003 and has since served as the director and financial vice president of Nanjing Chervon Industry. Mr. Hu currently also serves as a director in a number of our subsidiaries. Mr. Hu has been a director of Chervon Auto Precision Technology, a company listed on the Shanghai Stock Exchange (stock code: 603982.SH), since October 2012. Prior to joining our Group, he was a financial manager of Nanjing Ericsson Panda Communication Co., Ltd.* (南京愛立信熊貓通信有限公司) from November 1995 to March 2003.

Mr. Hu received his bachelor's degree in industrial accounting from Northeast Institute of Technology (東北工學院) in the PRC in June 1992 and his master's degree in international management from The Australian National University in Australia in June 2001.

Mr. Wu Shuming (吳書明), aged 55, is our vice president for research and development. Mr. Wu is primarily responsible for supervising and managing the research and development system and leading technological development of our Group.

Mr. Wu joined our Group as an engineer in Nanjing Chervon Industry in June 1997. Mr. Wu was appointed as the general manager of R&D of our Group in March 2010. Prior to joining our Group, Mr. Wu was an engineer in Nanjing Soil Instrument Factory* (南京土壤儀器廠) from July 1989 to May 1997.

Mr. Wu received his bachelor's degree in vacuum technology and equipment from Hefei University of Technology (合肥工業大學) in the PRC in July 1989.

高級管理層

胡以安先生，53歲，我們的首席財務官，主要負責監督本集團的整體財務運營以及投融資活動。

胡先生於2003年4月加入本集團，自此擔任南京泉峰科技的董事及財務副總裁。胡先生現時亦擔任我們多家附屬公司的董事。胡先生自2012年10月起擔任上海證券交易所上市公司泉峰汽車精密技術(證券代碼：603982.SH)的董事。加入本集團前，其於1995年11月至2003年3月擔任南京愛立信熊貓通信有限公司的財務經理。

胡先生於1992年6月獲得中國東北工學院工業會計學士學位，並於2001年6月獲得澳大利亞國立大學(The Australian National University)國際管理碩士學位。

吳書明先生，55歲，我們的研發部副總裁，主要負責監督及管理本集團的研發系統及領導技術開發。

吳先生於1997年6月加入本集團，擔任南京泉峰科技的工程師。吳先生於2010年3月獲委任為本集團研發總經理。於加入本集團前，吳先生於1989年7月至1997年5月為南京土壤儀器廠的工程師。

吳先生於1989年7月獲得中國合肥工業大學真空技術及設備學士學位。

Mr. Wu Gang (吳鋼), aged 48, is our chief digital officer. Mr. Wu is primarily responsible for overseeing the digital strategy and information technology development of our Group.

吳鋼先生，48歲，我們的首席數字官，主要負責監督本集團的數字戰略及信息技術開發。

Mr. Wu has extensive experience in managing the digital and information system at various companies in the automotive industry. He joined our Group as the chief digital officer on April 26, 2021. Prior to joining our Group, Mr. Wu was the IT system project manager of SAIC General Motors Co., Ltd. from April 1998 to July 2005, the IT application director and the IT PMO director of SAIC Motor Corporation Limited from August 2005 to July 2011, the chief IT director of industrial group of Nippon China Limited from July 2011 to March 2012, the IT director of Geely and Volvo China in April 2012 and the chief digital officer of SAIC MAXUS Automotive Co., Ltd. from February 2017 to July 2020.

吳先生曾管理汽車行業多家公司的數字及信息系統，擁有豐富的相關經驗。其於2021年4月26日加入本集團擔任首席數字官。於加入本集團前，吳先生於1998年4月至2005年7月擔任SAIC General Motors Co., Ltd.的IT系統項目經理，於2005年8月至2011年7月擔任上海汽車集團股份有限公司的IT應用總監及IT PMO總監，於2011年7月至2012年3月擔任Nippon China Limited工業組的首席信息技術官，於2012年4月擔任Geely and VolvoChina的IT總監，並於2017年2月至2020年7月擔任上汽大通汽車有限公司的首席數字官。

Mr. Wu received his bachelor's degree in computer science and technology from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 1996 and his master's degree in business administration from Fudan University (復旦大學) in the PRC in January 2008.

吳先生於1996年7月獲得中國上海交通大學計算機科學與技術學士學位，並於2008年1月獲得中國復旦大學工商管理碩士學位。

Mr. Zhang Ding (章鼎), aged 43, was appointed as our vice president for product management on April 1, 2020 and resigned with effect from March 4, 2022. Mr. Zhang was primarily responsible for overseeing the product planning and product management for our Group across all brands and categories.

章鼎先生，43歲，於2020年4月1日獲委任為我們的產品管理副總裁，並於2022年3月4日辭任。章先生主要負責監督本集團所有品牌及類別的產品規劃及產品管理。

Mr. Zhang joined our Group in March 2003 as the sales manager of Nanjing Chervon Industry. From 2006 to 2020, Mr. Zhang held various positions in Nanjing Chervon Industry, including the product manager, the product management director and the product management senior director, and had been the vice president for product management of Nanjing Chervon Industry from April 2020 to March 2022.

章先生於2003年3月加入本集團，擔任南京泉峰科技的銷售經理。自2006年至2020年，章先生於南京泉峰科技擔任多個職位，包括產品經理、產品管理總監及產品管理高級總監，並自2020年4月至2022年3月擔任南京泉峰科技產品管理副總裁。

Mr. Zhang received his bachelor's degree in English from Guangdong University of Foreign Studies (廣東外語外貿大學) in the PRC in June 2001 and his master's degree in international marketing management from The University of Leeds in the UK in November 2002.

章先生於2001年6月獲得中國廣東外語外貿大學英語學士學位，並於2002年11月獲得英國利茲大學(The University of Leeds)國際營銷管理碩士學位。

Ms. Shan Xiaodong (單曉東), aged 55, is our vice president for human resources. Ms. Shan is primarily responsible for overseeing human resources planning and management of our Group. Ms. Shan joined our Group in May 2017 as the vice president for human resources in Nanjing Chervon Industry.

單曉東女士，55歲，我們的人力資源副總裁，主要負責監督本集團的人力資源規劃及管理。單女士於2017年5月加入本集團，擔任南京泉峰科技的人力資源副總裁。

Prior to joining our Group, Ms. Shan was a lecturer in School of Economics and Management of Inner Mongolia University (內蒙古大學經濟管理學院) from 1995 to 1996. Subsequently, Ms. Shan held senior human resources management positions in various companies, including serving as a human resources and administrative manager at BP China Ltd. from 2001 to 2003, the vice president for Asia Pacific human resources (亞太人力資源總監) of Hexion Inc. (previously Momentive Specialty Chemicals) from 2003 to 2015 and the vice president for human resources of Shanghai Fortune Map Trading Limited (上海運圖貿易有限公司) from 2015 to 2017.

加入本集團前，單女士於1995年至1996年擔任內蒙古大學經濟管理學院講師。之後，單女士於多家公司擔任高級人力資源管理職位，包括於2001年至2003年擔任BP ChinaLtd.的人力資源及行政經理、於2003年至2015年於Hexion Inc.（前稱Momentive Specialty Chemicals）擔任亞太人力資源總監以及自2015年至2017年於上海運圖貿易有限公司擔任人力資源副總裁。

Ms. Shan received her bachelor's degree in economic management from Fudan University (復旦大學) in the PRC in July 1988 and her master's degree in management from BI Norwegian School of Management in Norway in February 1999.

單女士於1988年7月獲得中國復旦大學經濟管理學士學位，並於1999年2月獲得挪威管理學院(BI Norwegian School of Management)管理學碩士學位。

Mr. Peter John Melrose, aged 56, is our vice president for the European sales & marketing. Mr. Melrose is primarily responsible for supervising overall operations, management, strategic planning and sales and marketing development of our DIY power tools and OPE business in Europe. Mr. Melrose joined our Group as a general manager of Chervon Europe Limited in June 2007 and was appointed as the managing director of EGO Europe GmbH since November 2015. Prior to joining our Group, Mr. Melrose began his career with Black & Decker and held various sales, marketing and product development positions before joining NEC (UK) LTD as the European marketing manager. Mr. Melrose continued his career in marketing with one of the UK's foremost companies (Centrica plc) within its energy supply business (British Gas Trading Ltd) and re-joined the power tool industry in Europe as a commercial director with Global Machinery Company Pty. Mr. Melrose received his bachelor's degree in civil engineering from Hatfield Polytechnic in the UK in July 1988 and his master's degree in business administration (MBA) with a major in strategic marketing from Hull University in the UK in July 1997.

Peter John Melrose先生，56歲，我們的歐洲銷售及營銷部副總裁，主要負責監督我們在歐洲的DIY電動工具及OPE業務的整體運營、管理、戰略規劃以及銷售及營銷開發。Melrose先生於2007年6月加入本集團，擔任Chervon Europe的總經理，並自2015年11月起被委任為EGO Europe GmbH的董事總經理。加入本集團前，Melrose先生最初就職於Black & Decker，並擔任該公司多個銷售、營銷及產品開發職位，隨後其加入NEC (UK) LTD擔任歐洲營銷經理。Melrose先生繼續從事能源供應業務(British Gas Trading Ltd)，就職於英國一家頂尖公司(Centrica plc)的營銷崗位，並重回歐洲電動工具行業，擔任Global Machinery Company Pty的商務總監。Melrose先生於1988年7月獲得英國Hatfield Polytechnic土木工程學士學位，並於1997年7月獲得英國赫爾大學(Hull University)工商管理碩士學位，主修戰略營銷。

Dr. Christian Neuner, aged 46, is our vice president for FLEX. Mr. Neuner is primarily responsible for supervising overall operations, management, strategic planning and sales and marketing development of the FLEX brand product.

Christian Neuner博士，46歲，我們FLEX的副總裁，主要負責監督FLEX品牌產品的整體運營、管理、戰略規劃以及銷售及營銷開發。

Dr. Neuner joined our Group in August 2014 as the vice president of corporate strategy and development of Nanjing Chervon Industry. Dr. Neuner has subsequently held positions in a number of our subsidiaries, including the managing director of Chervon GmbH since October 2016, the managing director of Flex EL since May 2017, the managing director of Flex Geschäftsführungs GmbH since June 2017 and the chief executive officer of Flex Verwaltungs GmbH & Co. KG since January 2018. Prior to joining our Group, Dr. Neuner served as a project manager of Roland Berger Strategy Consultants GmbH from May 2003 to October 2010 and a principal of Roland Berger Management Consultants (Shanghai) Co., Ltd. from October 2010 to July 2014.

Neuner博士於2014年8月加入本集團，擔任南京泉峰科技的企業戰略及發展副總裁。Neuner博士隨後於我們多家附屬公司任職，包括自2016年10月起擔任Chervon GmbH的董事總經理、自2017年5月起擔任Flex EL的董事總經理、自2017年6月起擔任Flex Geschäftsführungs GmbH的董事總經理及自2018年1月起擔任Flex Verwaltungs GmbH & Co. KG的行政總裁。加入本集團前，Neuner博士於2003年5月至2010年10月擔任Roland Berger Strategy Consultants GmbH的項目經理，並於2010年10月至2014年7月擔任羅蘭貝格管理諮詢（上海）有限公司的負責人。

Dr. Neuner received his master's degree in business administration with a major in marketing and production and his doctorate degree in business administration from the University of Bayreuth in Germany in May 2002 and April 2009, respectively. Dr. Neuner has been one of the board members of the European Power Tool Association (EPTA) since January 2020 and has been elected as the vice president of the German Power Tool Association (ZVEI) in July 2021.

Neuner博士分別於2002年5月及2009年4月獲得德國拜羅伊特大學(University of Bayreuth)工商管理碩士學位（主修市場營銷及生產）及工商管理博士學位。Neuner博士自2020年1月起為歐洲電動工具協會(EPTA)的理事會成員之一，並於2021年7月獲選為德國電動工具協會(ZVEI)的副理事長。

JOINT COMPANY SECRETARIES

聯席公司秘書

Mr. Hu Yian (胡以安) was appointed as one of the joint company secretaries of our Company on August 4, 2021, which took effect on the same day.

胡以安先生於2021年8月4日獲委任為本公司聯席公司秘書之一，並於同日生效。

For biographical details of Mr. Hu, please see "– Senior Management" in this section.

有關胡先生履歷細節，請參閱本節上文「－高級管理層」。

Ms. Chow Yuk Yin Ivy (周玉燕) was appointed as one of the joint company secretaries of our Company on August 4, 2021, which took effect on the same day.

周玉燕女士於2021年8月4日獲委任為本公司聯席公司秘書之一，並於同日生效。

Ms. Chow is a Director of Corporate Services of Tricor Services Limited. She has over 20 years of experience in the fields of corporate secretarial and compliance services. Ms. Chow obtained a Bachelor of Arts degree from The Hong Kong Polytechnic University and was qualified as chartered secretary and chartered governance professional. She has been admitted as a fellow of The Hong Kong Chartered Governance Institute, a fellow of The Chartered Governance Institute in the United Kingdom and an ordinary member of the Hong Kong Securities and Investment Institute since 2012.

周女士為卓佳專業商務有限公司企業服務部董事。其在企業秘書及合規服務領域擁有逾20年的經驗。周女士獲得香港理工大學文學學士學位，取得特許秘書資格及特許企業管治專業人員資格。自2012年起，其經認定為香港特許公司治理公會資深會員、英國特許公司治理公會資深會員及香港證券及投資學會普通會員。

DIRECTORS' REPORT
董事會報告

The Board is pleased to announce the annual report (the "**Annual Report**") and the audited consolidated financial statements of the Group for the year ended December 31, 2021 (the "**Reporting Period**").

董事會欣然公佈本集團截至2021年12月31日止年度(「**報告期**」)之年報(「**本年報**」)及經審計綜合財務報表。

GLOBAL OFFERING

The Company was incorporated in Hong Kong as a private company with limited liability under the predecessor ordinance of the Companies Ordinance (which was in force from time to time before March 3, 2014) on February 19, 1999, the shares of which were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on December 30, 2021 (the "**Listing Date**"). The Prospectus of the Company dated December 17, 2021 has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://global.chervongroup.com).

全球發售

本公司於1999年2月19日根據公司條例之前身條例註冊(其於2014年3月3日之前不時生效)在香港註冊成立為一家私人有限公司，其股份於2021年12月30日(「**上市日期**」)在香港聯合交易所有限公司(「**聯交所**」)主板上市。本公司日期為2021年12月17日的招股章程已刊載於聯交所網站(www.hkexnews.hk)及本公司網站(https://global.chervongroup.com)。

PRINCIPAL BUSINESS

The Company is an investment holding company. The Group is principally engaged in researching, developing, manufacturing, testing, sales, and after-sale services for power tools, outdoor power equipment and related products. Analysis of the principal activities of the Group during the year ended December 31, 2021 is set out in the note 4 to the consolidated financial statements.

主要業務

本公司是一家投資控股公司。本集團主要從事電動工具、戶外動力設備及相關產品的研究、開發、製造、測試、銷售及售後服務。本集團截至2021年12月31日止年度的主要業務分析載於綜合財務報表附註4。

BUSINESS REVIEW

A fair review of the business of the Group and a discussion and analysis of the Group's performance during the year are set out in the sections headed "Chairman's Statement" on pages 6 to 7 and "Management Discussion and Analysis" on pages 8 to 28 of the Annual Report.

業務回顧

本年度本集團業務的中肯回顧及本集團表現的討論及分析載列於本年報第6至7頁的「董事長致辭」一節及第8至28頁的「管理層討論與分析」一節。

An account of the Group's key relationships with its key stakeholders is provided in the section headed "Chairman's Statements" on pages 6 to 7 of the Annual Report. An analysis of the Group's performance during the year using financial key performance indicators is set out in the section headed "Financial Summary" on page 5 and "Management Discussion and Analysis" on pages 8 to 28 of the Annual Report.

本集團與其重要利益相關者的重要關係論述載列於本年報第6至7頁的「董事長致辭」一節。運用財務關鍵表現指標進行的本集團本年度的表現分析載列於本年報第5頁的「財務摘要」一節及第8至28頁的「管理層討論與分析」一節。

Compliance with Laws and Regulations

During the year ended December 31, 2021, as far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material aspects.

遵守法律及法規

截至2021年12月31日止年度，就董事會所知，本集團已於各重大方面遵守對本集團有重大影響的相關法律及法規。

Principal Risks and Uncertainties

The Directors are aware that the Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The key risks and uncertainties identified by the Group are set out as follows:

主要風險及不確定因素

據董事所悉，本集團的財務狀況、經營業績、業務及前景可能會受到諸多風險及不確定因素的影響。本集團已識別的主要風險及不確定因素如下：

Principal Risks and Uncertainties Relating to the Industry

- We face active competition and resulting pricing pressures, and we may not be able to compete effectively against current and future competitors.
- Competitor innovations, customer and end-user preferences and production conditions in the OPE industry may change rapidly, and we may not be able to sufficiently and promptly respond to such changes.

與行業有關的主要風險及不確定因素

- 我們面臨激烈的競爭及由此產生的定價壓力，且我們可能無法與現有及未來競爭對手有效競爭。
- 競爭對手的創新、客戶及終端用戶偏好以及OPE行業的生產狀況可能會快速變化，而我們可能無法充分及時地應對該等變化。

Principal Risks and Uncertainties Relating to Our Products

- Unsatisfactory performance of or defects in our products may harm our reputation, lead to product returns or recalls and subject us to significant product liability litigations.
- Any mishandling of our battery cells and battery packs may cause safety accident and disruption to the operation of our facilities.
- We may fail to maintain our brand position among our targeted end-user groups, and market perception and end-user acceptance of our brands may suffer.
- We are subject to various regulatory and customer-imposed guidelines and may not be successful in maintaining an effective quality control system.

我們產品有關的主要風險及不確定因素

- 我們產品的性能不佳或有缺陷可能損害我們的聲譽，導致產品退貨或召回，並使我們面臨重大產品責任訴訟。
- 如我們的電芯和電池包出現任何處理不當，可能導致安全事故及我們的設施運作中斷。
- 我們可能未能成功保持我們在目標終端用戶群體中的品牌地位，我們品牌的市場認知度及終端用戶接受度可能會受損。
- 我們須遵守多項法規及客戶制訂的指引，且未必能成功維持有效的質量監控制度。

Principal Risks and Uncertainties Relating to Our Operations

- Our business depends in part on our ability to protect our intellectual property rights and operating without infringing on the rights of third parties.
- Our business depends on third-party suppliers to meet our requirements for high-quality production and timely delivery of raw materials and components.
- Our manufacturing capabilities depend on labor supply and middle management, and we may not be able to recruit, train and retain qualified personnel or maintain a sufficient workforce.
- Our distributors may engage in misconduct or other improper activities, as a result of which, we may be exposed to regulatory investigations, penalties or other negative consequences.

我們運營有關的主要風險及不確定因素

- 我們的業務部分取決於我們保護知識產權及在不侵犯第三方權利的情況下運營的能力。
- 我們的業務依賴第三方供應商滿足我們對原材料及零部件的高質量生產及及時交付的要求。
- 我們的製造能力取決於勞動力供應及中級管理人員，而我們可能無法招聘、培訓及挽留合資格人員或維持足夠的勞動力。
- 我們的分銷商可能從事不當行為或其他不當活動，因此，我們可能面臨監管調查、處罰或其他負面後果。

Principal Risks and Uncertainties Relating to Our Financial Condition

- We may not be able to obtain adequate financing on commercially reasonable terms on a timely basis, or at all, and any debt financing may contain covenants that restrict our business or operations.
- We are exposed to counterparty risk in our hedging arrangements.
- We may not achieve optimal results in future acquisitions, investments, partnerships or new businesses, or may encounter difficulties in integrating and developing the acquired assets or investments successfully.
- Changes in taxation on our business may materially and adversely affect our business, financial condition and results of operations.

我們財務狀況有關的主要風險及不確定因素

- 我們可能無法及時或根本無法以商業合理條款獲得足夠融資，且任何債務融資可能包含限制我們業務或運營的契諾。
- 我們在對沖安排中面臨交易對手風險。
- 我們在未來的收購、投資、合夥或新業務中可能無法取得最佳結果，或在成功整合及開發所收購資產或投資方面可能遭遇困難。
- 我們業務的稅務變化可能會對我們的業務、財務狀況及經營業績產生重大不利影響。

Principal Risks and Uncertainties Relating to Regulatory Compliance

- We may not be able to obtain, maintain and renew various permits, licenses, certificates, consents and other approvals from administrative authorities.
- Failure in complying with quotas, duties, tariffs or other restrictions on imports and exports may expose us to increased costs and delay the transportation of our products to market.
- We are subject to national and local environmental and health and safety directives, laws and regulations, and the violation of which may materially and adversely affect our business, results of operations and financial condition.

監管合規有關的主要風險及不確定因素

- 我們可能無法從行政當局取得、維持及更新各種許可、牌照、證書、獲批及其他批准。
- 未能遵守對進出口的配額、稅項、關稅或其他限制，可能令我們面臨成本增加及延遲產品運輸至市場。
- 我們遵守國家及地方的環境、健康及安全指令、法律及法規，違反有關指令、法律及法規可能對我們的業務、經營業績及財務狀況造成重大不利影響。

*Principal Risks and Uncertainties Relating to Doing Business in the People's Republic of China (the "**PRC**")*

- The economic, political and social conditions in China, as well as government policies, laws and regulations, could affect our business, financial conditions and results of operations.
- Uncertainties with respect to the PRC legal system could limit the legal protections available to us and any litigation in China may be protracted and result in substantial costs and diversion of our resources and management attention.
- We rely on dividends paid by our subsidiaries for our cash needs, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business.
- Fluctuations in the value of the RMB and the PRC Government's control over foreign currency conversion may adversely affect our business and results of operations.

*於中華人民共和國（「**中國**」）開展業務有關的主要風險及不確定因素*

- 中國的經濟、政治及社會狀況以及政府政策、法律及法規或會影響我們的業務、財務狀況及經營業績。
- 有關中國法律制度的不明朗因素或會限制提供予我們的法律保障，且中國的任何訴訟可能延長，並會導致巨額費用及分散我們的資源及管理層的注意力。
- 我們依賴附屬公司派付的股息滿足現金需求，而任何有關我們附屬公司向我們作出派付的能力的限制或會對我們開展業務的能力造成重大不利影響。
- 人民幣幣值波動及中國政府管制外匯兌換可能對我們的業務及經營業績構成不利影響。

Principal Risks and Uncertainties Relating to COVID-19 Epidemic

- Any prolonged spread or new occurrence of COVID-19 epidemic in the PRC or elsewhere in the world could materially and adversely affect our business performance, financial condition and results of operations.

For other risks and uncertainties faced by the Group, please refer to the section headed "Risk Factors" in the Prospectus.

COVID-19疫情有關的主要風險及不確定因素

- COVID-19疫情在中國或世界其他地方的任何長期蔓延或新爆發均可能對我們的業務表現、財務狀況及經營業績造成重大不利影響。

有關本集團面臨的其他風險及不確定因素，請參閱招股章程「風險因素」一節。

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board is responsible for evaluating and managing material environmental, social and governance ("**ESG**") issues. Company management is responsible for developing the Company's ESG strategy, policy and reporting, including assessing and managing climate-related risks, with oversight provided by the Board. For environmental matters, our Environmental, Health and Safety ("**EHS**") department and equipment management department are responsible for managing environmental and climate-related risks arising from our business operations. The EHS department identifies key environmental factors, establishes operational control requirements and procedures and conducts relevant monitoring and inspections. The EHS department also reviews and updates the operational control procedures on an annual basis in accordance with changes to key environmental factors, applicable laws and regulations and compliance assessments.

For the year ended December 31, 2021, we had not been subject to any material fines or other penalties due to non-compliance in relation to environmental protection laws and regulations that had a material adverse impact on our operations and, so far as our Directors are aware after making all reasonable enquiries, there was no threatened or pending action by any environmental government authorities in respect thereof.

For details of the Company's environmental policies and performance, please refer to the section headed "Environmental, Social and Governance Report" of the Annual Report.

環境政策及表現

董事會負責評估及管理重大環境、社會及管治(「**ESG**」)事宜。公司管理層負責在董事會的監督下制定本公司的ESG策略、政策及報告，包括評估及管理氣候相關風險。於環境事宜方面，我們的環境、健康及安全(「**EHS**」)部門及設備管理部門負責管理我們業務運營中產生的環境及氣候相關風險。EHS部門識別關鍵環境因素，制定運作控制要求及程序，並進行相關的監測及檢查。EHS部門亦根據關鍵環境因素、適用法律法規及合規評估的變化，每年審查及更新運作控制程序。

截至2021年12月31日止年度，我們並無因未遵守環保法律法規而遭受對我們經營造成重大不利影響的任何重大罰款或其他處罰。經董事在作出一切合理查詢後所悉，本集團概無面臨任何政府環保機關就此作出的任何具威脅性或待決行動。

有關本公司的環境政策及表現詳情，請參閱本年報「環境、社會及管治報告」一節。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended December 31, 2021, the Group has complied with the "comply or explain" provisions in the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Listing Rules.

Further details of the Group's ESG matters including environmental policies and performance are set out in the section headed "Environmental, Social and Governance Report" of the Annual Report.

環境、社會及管治報告

於截至2021年12月31日止年度，本集團已遵守上市規則附錄二十七所載的環境、社會及管治報告指引的「不遵守就解釋」條文。

有關本集團ESG事項（包括環境政策及表現）的進一步詳情載於本年報「環境、社會及管治報告」一節。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2021, the Group's largest customer and five largest customers accounted for approximately 40.9% and 64.7% respectively of the Group's total revenue; and the Group's largest supplier and five largest suppliers accounted for approximately 9.3% and 14.7% respectively of the Group's total purchases.

As far as the Directors are aware, none of the Directors, their associates or any shareholders of the Company ("**Shareholders**") who owned more than 5% of the Company's share capital had any interest in the five largest customers or suppliers of the Group.

主要客戶及供應商

截至2021年12月31日止年度，本集團最大客戶及五大客戶分別佔本集團總收入約40.9%及64.7%；而本集團最大供應商及五大供應商分別佔本集團總採購額約9.3%及14.7%。

就董事所知，概無董事、彼等的聯繫人或擁有本公司股本5%以上的本公司任何股東（「**股東**」）於本集團的五大客戶或供應商中擁有任何權益。

RESULTS

The results of the Group for the year ended December 31, 2021 are set out in the financial statement on page 178 of the Annual Report.

業績

本集團截至2021年12月31日止年度的業績載於本年報第178頁的財務報表內。

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of US$0.0715 per ordinary share (equivalent to HK$0.5577 per ordinary share) for the year ended December 31, 2021. This proposed final dividend is subject to the approval of the Shareholders at the annual general meeting of the Company (the "**AGM**") to be held on Thursday, June 2, 2022, and will be paid on or around Friday, July 15, 2022 to those Shareholders whose names appear on the Company's register of members as of Tuesday, June 28, 2022.

末期股息

董事會已建議就截至2021年12月31日止年度派發每股普通股0.0715美元（相等於每股普通股0.5577港元）之末期股息。該建議末期股息須待股東在將於2022年6月2日（星期四）舉行的本公司股東週年大會（「**股東週年大會**」）上批准後方可作實，並將於2022年7月15日（星期五）或前後派發予截至2022年6月28日（星期二）名列本公司股東名冊之股東。

CLOSURE OF REGISTER OF MEMBERS/RECORD DATE

The register of members of the Company will be closed from Friday, May 27, 2022 to Thursday, June 2, 2022, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Thursday, May 26, 2022.

Record date for determining the entitlement of the Shareholders to the final dividend (if approved by the Shareholders in the AGM) is Tuesday, June 28, 2022. To qualify for the final dividend, all transfers forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, June 27, 2022. The register of members of the Company will be closed on Tuesday, June 28, 2022, on which date no share transfers will be registered.

暫停辦理股份過戶登記／記錄日期

本公司將自2022年5月27日（星期五）至2022年6月2日（星期四）（包括首尾兩日）暫停辦理股份過戶登記手續，以釐定有權出席股東週年大會的股東身份，該期間內將不會登記任何股份過戶。為符合資格出席股東週年大會，所有過戶表格連同相關股票須於2022年5月26日（星期四）下午四時三十分前送達本公司的股份過戶登記處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心54樓）以辦理登記手續。

釐定股東收取末期股息（倘於股東週年大會上獲股東批准）資格的記錄日期為2022年6月28日（星期二）。為符合資格獲派末期股息，所有過戶表格連同相關股票須於2022年6月27日（星期一）下午四時三十分前送達本公司的股份過戶登記處卓佳證券登記有限公司（地址為香港灣仔皇后大道東183號合和中心54樓）以辦理登記手續。本公司將於2022年6月28日（星期二）暫停辦理股份過戶登記手續。

DIVIDEND POLICY

Pursuant to the dividend policy adopted by the Company, the declaration of dividends is subject to the discretion of the Board, and, if necessary, the approval of the shareholders of the Company. In considering the declaration and payment of dividends, the Board shall take into account the Group's results of operations, cash flows, financial condition, statutory and regulatory restrictions on the payment of dividends by the Company, the Company's capital requirements, future business plans and prospects and any other factors that the Board may consider relevant. Any declaration and payment, as well as the amount, of any dividend will also be subject to the articles of association of the Company (the "**Articles of Association**") and all applicable laws and regulations. The Directors may reassess the dividend policy from time to time.

股息政策

根據本公司採納的股息政策，股息宣派由董事會酌情釐定及（如需要）須經本公司股東批准。董事會考慮宣派及派發股息時，須考慮本集團的營運業績、現金流量、財務狀況、本公司派發股息的法定及監管限制、本公司的資本需求、未來業務計劃及前景以及董事會可能認為相關的任何其他因素。任何股息的宣派及派發以及金額亦將須遵守本公司組織章程細則（「**組織章程細則**」）及所有適用的法律及法規。董事可不時重新評估該股息政策。

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last four financial years is set out on page 5 of the Annual Report. The summary does not form part of the audited consolidated financial statements.

財務摘要

本集團過去四個財政年度之業績及資產與負債之摘要載列於本年報第5頁。該摘要不構成經審計綜合財務報表之一部分。

BANK BORROWINGS

Details of the bank borrowings of the Group for the year ended December 31, 2021 are set out in note 24 to the consolidated financial statements.

銀行借款

本集團截至2021年12月31日止年度的銀行借款詳情載列於綜合財務報表附註24。

USE OF NET PROCEEDS FROM GLOBAL OFFERING

The Company's shares (the "**Shares**") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on December 30, 2021 (the "**Listing Date**"). The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering (as defined in the Prospectus), including the full exercise of the over-allotment option, of approximately HK$3,467.2 million. Since the Listing Date and up to December 31, 2021, the Company had not utilized the net proceeds from the Global Offering. The Company intends to apply such net proceeds according to the manner, proportions and timeline as disclosed in the Prospectus.

The unutilized net proceeds are placed in licensed banks in PRC and Hong Kong as of the date of the Annual Report.

全球發售所得款項用途

本公司股份(「**股份**」)於2021年12月30日(「**上市日期**」)在香港聯合交易所有限公司(「**聯交所**」)主板上市。本公司自全球發售(定義見招股章程)(包括悉數行使超額配股權)收取所得款項淨額(經扣除包銷佣金及相關成本及開支)約3,467.2百萬港元。自上市日期起及直至2021年12月31日，本公司尚未動用全球發售所得款項淨額。本公司擬根據招股章程所披露的方式、比例及時間表動用有關所得款項淨額。

截至本年報日期，未動用所得款項淨額存放於中國及香港的持牌銀行。

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 16 to the consolidated financial statements.

附屬公司

本公司附屬公司之詳情載於綜合財務報表附註16。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group for the year ended December 31, 2021 are set out in note 12 to the consolidated financial statements.

物業、廠房及設備

本集團截至2021年12月31日止年度的物業、廠房及設備變動詳情載列於綜合財務報表附註12。

SHARE CAPITAL

Details of movements in the Company's share capital for the year ended December 31, 2021 are set out in note 34(c) to the consolidated financial statements.

股本

本公司截至2021年12月31日止年度的股本變動詳情載列於綜合財務報表附註34(c)。

EQUITY-LINKED AGREEMENT

There was no equity-linked agreement entered into by the Company or any of its subsidiaries in the year ended December 31, 2021 or subsisted at the end of the year.

股票掛鈎協議

截至2021年12月31日止年度，本公司或其任何附屬公司並無訂立或於年底存續股票掛鈎協議。

RESERVES

Details of the movements in the reserves of the Company and the Group during the year ended December 31, 2021 are set out in note 34(d) to the consolidated financial statements.

儲備

本公司及本集團截至2021年12月31日止年度的儲備變動詳情載於綜合財務報表附註34(d)。

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to shareholders as at December 31, 2021 amounted to US$131.7 million (2020: US$159.5 million), further details of which are set out in note 34 to the consolidated financial statements.

可供分派儲備

於2021年12月31日，本公司可供分派予股東的儲備為131.7百萬美元（2020年：159.5百萬美元），進一步詳情載於綜合財務報表附註34。

DEBENTURE ISSUED

The Group did not issue any debenture during the year ended December 31, 2021.

已發行債權證

截至2021年12月31日止年度，本集團並無發行任何債權證。

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the period from the Listing Date and up to December 31, 2021, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

購入、出售或贖回上市證券

於上市日期直至2021年12月31日，本公司或其任何附屬公司概無購入、贖回或出售任何本公司的上市證券。

DONATIONS

For the year ended December 31, 2021, approximately RMB1.0 million charitable donations were made by the Group (2020: RMB1.2 million).

捐款

截至2021年12月31日，本集團做出慈善捐款約人民幣1.0百萬元（2020年：人民幣1.2百萬元）。

DIRECTORS

The directors of the Company and its subsidiaries during the year ended December 31, 2021 and as at the date of the Annual Report are:

董事

於截至2021年12月31日止年度及本年報日期，本公司及其附屬公司的董事如下：

Directors of the Company:

Executive Directors

Mr. Pan Longquan *(Chairman, Chief Executive Officer)*
Ms. Zhang Tong
Mr. Ke Zuqian
Mr. Michael John Clancy (appointed on August 4, 2021)

Independent Non-executive Directors

Mr. Tian Ming (appointed on December 8, 2021)
Dr. Li Minghui (appointed on December 8, 2021)
Mr. Jiang Li (appointed on December 8, 2021)

Directors

Mr. Cheng Hong Kei (resigned on August 4, 2021)
Mr. Xiao Jun (resigned on August 4, 2021)

本公司董事：

執行董事

潘龍泉先生*(董事長、行政總裁)*
張彤女士
柯祖謙先生
Michael John Clancy先生(於2021年8月4日獲委任)

獨立非執行董事

田明先生(於2021年12月8日獲委任)
李明輝博士(於2021年12月8日獲委任)
蔣立先生(於2021年12月8日獲委任)

董事

鄭康棋先生(於2021年8月4日辭任)
肖鈞先生(於2021年8月4日辭任)

Directors of the subsidiaries of the Company:

The following directors have served on the board of the subsidiaries of the Company as at December 31, 2021

本公司附屬公司董事：

於2021年12月31日，以下董事於本公司附屬公司的董事會任職：

Name of Subsidiaries 附屬公司名稱	Place of Incorporation 公司註冊成立地	Name of Directors	董事姓名
Chervon (HK) Ltd 泉峰(香港)有限公司	Hong Kong 香港	Mr. Pan Longquan	潘龍泉先生
		Ms. Zhang Tong	張彤女士
		Mr. Ke Zuqian	柯祖謙先生
		Mr. Cheng Hong Kei	鄭康棋先生
Chervon Overseas Holdings Limited 泉峰海外控股有限公司	Hong Kong 香港	Mr. Pan Longquan	潘龍泉先生
		Ms. Zhang Tong	張彤女士
		Mr. Ke Zuqian	柯祖謙先生
Chervon (China) Trading Co.,Ltd 泉峰(中國)貿易有限公司	PRC 中國	Mr. Pan Longquan	潘龍泉先生
		Ms. Zhang Tong	張彤女士
		Mr. Hu Yian	胡以安先生
Chervon (China) Tools Sales Co., Ltd 泉峰(中國)工具銷售有限公司	PRC 中國	Ms. Zhang Tong	張彤女士

Name of Subsidiaries 附屬公司名稱	Place of Incorporation 公司註冊成立地	Name of Directors	董事姓名
Chervon Industry Co., Ltd 泉峰科技有限公司	PRC 中國	Mr. Pan Longquan	潘龍泉先生
		Ms. Zhang Tong	張彤女士
		Mr. Ke Zuqian	柯祖謙先生
		Mr. Hu Yian	胡以安先生
Chervon Industry (Vietnam) Co. Ltd 泉峰實業(越南)有限公司	Vietnam 越南	Mr. Ren Dehong	任德宏先生
		Mr. Ke Zuqian	柯祖謙先生
Chervon (China) Investment Co., Limited 泉峰(中國)投資有限公司	PRC 中國	Mr. Pan Longquan	潘龍泉先生
		Ms. Zhang Tong	張彤女士
		Mr. Ke Zuqian	柯祖謙先生
Chervon North America Inc.	US 美國	Mr. Pan Longquan	潘龍泉先生
		Ms. Zhang Tong	張彤女士
		Mr. Hu Yian	胡以安先生
Chervon Canada Inc.	Canada 加拿大	Mr. Pan Longquan	潘龍泉先生
		Ms. Zhang Tong	張彤女士
		Mr. Howard Drabinsky	Howard Drabinsky先生
Chervon Europe Ltd	United Kingdom 英國	Mr. Pan Longquan	潘龍泉先生
		Ms. Zhang Tong	張彤女士
EGO Europe GmbH	Germany 德國	Mr. Peter John Melrose	Peter John Melrose先生
Chervon Australia Pty	Australia 澳大利亞	Mr. Pan Longquan	潘龍泉先生
		Mr. Ng Paul King-Por	Ng Paul King-Por先生
		Mr. Hu Yian	胡以安先生
Chervon NZ Subsidiary Limited	New Zealand 新西蘭	Mr. Pan Longquan	潘龍泉先生
		Ms. Zhang Tong	張彤女士
		Mr. Richard Charles Ashby	Richard Charles Ashby先生
Flex Geschäftsführungs GmbH	Germany 德國	Mr. Ke Zuqian	柯祖謙先生
		Dr. Christian Neuner	Christian Neuner博士
FLEX Elektrowerkzeuge GmbH	Germany 德國	Dr. Christian Neuner	Christian Neuner博士
FLEX Power Tools BVBA	Belgium 比利時	Mr. Robert Charles de Koning	Robert Charles de Koning先生
FLEX Power Tools B.V.	Netherlands 荷蘭	Dr. Christian Neuner	Christian Neuner博士

Name of Subsidiaries 附屬公司名稱	Place of Incorporation 公司註冊成立地	Name of Directors	董事姓名
FLEX Elektronářadí, s.r.o	The Czech Republic 捷克共和國	Dr. Christian Neuner Mr. Jan Skala	Christian Neuner博士 Jan Skala先生
FLEX Italia S.r.l	Italy 意大利	Dr. Christian Neuner Mr. Stefano Galdabino Mr. Gert Moller	Christian Neuner博士 Stefano Galdabino先生 Gert Moller先生
FLEX Electroportatif Machines et Accessoires-FEMA	France 法國	Dr. Christian Neuner Mr. Philippe Bayet Mr. Ashley Senna	Christian Neuner博士 Philippe Bayet先生 Ashley Senna先生
Flex Power Tools Limited	United Kingdom 英國	Dr. Christian Neuner	Christian Neuner博士
SKIL B.V.	Netherlands 荷蘭	Mr. Pan Longquan Mr. Peter John Melrose	潘龍泉先生 Peter John Melrose先生
Chervon GmbH	Germany 德國	Dr. Christian Neuner	Christian Neuner博士

In accordance with article 111 of the Articles of Association, Mr. Pan Longquan, Ms. Zhang Tong and Mr. Ke Zuqian will hold office until the next following general meeting of the Company and, being eligible, offer himself for re-election at the forthcoming annual general meeting of the Company.

根據組織章程細則第111條，潘龍泉先生、張彤女士及柯祖謙先生將任職至本公司下屆股東大會，並符合資格於本公司應屆股東週年大會上膺選連任。

In accordance with article 111 of the Articles of Association, Mr. Pan Longquan, Ms. Zhang Tong and Mr. Ke Zuqian will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

根據組織章程細則第111條，潘龍泉先生、張彤女士及柯祖謙先生將於本公司應屆股東週年大會上輪值退任，並符合資格且願意膺選連任。

The Company has not received any notice in writing specifying that the resignation or refusal to stand for election is due to reasons relating to the affairs of the Company from the Directors.

本公司並無接獲任何指明董事因與本公司事務有關的原因辭任或拒絕參選的書面通知。

The particulars of Directors who are subject to re-election at the forthcoming annual general meeting are set out in the circular to shareholders of the Company dated April 29, 2022.

將於應屆股東週年大會上膺選連任之董事詳情載於日期為2022年4月29日致本公司股東之通函。

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each independent non-executive Director a confirmation of independence in accordance with Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Company considers all independent non-executive Directors to be independent as at the date of the Annual Report.

獨立非執行董事的獨立性確認

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司證券上市規則(「**上市規則**」)第3.13條發出之獨立性確認。於本年報日期，本公司認為全體獨立非執行董事均為獨立人士。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 29 to 39 of the Annual Report.

董事及高級管理層履歷

本集團董事及高級管理層的履歷詳情載於本年報第29至39頁。

CHANGES TO DIRECTORS' INFORMATION

There is no change to any information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) under Rule 13.51(2) of the Listing Rules since the publication of the Prospectus.

董事資料變動

自招股章程刊發以來，根據上市規則第13.51(2)條第(a)至(e)及(g)段須予披露有關任何董事的任何資料概無變動。

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENTS

Each of the executive Directors has entered into a service contract with the Company on December 8, 2021, and the Company has issued letters of appointment to each of the non-executive Director and independent non-executive Directors. The service contracts with each of the executive Directors is for an initial fixed term of three years commencing from December 8, 2021. The letter of appointment with each of the non-executive Director and independent non-executive Directors is for an initial fixed term of three years. The service contract and the letters of appointment are subject to termination in accordance with their respective terms. The service contracts and the letters of appointments may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

董事服務合約及委任函

各執行董事已於2021年12月8日與本公司訂立服務合約及本公司已向各非執行董事及獨立非執行董事發出委任函。各執行董事的服務合約初步固定任期為三年，自2021年12月8日開始。各非執行董事及獨立非執行董事的委任函初步固定任期為三年。服務合約及委任函可根據其各自條款予以終止。服務合約及委任函可根據組織章程細則以及適用上市規則重續。

Save as disclosed above, none of the Directors has entered, or has proposed to enter, a service contract with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

除上文所披露者外，概無董事已或擬與本集團任何成員公司訂立任何服務合約（不包括於一年內屆滿或僱主可於一年內終止而無須支付賠償（法定賠償除外）的合約）。

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

Details of the emoluments of the Directors and the five highest paid individuals for the year ended December 31, 2021 are set out in notes 8 and 9 to the consolidated financial statements.

薪酬政策

薪酬委員會已告成立，以根據本集團的經營業績、董事及高級管理層的個人表現及可資比較市場慣例審閱本集團的薪酬政策以及本集團董事及高級管理層架構。

截至2021年12月31日止年度，董事及五名最高薪酬人士的薪酬詳情載於綜合財務報表附註8及9。

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in note 32 to the consolidated financial statements.

退休及僱員福利計劃

本公司退休及僱員福利計劃的詳情載於綜合財務報表附註32。

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

As at December 31, 2021, the interests or short positions of each Director of the Board in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於2021年12月31日，董事會各董事於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「**證券及期貨條例**」）第XV部）的股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉），或記錄於本公司根據證券及期貨條例第352條須存置的登記冊或根據上市發行人董事進

Securities Transactions by Directors of Listed Issuers (the "**Model Code**") are as follows:

行證券交易的標準守則(「**標準守則**」)須知會本公司及聯交所的權益及淡倉如下：

(i) Interest in our Company

(i) 於本公司的權益

Name of Director	董事名稱	Nature of interest 權益性質	Number of shares[1] 股份數目[1]	Approximate percentage of shareholding interest[2] 股權概約百分比[2]
Mr. Pan[2]	潘先生[2]	Interest in controlled corporation 受控法團權益	260,226,344 (L)	54.27%
			10,787,400 (S)	2.25%
Ms. Zhang[3]	張女士[3]	Interest in controlled corporation 受控法團權益	98,835,550 (L)	20.61%
Mr. Ke[4]	柯先生[4]	Interest in controlled corporation 受控法團權益	27,118,822 (L)	5.65%
Mr. Clancy[5]	Clancy先生[5]	Interest in controlled corporation 受控法團權益	480,100 (L)	0.10%

Notes:

(1) The letter "L" denotes the person's long position in such shares of the Company. The letter "S" denotes the person's short position in such shares of the Company.

(2) These shares are held by Panmercy Holdings Limited ("**Panmercy**"), which is wholly owned by Mr. Pan, who is also a director of Panmercy. Panmercy's short position in 10,787,400 shares of the Company under a stock borrowing and lending agreement ceased on 26 January 2022 when issuance of 10,787,400 new shares pursuant to the full exercise of the over-allotment option was completed.

(3) These shares include (i) 97,637,750 Shares held by Green Hope Limited ("**Green Hope**"), which is wholly owned by Ms. Zhang and (ii) 1,197,800 Shares held by two offshore employee shareholding platforms pursuant to an employee incentive arrangement, of which Ms. Zhang is the sole director. Ms. Zhang is deemed to be interested in these Shares for the purposes of the SFO.

(4) These shares are held by Klamm Limited ("**Klamm**"), which is wholly owned by Mr. Ke, who is also a director of Klamm.

(5) Mr. Clancy is interested in 480,100 Shares which are held by NP Kun Investment Limited, which is owned by Mr. Clancy with 47% interests. Mr. Clancy is deemed to be interested in these Shares for the purposes of the SFO.

附註：

(1) 字母「L」指該人士於本公司該等股份的好倉。字母「S」指該人士於本公司該等股份的淡倉。

(2) 此等股份由潘先生全資擁有的德潤控股有限公司(「**德潤**」)持有，潘先生亦為德潤董事。德潤根據借股協議於本公司10,787,400股股份的淡倉於2022年1月26日(因超額配股權獲悉數行使而發行10,787,400股新股完成時)終止。

(3) 此等股份包括(i)翠鴻有限公司(「**翠鴻**」)持有的97,637,750股股份，翠鴻乃由張女士全資擁有及(ii)根據一項僱員激勵安排建立的兩個境外僱員持股平台持有的1,197,800股股份，張女士為此兩個平台的唯一董事。根據證券及期貨條例，張女士被視為於該等股份中擁有權益。

(4) 該等股份由宗谷有限公司(「**宗谷**」)持有，宗谷由柯先生全資擁有，彼亦為宗谷董事。

(5) Clancy先生於480,100股股份中擁有權益，該等股份由Clancy先生擁有47%權益的NP Kun Investment Limited持有。根據證券及期貨條例，Clancy先生被視為於該等股份中擁有權益。

(ii) Interest in our associated corporations (ii) 於相聯法團中的權益

Name of Director	董事名稱	Nature of interest 權益性質	Name of the associated corporation/subsidiary 相聯法團／附屬公司名稱	Approximate percentage of shareholding interest 股權概約百分比
Mr. Pan	潘先生	Interest in controlled corporation 受控法團權益	Chervon Global Holdings Limited ("**Chervon Global**")	66.72%
			Chervon Assets Management Holdings Limited	85.00%
			Chervon Investment Limited	100.00%
			Chervon Capital Management Limited	100.00%
			Chervon Assets Holdings Limited	100.00%
			Chervon (Nanjing) Management Services Co., Ltd.* (泉峰(南京)管理服務有限公司) ("**Chervon Management Services**") 泉峰(南京)管理服務有限公司(「**泉峰管理服務**」)	100.00%
			Nanjing Chervon International Trading Co., Ltd.* (南京泉峰國際貿易有限公司) ("**Chervon International Trading**") 南京泉峰國際貿易有限公司(「**泉峰國際貿易**」)	85.00%
			Nanjing Jiuhao Electromechanical Industry Co., Ltd.* (南京玖浩機電實業有限公司) ("**Jiuhao Electromechanical**") 南京玖浩機電實業有限公司(「**玖浩機電**」)	100.00%
			Chervon Precision Technology Holdings Company Limited (泉峰精密技術控股有限公司) ("**Chervon Precision Technology**") 泉峰精密技術控股有限公司(「**泉峰精密技術**」)	92.00%
			Chervon (China) Investment Co., Ltd* (泉峰(中國)投資有限公司) ("**Chervon China Investment**") 泉峰(中國)投資有限公司(「**泉峰(中國)投資**」)	100.00%
			Nanjing Chervon Auto Precision Technology Co., Ltd. (南京泉峰汽車精密技術股份有限公司) ("**Chervon Auto Precision Technology**") 南京泉峰汽車精密技術股份有限公司(「**泉峰汽車精密技術**」)	35.75%
			Chervon Auto Precision Technology (Europe) Limited Liability Company	100.00%

Name of Director	董事名稱	Nature of interest 權益性質	Name of the associated corporation/subsidiary 相聯法團／附屬公司名稱	Approximate percentage of shareholding interest 股權概約百分比
			Chervon Auto Precision Technology (Anhui) Co., Ltd.* (泉峰汽車精密技術(安徽)股份有限公司) ("**Chervon Anhui**") 泉峰汽車精密技術(安徽)股份有限公司(「**泉峰安徽**」)	100.00%
Ms. Zhang	張女士	Interest in controlled corporation 受控法團權益	Chervon Global	24.66%
			Chervon Assets Management Holdings Limited	85.00%
			Chervon Investment Limited	100.00%
			Chervon Capital Management Limited	100.00%
			Chervon Assets Holdings Limited	100.00%
			Chervon Management Services 泉峰管理服務	100.00%
			Chervon International Trading 泉峰國際貿易	85.00%
			Jiuhao Electromechnical 玖浩機電	100.00%
			Chervon Precision Technology 泉峰精密技術	92.00%
			Chervon China Investment 泉峰(中國)投資	100.00%
			Chervon Auto Precision Technology 泉峰汽車精密技術	35.75%
			Chervon Auto Precision Technology (Europe) Limited Liability Company 泉峰汽車精密技術(歐洲)有限公司	100.00%
			Chervon Anhui 泉峰安徽	100.00%

Name of Director	董事名稱	Nature of interest 權益性質	Name of the associated corporation/subsidiary 相聯法團／附屬公司名稱	Approximate percentage of shareholding interest 股權概約百分比
Mr. Ke	柯先生	Interest in controlled corporation 受控法團權益	Chervon Global	6.85%
			Chervon Assets Management Holdings Limited	85.00%
			Chervon Investment Limited	100.00%
			Chervon Capital Management Limited	100.00%
			Chervon Assets Holdings Limited	100.00%
			Chervon Management Services 泉峰管理服務	100.00%
			Chervon International Trading 泉峰國際貿易	85.00%
			Jiuhao Electromechanical 玖浩機電	100.00%
			Chervon Precision Technology 泉峰精密技術	92.00%
			Chervon China Investment 泉峰(中國)投資	100.00%
			Chervon Auto Precision Technology 泉峰汽車精密技術	35.75%
			Chervon Auto Precision Technology (Europe) Limited Liability Company 泉峰汽車精密技術(歐洲)有限公司	100.00%
			Chervon Anhui 泉峰安徽	100.00%

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

主要股東及其他人士於股份及相關股份的權益或淡倉

As at December 31, 2021, the following persons (other than the Directors or the chief executive of the Company) have interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO or which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

於2021年12月31日，以下人士（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記入本公司須存置的登記冊的權益或淡倉，或根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉：

Name of shareholder	股東名稱	Nature of interest 權益性質	Number of shares[1] 股份數目[1]	Approximate percentage of shareholding interest[2] 股權概約百分比[2]
Mr. Pan[2]	潘先生[2]	Interest in controlled corporation 受控法團權益	260,226,344 (L) 10,787,400 (S)	54.27% 2.25%
Panmercy[2]	德潤[2]	Beneficial owner 實益擁有人	260,226,344 (L)	54.27%
Ms. Zhang[3][4]	張女士[3][4]	Interest in controlled corporation 受控法團權益	98,835,550 (L)	20.61%
Green Hope[3]	翠鴻[3]	Beneficial owner 實益擁有人	97,637,750 (L)	20.36%
Mr. Ke[5]	柯先生[5]	Interest in controlled corporation 受控法團權益	27,118,822 (L)[1]	5.65%
Klamm[5]	宗谷[5]	Beneficial owner 實益擁有人	27,118,822 (L)[1]	5.65%

Notes:

(1) The letter "L" denotes the person's long position in such shares of the Company. The letter "S" denotes the person's short position in such shares of the Company.

(2) Panmercy is wholly owned by Mr. Pan, who is also a director of Panmercy. Panmercy's short position in 10,787,400 shares of the Company under a stock borrowing and lending agreement ceased on January 26, 2022 when issuance of 10,787,400 new shares pursuant to the full exercise of the over-allotment option was completed.

(3) 97,637,750 Shares are held by Green Hope, which is wholly owned by Ms. Zhang, who is also a director of Green Hope.

(4) 1,197,800 Shares are held by two offshore employee shareholding platforms, Sky Roc Investment Limited and NP Kun Investment Limited, pursuant to an employee incentive arrangement. Ms. Zhang is the sole director of the offshore shareholding platforms and is deemed to be interested in these Shares for the purposes of the SFO.

(5) Klamm is wholly owned by Mr. Ke, who is also a director of Klamm.

Save as disclosed above, as at the date of the Annual Report, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

附註：

(1) 字母「L」指該人士於本公司該等股份的好倉。字母「S」指該人士於本公司該等股份的淡倉。

(2) 德潤由潘先生全資擁有，潘先生亦為德潤董事。德潤根據借股協議於本公司10,787,400股股份的淡倉於2022年1月26日（因超額配股權獲悉數行使而發行10,787,400股新股完成時）終止。

(3) 97,637,750股股份由翠鴻持有，翠鴻由張女士全資擁有，且張女士亦為翠鴻的董事。

(4) 1,197,800股股份由根據僱員激勵安排建立的兩個境外僱員持股平台Sky Roc Investment Limited及NP Kun Investment Limited持有。張女士為此兩個境外持股平台的唯一董事。根據證券及期貨條例，張女士被視為於該等股份中擁有權益。

(5) 宗谷由柯先生全資擁有，柯先生亦為宗谷的董事。

除上文所披露者外，於本年報日期，董事並不知悉任何人士（並非董事或本公司主要行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉，或根據證券及期貨條例第336條的規定須記入該條所述登記冊的權益或淡倉。

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the related party transactions undertaken in the normal course of business are provided under note 38 to the consolidated financial statements. Save as disclosed in note 38 to the consolidated financial statements, pursuant to Chapter 14A of the Listing Rules, none of such related party transactions constitutes a connected transaction or continuing connected transaction (as the case may be).

The (i) Nanjing Chervon Auto Precision Technology Factory Lease; (ii) Water Utility Bill Sharing Agreement; (iii) Electricity Utility Bill Sharing Agreement; (iv) Nanjing Yaoquan Office Lease; (v) Company Secretarial Services Agreement; and (vi) Tax Compliance Services Agreement (as defined in the Prospectus) constituted continuing connected transactions for the Company after listing. Details of which including (1) the parties to the transaction and a description of their connected relationship; (2) the transaction date; (3) description of the transaction; (4) principal terms and historical amount; and (5) listing rules implications, were disclosed in the section headed "Connected Transactions" of the Prospectus.

關聯方交易及關連交易

於日常業務過程中進行的關聯方交易詳情載於綜合財務報表附註38。除綜合財務報表附註38所披露者外，根據上市規則第14A章，該等關聯方交易概無構成關連交易或持續關連交易（視情況而定）。

(i)南京泉峰汽車精密技術廠房租約；(ii)水費共擔協議；(iii)電費共擔協議；(iv)南京耀泉辦公室租約；(v)公司秘書服務協議；及(vi)稅務合規服務協議（定義見招股章程）於上市後構成本公司的持續關連交易。有關詳情（包括(1)交易各方及彼等關連關係的描述；(2)交易日期；(3)交易描述；(4)主要條款及過往金額；及(5)上市規則涵義）已於招股章程「關連交易」一節披露。

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as the related party transactions as disclosed in note 38 to the consolidated financial statements and the section headed "Related Party Transactions and Connected Transactions" in the Annual Report, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director and/or any of its connected entity had a material interest, whether directly or indirectly, and no transaction, arrangement or contract of significance between the Company or any of its subsidiaries and the Company's controlling shareholders or any of their subsidiaries, subsisted at the end of the year or at any time during the year ended December 31, 2021.

董事及控股股東於重大交易、安排或合約的股權

除綜合財務報表附註38及年報「關聯方交易及關連交易」一節所披露的關聯方交易外，本公司或其任何附屬公司概無訂立董事及／或其任何關連實體於其中擁有重大權益（無論直接或間接）的任何重大交易、安排或合約，本公司或其任何附屬公司與本公司控股股東或其任何附屬公司概無訂立於年末或截至2021年12月31日止年度內任何時間存續的任何重大交易、安排或合約。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended December 31, 2021 was the Company or its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, and none of the Directors or any of their spouses or minor children were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

董事收購股份或債權證的權利

於截至2021年12月31日止年度內任何時間，本公司或其附屬公司概無訂立任何安排，使董事可藉收購本公司或任何其他法團的股份或債權證而獲得利益，且董事或其任何配偶或未滿18歲子女概無獲授予任何認購本公司或任何其他法團的權益或債務證券的權利或已經行使任何有關權利。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed for the year ended December 31, 2021.

管理合約

截至2021年12月31日止年度，概無訂立或存在有關本公司全部或任何重要部分業務管理及行政合約。

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the period from the Listing Date to the date of the Annual Report, none of the Directors or their respective associates (as defined under the Listing Rules) had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group which would require disclosure under Rule 8.10 of the Listing Rules.

董事於競爭業務的權益

自上市日期起至本年報日期止期間，概無董事或彼等各自的聯繫人（定義見上市規則）從事直接或間接與本集團業務構成競爭或可能構成競爭的任何業務，或於該等業務中擁有任何權益而須根據上市規則第8.10條予以披露。

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association and subject to the applicable laws, the Company has arranged for appropriate insurance to cover all costs, charges, losses, expenses and liabilities incurred by any Directors or officers in the execution and discharge of his duties or in relation thereto. The relevant provisions in the Articles of Association and such directors and officers liability insurance were in force for the year ended December 31, 2021 and as of the date of the Annual Report.

獲准許彌償條文

根據組織章程細則及受適用法律所規限，本公司已安排合適保險以涵蓋任何董事或高級職員在執行及履行其職責或與此有關產生的所有成本、費用、虧損、開支及責任。截至2021年12月31日止年度及截至本年報日期，組織章程細則的相關條文及上述董事及高級職員責任保險已生效。

PUBLIC FLOAT

The Company has applied to the Stock Exchange to request the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules, and the Stock Exchange has granted to the Company, a waiver from strict compliance with the requirements under Rule 8.08(1)(a) of the Listing Rules. Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 18.43% (being the minimum public float prescribed by the Stock Exchange and the Listing Rules) of the Company's entire issued share capital were held by the public since the Listing Date and up to the date of the Annual Report.

公眾持股量

本公司已向聯交所申請，要求聯交所根據上市規則第8.08(1)(d)條行使其酌情權，而聯交所已向本公司授出豁免嚴格遵守上市規則第8.08(1)(a)條規定。根據本公司所得的公開資料及就董事所深知，自上市日期起及直至本年報日期，本公司至少18.43%（聯交所及上市規則規定的最低公眾持股量）的全部已發行股本由公眾持有。

EVENT AFTER THE PERIOD

The following significant event took place subsequent to December 31, 2021:

(a) On January 21, 2022, the Company successfully issued and allotted additional 10,787,400 shares pursuant to the over-allotment option, representing 15% of the maximum number of offer shares initially available under the Global Offering (as defined in the Prospectus), at the offer price of HK$43.60 per share.

(b) On January 28, 2022, Chervon (China) Investment, a wholly-owned subsidiary of the Company, entered into a subscription agreement, pursuant to which Chervon (China) Investment conditionally agreed to subscribe for the A shares of Chervon Auto Precision Technology through non-public offering with a total subscription amount up to RMB500.0 million (US$78.4 million equivalent). Please refer to the Company's announcements dated January 28 and March 30, 2022 for further details.

As at the date of the Annual Report, save as disclosed above, there was no important event affecting the Group which occurred after December 31, 2021.

期後事項

於2021年12月31日後發生了以下重大事件：

(a) 於2022年1月21日，本公司根據超額配股權按發售價每股43.60港元成功發行及配發額外10,787,400股股份，佔根據全球發售（定義見招股章程）初步可供認購最高發售股份數目的15%。

(b) 於2022年1月28日，本公司全資附屬公司泉峰（中國）投資訂立認購協議，據此，泉峰（中國）投資有條件同意透過非公開發售認購泉峰汽車精密技術A股，總認購金額最高為人民幣500.0百萬元（相當於78.4百萬美元）。有關進一步詳情，請參閱本公司日期為2022年1月28日及3月30日的公告。

於本年報日期，除上文所披露者外，於2021年12月31日後並無發生影響本集團的重大事件。

AUDIT COMMITTEE

The Audit Committee has jointly reviewed with the Board the accounting principles and practices adopted by the Group, and discussed the Group's internal controls and financial reporting matters with the management. The Audit Committee has reviewed and discussed the annual results of the Group for the year ended December 31, 2021.

審核委員會

審核委員會已與董事會共同審閱由本集團採納的會計原則及慣例，並與管理層討論本集團的內部控制及財務申報事宜。審核委員會已審閱及討論本集團截至2021年12月31日止年度的年度業績。

AUDITOR

KPMG was appointed as auditors of the Company for the year ended December 31, 2021 upon the retirement of Good Faith CPA Firm Limited in 2020.

KPMG shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming AGM.

核數師

聰誠會計師事務所有限公司於2020年退任後，畢馬威會計師事務所獲委任為本公司截至2021年12月31日止年度的核數師。

畢馬威會計師事務所將退任，惟符合資格並願意膺選連任。續聘畢馬威會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

CORPORATE GOVERNANCE

The Company is committed to maintaining high level of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 64 to 89 of the Annual Report.

企業管治

本公司致力維持高水平的企業管治常規。本公司所採納之企業管治常規詳情載於本年報第64至89頁的「企業管治報告」一節。

By Order of the Board
Pan Longquan
Executive Director, Chairman and Chief Executive Officer
Hong Kong, March 30, 2022

承董事會命
潘龍泉
執行董事、董事長及行政總裁
香港，2022年3月30日

CORPORATE GOVERNANCE REPORT
企業管治報告

The Board is pleased to report to the shareholders on the corporate governance of the Company for the year ended December 31, 2021.

董事會欣然向股東報告本公司截至2021年12月31日止年度的企業管治。

CORPORATE GOVERNANCE PRACTICES

The Company was listed on the Stock Exchange on December 30, 2021 and the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules was not applicable to the Company before the Listing Date.

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. After listing, the Company has adopted the CG Code as its own code of corporate governance. Save as disclosed in the Annual Report, the Company has complied with all applicable code provisions under the CG Code for the period from the Listing Date to the date of the Annual Report. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

企業管治常規

本公司於2021年12月30日於聯交所上市，而上市規則附錄十四所載的企業管治守則(「**企業管治守則**」)於上市日期前並不適用於本公司。

本公司致力維持高水平的企業管治，以保障股東權益及提升企業價值及問責性。上市後，本公司已採納企業管治守則作為其本身的企業管治守則。除本年報所披露者外，自上市日期起至本年報日期止期間，本公司已遵守企業管治守則所有適用守則條文。本公司將繼續檢討及監察其企業管治常規，以確保遵守企業管治守則。

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

The Company has arranged appropriate insurance coverage in respect of liability arising from legal action against its Directors, and will conduct annual review on such insurance coverage.

董事會

職責

董事會負責本集團的整體領導、監督本集團的戰略決策及監控業務與表現。董事會已授權本集團高級管理層負責本集團的日常管理及營運。為監督本公司事務的特定方面，董事會已成立三個董事委員會，包括審核委員會、薪酬委員會及提名委員會(統稱「**董事委員會**」)。董事會已向董事委員會授權彼等各自職權範圍所載的職責。

全體董事須本著真誠、遵守適用法律法規，且始終以符合本公司及股東利益的方式履行職責。

本公司已就針對董事的法律訴訟安排適當責任保險，並將每年審視該保險的保障範圍。

Board Composition

As at the date of the Annual Report, the Board comprised seven Directors, including four executive Directors and three independent non-executive Directors as set out below:

董事會組成

於本年報日期，董事會由七名董事組成，包括四名執行董事及三名獨立非執行董事，載列如下：

Executive Directors

Mr. Pan Longquan *(Chairperson, Chief Executive Officer and member of Nomination Committee)*
Ms. Zhang Tong *(member of Remuneration Committee)*
Mr. Ke Zuqian
Mr. Michael John Clancy (appointed on August 4, 2021)

執行董事

潘龍泉先生
（董事長、行政總裁兼提名委員會成員）
張彤女士*（薪酬委員會成員）*
柯祖謙先生
Michael John Clancy先生（於2021年8月4日獲委任）

Independent Non-executive Directors

Mr. Tian Ming *(Chairperson of Remuneration Committee and members of Audit and Nomination Committees)* (appointed on December 8, 2021)
Dr. Li Minghui *(Chairperson of Audit Committee and members of Remuneration Committee)* (appointed on December 8, 2021)
Mr. Jiang Li *(Chairperson of Nomination Committee and member of Audit Committee)* (appointed on December 8, 2021)

獨立非執行董事

田明先生*（薪酬委員會主席以及審核委員會及提名委員會成員）*
（於2021年12月8日獲委任）
李明輝博士
（審核委員會主席及薪酬委員會成員）
（於2021年12月8日獲委任）
蔣立先生
（提名委員會主席及審核委員會成員）
（於2021年12月8日獲委任）

The biographies of the Directors are set out under the section headed "Biographical Details of Directors and Senior Management" of the Annual Report.

董事履歷載於本年報「董事及高級管理層履歷詳情」一節。

The Board considers that the composition of the Board provides a strong independent element with a balance of skills, experience and diversity of perspectives appropriate for the requirements of the business of the Company.

董事會認為，董事會的組成能確保董事會擁有強效之獨立性，具備切合本公司業務所需的技能、經驗及多元化觀點。

During the period from the Listing Date to the date of the Annual Report, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

自上市日期起至本年報日期止期間，董事會一直遵守上市規則第3.10(1)及3.10(2)條有關委任至少三名獨立非執行董事的規定，其中至少一名獨立非執行董事擁有適當專業資格或會計或相關財務管理專業知識。

During the period from the Listing Date to the date of the Annual Report, the Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive directors representing at least one-third of the Board.

自上市日期起至本年報日期止期間，本公司亦已遵守上市規則第3.10A條有關委任佔董事會人數至少三分之一的獨立非執行董事規定。

Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent as at the date of the Annual Report.

各獨立非執行董事已根據上市規則第3.13條確認其獨立性，而本公司認為彼等於本年報日期均為獨立人士。

Save as disclosed in the biographies of the Directors as set out in the section headed "Biographical Details of Directors and Senior Management" of the Annual Report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or any chief executive.

除本年報「董事及高級管理層履歷詳情」一節所載董事履歷披露者外，概無董事與任何其他董事或任何主要行政人員有任何個人關係（包括財務、業務、家族或其他重大／相關關係）。

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

全體董事（包括獨立非執行董事）均為董事會帶來各種不同的寶貴營商經驗、知識及專長，使其有效率及有效地運作。獨立非執行董事應邀於審核委員會、薪酬委員會及提名委員會任職。

As regards the code provision under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

鑑於企業管治守則條文要求董事披露於上市公司或機構所持職務的數量及性質及其他重大承擔，以及彼等的身份及於發行人任職的時間，故董事已同意及時向本公司披露彼等的承擔。

Board Diversity Policy

To enhance the effectiveness of the Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy (the "**Board Diversity Policy**") on December 8, 2021, which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to Board Diversity Policy, we seek to achieve board diversity by taking into consideration of various factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service.

董事會多元化政策

為提高董事會的效率及維持高標準的企業管治，我們已於2021年12月8日採納董事會多元化政策（「**董事會多元化政策**」），當中載列實現及維持董事會多元化的目標及方法。根據董事會多元化政策，我們力求通過考慮多項因素實現董事會多元化，包括但不限於專業經驗、技能、知識、性別、年齡、文化及教育背景、種族及服務年限。

The Company will also take into account factors relating to its own business model and specific needs from time to time. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent.

本公司亦會考慮有關自身業務模式及不時的特殊需求之因素。本公司認同並重視擁有多元化董事會成員的裨益，並認為提供董事會層面的多元化（包括性別多元化）是維持本公司競爭優勢及盡可能更好地吸引、挽留及激勵優秀僱員的重要因素。

As at the date of the Annual Report, the seven Directors of the Company have a balanced mix of knowledge, skills and experience, including the areas of accounting, asset management, consumer goods and machinery industries. They obtained academic degrees in various majors, including business administration, accounting, computer and marketing. We have three independent non-executive Directors with different industry backgrounds, representing one-third of the members of our Board. Furthermore, our Board has a wide range of age, ranging from 48 years old to 66 years old. We have also taken, and will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to the Board and the management levels. While we recognize that the gender diversity at the Board can be improved, we will continue to apply the principle of appointments based on merits with reference to our Board Diversity Policy.

於本年報日期，本公司七名董事擁有各種知識、技能及經驗，包括會計、資產管理、消費品及機械行業領域。彼等於多個專業獲得學位，包括工商管理、會計、計算機及市場營銷。我們擁有三名具有不同行業背景的獨立非執行董事，佔董事會成員的三分之一。此外，董事會年齡範圍廣泛，介乎48歲至66歲。我們亦已採取並將繼續採取措施促進本公司所有層面的性別多元化，包括但不限於董事會及管理層層面。儘管我們認識到董事會的性別多元化可以改善，但我們將繼續參照董事會多元化政策採用任人唯賢的原則。

Our Nomination Committee is responsible for ensuring the diversity of our Board members and compliance with relevant codes governing board diversity under the CG Code. Our Nomination Committee will review and revisit the Board Diversity Policy and our diversity profile (including gender balance) at least once annually to ensure its continued effectiveness and discuss any revisions that may be required, and recommend any such revisions to our Board for consideration and approval. We will also disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

提名委員會負責遵守企業管治守則項下確保董事會成員的多元化及規管董事會多元化的相關守則。提名委員會將至少每年進行一次董事會多元化政策及多元化概況（包括性別平衡）的回顧和檢討，以確保其持續有效，並討論可能需要的任何修訂，以及向董事會建議任何有關修訂以供審批。我們亦將每年於我們的企業管治報告中披露董事會多元化政策的實施情況。

Training and Continuous Professional Development

Each newly appointed Directors would be provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide the Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

培訓及持續專業發展

每名新委任的董事均獲提供必要的入職培訓及資料，以確保其對本公司的營運及業務以及其於相關法規、法律、規則及規例下的責任有適當程度的了解。本公司亦會定期安排研討會，不時向董事提供上市規則及其他相關法律及監管規定最新發展及變動的最新資料。董事亦定期獲提供有關本公司業績、狀況及前景的最新資料，以便董事會整體及各董事履行其職責。

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has from time to time updated and provided the Directors with written training materials in relation to their roles, functions and duties.

本公司鼓勵董事參與持續專業發展，以發展及更新其知識及技能。本公司不時更新及向董事提供有關彼等角色、職能及職責的書面培訓材料。

Prior to the Listing, all Directors have been given the training regarding the directors' duties and responsibilities, corporate governance and regulatory updates and relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

於上市前，全體董事已接受有關董事職責及責任、企業管治及監管更新的培訓，而相關閱讀材料（包括合規手冊／法律及監管更新／研討會講義）已提供予董事以供彼等參考及學習。

Based on the information provided by the Directors, during the year ended December 31, 2021, the Directors received the following trainings and updates in 2021:

根據董事提供的資料，截至2021年12月31日止年度，董事於2021年已接受以下培訓及更新：

Name of Directors	**董事名稱**	**Attending seminars and/or conferences and/or forums relation to rules and regulations or duties of the directors 出席有關規則及規例或董事職責之研討會及／或會議及／或論壇**	**Reading newspapers, journals and updates relating to the economy and business management and duties of directors 閱讀有關經濟及業務管理以及董事職責之報章、期刊及最新資料**
Executive Directors	**執行董事**		
Mr. Pan Longquan	潘龍泉先生	✓	✓
Ms. Zhang Tong	張彤女士	✓	✓
Mr. Ke Zuqian	柯祖謙先生	✓	✓
Mr. Michael John Clancy	Michael John Clancy先生	✓	✓
Independent Non-executive Directors	**獨立非執行董事**		
Mr. Tian Ming	田明先生	✓	✓
Dr. Li Minghui	李明輝博士	✓	✓
Mr. Jiang Li	蔣立先生	✓	✓

Chairperson and Chief Executive Officer

Under code provision C.2.1 of the CG Code, which requires the roles of chairperson and chief executive officer should be separate and should not be performed by the same individual.

However, the Company does not have a separate chairperson and president and the responsibility of both chairperson and chief executive officer vest in Mr. Pan Longquan. The Board believes that vesting the responsibilities of both chairperson and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of seven Directors in the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and the Shareholders as a whole.

Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

主席及行政總裁

根據企業管治守則的守則條文第C.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。

然而，本公司並無區分主席及總裁，而主席及行政總裁的職責均由潘龍泉先生承擔。董事會相信，由同一人兼任主席及行政總裁的職責，可確保本集團內部領導貫徹一致，使本集團的整體策略規劃更有效及更具效率。此外，董事會合共七名董事中有三名獨立非執行董事，董事會內將有足夠的獨立意見，以保障本公司及股東的整體利益。

因此，董事會認為，現行安排不會損害權力與權限之間的平衡，而此架構將使本公司能夠迅速及有效地作出及實施決策。董事會將繼續進行檢討，並會在計及本集團整體情況後考慮於適當時候將董事會主席與本公司行政總裁的角色分開。

Independent Non-executive Directors

The Board met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

獨立非執行董事

董事會符合上市規則有關委任至少三名獨立非執行董事(佔董事會成員人數三分之一，其中一名獨立非執行董事具備適當專業資格或會計或相關財務管理專業知識)的規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條所載獨立性指引就其獨立性發出的年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

Appointment and Re-Election of Directors

Each of Mr. Pan Longquan, Ms. Zhang Tong, Mr. Ke Zuqian and Mr. Michael John Clancy, an executive Director, has entered into an executive director service agreement with the Company for an initial fixed term of three years commencing from December 8, 2021 and subject to termination in accordance with their respective terms and may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

Each of Mr. Tian Ming, Dr. Li Minghui and Mr. Jiang Li, an independent non-executive Director, has entered into a letter of appointment with the Company for an initial fixed term of three years commencing from December 8, 2021 and subject to termination in accordance with their respective terms.

Save as disclosed above, none of the Directors has entered into, or has proposed to enter into, a service contract or letter of appointment with the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Pursuant to Article 111 (a) of the Articles of Association, subject to the provisions of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but greater than one-third, shall retire from office by rotation. Subject to the provisions of the Ordinance, the Listing Rules and the Articles of Association, the Directors to retire in every year shall be those who have been longest in office since their last election, and as between persons who became Directors on the same day, the Directors to retire shall (unless they otherwise agree between themselves) be determined by lot. Every Director, including those appointed for a specific term, shall be subject to retirement at least once every three years.

委任及重選董事

執行董事潘龍泉先生、張彤女士、柯祖謙先生及Michael John Clancy先生各自已與本公司訂立執行董事服務協議，自2021年12月8日起初步固定任期為三年，可根據彼等各自的條款予以終止，並可根據組織章程細則及適用上市規則予以續期。

獨立非執行董事田明先生、李明輝博士及蔣立先生各自已與本公司訂立委任函，自2021年12月8日起初步固定任期為三年，可根據彼等各自的條款予以終止。

除上文所披露者外，概無董事已與或擬與本集團訂立服務合約或委任函（不包括於一年內屆滿或可由僱主於一年內終止而毋須支付賠償（法定賠償除外）的合約）。

根據組織章程細則第111(a)條，在組織章程細則條文的規限下，於每屆股東週年大會上，當時三分之一的董事（或如董事人數並非三或三的倍數，則須為最接近但超過三分之一的董事人數）均須輪席退任。在條例、上市規則及組織章程細則條文的規限下，每年退任的董事須為自上次獲選後任期最長的董事，而就於同日成為董事的人士而言，退任的董事（除非彼等之間另有協定）須以抽籤方式決定。每名董事（包括有指定任期的董事）須至少每三年退任一次。

Pursuant to Article 110 of the Articles of Association, without prejudice to the power of the Company in general meeting in accordance with any of the provisions of the Articles of Association to appoint any person to be a Director, the Board shall have power, exercisable at any time and from time to time, to appoint any other person as a Director, either to fill a casual vacancy or as an addition to the Board, provided that the number of Directors so appointed shall not exceed the maximum number (if any) determined pursuant to the Articles of Association. Any Directors so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for reelection, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at each annual general meeting. Accordingly, Mr. Pan Longquan, Ms. Zhang Tong and Mr. Ke Zuqian shall retire by rotation at the AGM and they being eligible, offer themselves for re-election.

根據組織章程細則第110條，在不損害本公司根據組織章程細則任何條文於股東大會上委任任何人士為董事的權力的情況下，董事會有權隨時及不時委任任何其他人士為董事，以填補臨時空缺或作為董事會新增成員，惟所委任的董事人數不得超過根據組織章程細則釐定的最高人數（如有）。按上述方式委任的任何董事任期將於本公司下屆股東週年大會舉行時屆滿，屆時可於會上重選連任，惟於釐定須於每屆股東週年大會輪值退任的董事或董事人數時不會被計算在內。因此，潘龍泉先生、張彤女士及柯祖謙先生將於股東週年大會上輪值退任，且彼等符合資格並願意重選連任。

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, and for making recommendations to the Board on the appointment, re-appointment of Directors and succession plans for the Directors.

委任、重選及罷免董事的程序及過程載於組織章程細則。提名委員會負責審閱董事會組成，並就董事委任、重新委任及董事繼任計劃向董事會提出建議。

Board Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals in accordance with the CG Code. Notices of no less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

董事會會議

本公司採納根據企業管治守則定期舉行董事會會議的慣例，每年至少舉行四次會議，大約每季舉行一次。本公司就所有定期董事會會議發出不少於十四日的通知，讓全體董事均有機會出席定期會議並討論議程事項。

For other Board meetings and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying Board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings and that each Director can participate the board proceedings in a meaningful and effective manner. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairperson prior to the meeting. Minutes of meetings shall be kept by the company secretary of the Company with copies circulated to all Directors for information and records. Minutes of the Board

就其他董事會會議及董事委員會會議而言，一般會發出合理通知。議程及相關董事會文件將於會議舉行前至少三日寄發予董事或董事委員會成員，以確保彼等有充足時間審閱有關文件及為會議作充分準備，且各董事均能以具意義及有效的方式參與董事會會議。倘董事或董事委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會主席有關彼等的意見。會議記錄須由本公司之公司秘書保存，副本將於全體董事間傳閱，以供參考及記錄。

meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by the Directors.

董事會會議及董事委員會會議的會議記錄會詳細記錄董事會及董事委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及董事委員會會議的會議記錄草擬本將於會議舉行當日後的合理時間內寄送至各董事，以供彼等提出意見。董事會會議記錄可供董事查閱。

During the year ended December 31, 2021, four Board meetings were held by the Company. During the period form the Listing Date to the date of the Annual Report, one Board meeting was held. The Company did not convene any general meeting for the period from the Listing Date to the date of the Annual Report. As the shares of the Company were listed on the Stock Exchange on December 30, 2021, for the year ended December 31, 2021, the code provisions relating to the number of Board Meetings convened are not applicable to the Company. Commencing from January 1, 2022, the Company will fully comply with the requirements under the code provision C.5.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the version effective from January 1, 2022) by convening Board meetings at least four times a year at approximately quarterly intervals.

截至2021年12月31日止年度，本公司已舉行了四次董事會會議。自上市日期起至本年報日期止期間，已舉行一次董事會會議。自上市日期起至本年報日期止期間，本公司並無召開任何股東大會。由於本公司股份於2021年12月30日在聯交所上市，截至2021年12月31日止年度，有關召開董事會會議次數的守則條文並不適用於本公司。自2022年1月1日起，本公司將全面遵守上市規則附錄十四（於2022年1月1日生效的版本）所載企業管治守則的守則條文第C.5.1條的規定，每年召開至少四次董事會會議，大約每季一次。

The attendance of each Director at the Board meeting during the year ended December 31, 2021 is set out below:

截至2021年12月31日止年度，各董事出席董事會會議的情況載列如下：

Name of Directors	**董事名稱**	**Attended/Eligible to attend the Board meeting 已出席／應出席董事會會議**
Executive Directors	**執行董事**	
Mr. Pan Longquan	潘龍泉先生	4/4
Ms. Zhang Tong	張彤女士	4/4
Mr. Ke Zuqian	柯祖謙先生	4/4
Mr. Michael John Clancy (appointed as a Director with effect from August 4, 2021)	Michael John Clancy先生（自2021年8月4日起獲委任為董事）	1/1
Independent Non-executive Directors	**獨立非執行董事**	
Mr. Tian Ming (appointed as a Director with effect from December 8, 2021)	田明先生（自2021年12月8日起獲委任為董事）	1/1
Dr. Li Minghui (appointed as a Director with effect from December 8, 2021)	李明輝博士（自2021年12月8日起獲委任為董事）	1/1
Mr. Jiang Li (appointed as a Director with effect from December 8, 2021)	蔣立先生（自2021年12月8日起獲委任為董事）	1/1

The CG Code requires that the chairperson should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. As the Company was only listed on December 30, 2021, no meeting between the Chairperson and the independent non-executive Directors was held during the year ended December 31, 2021.

企業管治守則規定，主席應至少每年與獨立非執行董事舉行一次沒有其他董事出席的會議。由於本公司於2021年12月30日才上市，故截至2021年12月31日止年度，主席與獨立非執行董事沒有舉行會議。

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions since the Listing Date. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standards as set out in the Model Code during the period from the Listing Date and up to the date of the Annual Report. There has been no non-compliance with the required standard set out in the CG Code from the Listing Date to the date of the Annual Report.

證券交易的標準守則

自上市日期起，本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「**標準守則**」），作為其本身有關董事進行證券交易的行為守則。經向董事作出具體查詢後，全體董事確認，彼等自上市日期起直至本年報日期期間一直遵守標準守則所載的規定標準。自上市日期起至本年報日期，概無違反企業管治守則所載的規定標準。

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. The Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

董事會授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監察一切政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能牽涉利益衝突者）、財務資料、委任董事及其他重大財務及營運事宜。董事於履行彼等職責時可能獲資源以尋求獨立專業意見，費用由本公司承擔。彼等亦可向本公司高級管理層進行獨立諮詢。

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

本公司的日常管理、行政及營運交予高級管理層負責。授權職能及職責由董事會定期檢討。管理層進行任何重大交易前須取得董事會批准。

Corporate Governance Function

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board confirmed that corporate governance is a collective responsibility of the Directors, which corporate governance functions includes:

(a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(e) to review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and written employee guidelines, and the Company's compliance with the Code and disclosure in this Corporate Governance Report.

企業管治職能

董事會負責履行企業管治守則之守則條文第A.2.1條所載之職能。

董事會確認，企業管治屬董事的共同責任，企業管治職能包括：

(a) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；

(b) 檢討及監察董事及高級管理層的培訓及持續專業發展；

(c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；

(d) 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊（如有）；及

(e) 檢討本公司遵守企業管治守則的情況及企業管治報告的披露資料。

董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法律及監管規定方面的政策及常規、遵守標準守則及書面僱員指引的情況，以及本公司遵守守則的情況及在本企業管治報告內的披露。

BOARD COMMITTEES

董事委員會

AUDIT COMMITTEE

審核委員會

The Audit Committee comprises three members, namely Dr. Li Minghui, Mr. Tian Ming, Mr. Jiang Li, being all independent non-executive Directors. The Audit Committee is chaired by Dr. Li Minghui (being the independent non-executive Director with the appropriate professional qualifications).

審核委員會由三名成員組成，即李明輝博士、田明先生、蔣立先生，彼等均為獨立非執行董事。審核委員會由李明輝博士（具備適當專業資格的獨立非執行董事）擔任主席。

The terms of reference of the Audit Committee are in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of our Audit Committee are to review, supervise and approve our financial reporting process, internal control and risk management system, review and approve connected transactions, oversee the audit process and to provide independent advice and comments to the Board. The written terms of reference of Audit Committee are available on the websites of the Stock Exchange and the Company.

審核委員會的職權範圍符合上市規則第3.21條及上市規則附錄十四所載的企業管治守則。審核委員會的主要職責為審閱、監督及批准我們的財務申報程序、內部控制及風險管理系統、審閱及批准關連交易、監督審核程序及向董事會提供獨立意見及建議。審核委員會的書面職權範圍可於聯交所及本公司網站查閱。

Due to the fact that the Company was listed on December 30, 2021, no Audit Committee meeting was held during the year ended December 31, 2021.

由於本公司於2021年12月30日上市，故截至2021年12月31日止年度並無舉行審核委員會會議。

From the Listing Date to the date of the Annual Report, one meeting of the Audit Committee was held to discuss and consider the following matters:

自上市日期起至本年報日期，審核委員會已舉行一次會議，以討論及考慮以下事項：

- reviewed final results of the Company and its subsidiaries for the fiscal year as well as the audit report prepared by the Auditor relating to accounting issues and major findings in course of audit; and
- reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function), risk management systems, review the annual cap of existing continued connected transactions, and processes and the re-appointment of the Auditor; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the Auditor.

- 審閱本公司及其附屬公司於財政年度的末期業績，以及由核數師就會計事宜及於審核過程中的重大發現所編製的審核報告；及
- 檢討財務申報制度、合規程序、內部監控（包括本公司在會計及財務申報職能方面的資源、員工資歷及經驗、培訓課程及有關預算是否充足）、風險管理系統、檢討現有持續關連交易的年度上限及程序以及核數師的續聘；董事會並無偏離審核委員會就甄選、委任、辭任或罷免核數師提出的任何建議。

The attendance of each Audit Committee member at the Audit Committee meeting during the period from the Listing Date to the date of the Annual Report is set out in the table below:

各審核委員會成員於上市日期起至本年報日期止期間出席審核委員會會議的情況載於下表：

Name of Directors	董事姓名	Attended/Eligible to attend 已出席／應出席
Dr. Li Minghui	李明輝博士	1/1
Mr. Tian Ming	田明先生	1/1
Mr. Jiang Li	蔣立先生	1/1

The Audit Committee also met the auditor once without the presence of the executive Directors during the period from the Listing Date to the date of the Annual Report.

自上市日期起至本年報日期止期間，審核委員會亦在執行董事不在場的情況下與核數師會面一次。

NOMINATION COMMITTEE

提名委員會

The Nomination Committee currently comprises three members, including one executive Director, namely, Mr. Pan Longquan, and two independent non-executive Directors, namely, Mr. Jiang Li and Mr. Tian Ming. The Nomination Committee is chaired by Mr. Jiang Li.

提名委員會現時由三名成員組成，包括一名執行董事（即潘龍泉先生），及兩名獨立非執行董事（即蔣立先生及田明先生）。提名委員會由蔣立先生擔任主席。

The terms of reference of the Nomination Committee are in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary responsibilities of our nomination committee are to consider and recommend to the Board on the appointment, removal and re-election of Directors of the Company and to review the structure, size and composition of the Board and the Nomination Policy and the Board Diversity Policy adopted by the Company on regular basis.

提名委員會的職權範圍符合上市規則附錄十四所載的企業管治守則及企業管治報告。提名委員會的主要職責為考慮及就委任、罷免及重選本公司董事向董事會提出建議，並定期檢討董事會的架構、規模及組成以及本公司採納的提名政策及董事會多元化政策。

The written terms of reference of Nomination Committee are available on the websites of the Stock Exchange and the Company.

提名委員會的書面職權範圍可於聯交所及本公司網站查閱。

Policy on Directors Nomination

董事提名政策

The Company has adopted a nomination policy (the "**Nomination Policy**") on December 8, 2021, which sets out the approach to guide the Nomination Committee in relation to the selection, appointment and re-appointment of the Directors. The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

本公司已於2021年12月8日採納提名政策（「**提名政策**」），當中載列指引提名委員會有關甄選、委任及重新委任董事的方法。提名委員會將在適當時候檢討董事提名政策，以確保其有效性。

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process as set out in the Nomination Policy:

(i) the Nomination Committee will, giving the consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort on suitable candidates, where necessary;

(ii) the Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertisements, recommendations from an independent agency firm and proposals from Shareholders with due consideration given to the criteria as set out in the Nomination Policy;

(iii) the Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as conducting interviews, background checks, presentations and third-party reference checks;

(iv) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;

(v) the Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and

(vi) the Board will have the final authority in determining the selection of nominees and all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be).

In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board. Since the Listing Date up to the date of the Annual Report, there was no change in the composition of the Board.

提名委員會將根據提名政策所載的以下程序及流程向董事會建議委任董事：

(i) 提名委員會經考慮董事會現行組成及人數後，會首先制定一份合適技能、觀點及經驗清單，以便集中尋覓適當人選（如必要）；

(ii) 提名委員會可諮詢其認為恰當的任何來源，以物色或挑選合適候選人，例如現任董事推介、廣告、獨立代理公司推薦及股東建議，並審慎考慮本提名政策所載準則；

(iii) 提名委員會可於評估候選人是否合適時採納其認為恰當的任何程序，例如進行面試、背景調查、簡介會及第三方資歷查核；

(iv) 於考慮候選人是否適合擔任董事時，提名委員會將舉行會議及／或透過書面決議方式酌情批准就委任向董事會提供建議；

(v) 提名委員會其後將就建議委任及建議薪酬待遇向董事會提供建議；及

(vi) 董事會將擁有最終權力可決定提名人選，而所有董事任命將透過相關董事提交出任董事職位同意書（或任何其他要求相關董事確認或接受委任為董事（視情況而定）的類似文件）而確定。

於向董事會推薦候選人時，提名委員會將按客觀準則考慮候選人的優點，並適當考慮董事會成員多元化的裨益。自上市日期起至本年報日期，董事會組成概無變化。

Due to the fact that the Company was listed on December 30, 2021, no Nomination Committee meeting was held during the year ended December 31, 2021.

由於本公司於2021年12月30日上市，故截至2021年12月31日止年度並無舉行提名委員會會議。

From the Listing Date to the date of the Annual Report, one meeting of the Nomination Committee was held to discuss and consider the following matters:

自上市日期起至本年報日期，提名委員會已舉行一次會議，以討論及考慮以下事項：

- reviewed the structure, size and composition of the Board;
- assessed independence of the independent non-executive Directors;
- reviewed the Nomination Policy;
- reviewed the Board Diversity Policy; and
- considered the re-appointment of the retiring Directors.

- 檢討董事會的架構、規模及組成；
- 評估獨立非執行董事的獨立性；
- 檢討提名政策；
- 檢討董事會成員多元化政策；及
- 考慮重新委任退任董事。

The attendance of each Nomination Committee member at the Nomination Committee meeting during the period from the Listing Date to the date of the Annual Report is set out in the table below:

下表載列自上市日期起至本年報日期止期間，提名委員會各成員出席提名委員會會議的情況：

Name of Directors	**董事姓名**	**Attended/Eligible to attend 已出席／應出席**
Mr. Jiang Li	蔣立先生	1/1
Mr. Tian Ming	田明先生	1/1
Mr. Pan Longquan	潘龍泉先生	1/1

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three members, including one executive Director, namely, Ms. Zhang Tong, and two independent non-executive Directors, namely, Mr. Tian Ming and Dr. Li Minghui. The Remuneration Committee is chaired by Mr. Tian Ming.

The terms of reference of the Remuneration Committee are in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the Remuneration Committee are to review and recommend to the Board the policies governing remuneration and other benefits paid by us to our Directors and senior management with reference to the Board's corporate goals and objectives as well as to regularly monitor the reasonableness and appropriacy of levels of the remuneration and compensation of the Directors and senior management and to ensure the formality, transparency and fairness of such remuneration policies. The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

Due to the fact that the Company was listed on December 30, 2021, no Remuneration Committee meeting was held during the year ended December 31, 2021.

From the Listing Date to the date of the Annual Report, one meeting of the Remuneration Committee was held to discuss and consider the following matters:

- recommended to the Board the remuneration packages of individual executive Directors and senior management in respect of the year ended December 31, 2021;
- reviewed the remuneration of non-executive Directors; and
- reviewed and recommended to the Board the Company's policy and structure for the remuneration of all Directors and senior management.

薪酬委員會

薪酬委員會現由三名成員組成，其中包括一名執行董事（即張彤女士）以及兩名獨立非執行董事（即田明先生及李明輝博士）。薪酬委員會由田明先生擔任主席。

薪酬委員會的職權範圍符合上市規則第3.25條以及上市規則附錄十四所載的企業管治守則及企業管治報告。薪酬委員會的主要職責為，參考董事會的企業方針及目標，審閱並向董事會建議監管我們向董事及高級管理層支付的薪酬及其他福利的政策、定期監察董事及高級管理層薪酬及報酬水平的合理性及適當性、以及確保該等薪酬政策的正規性、透明度及公平性。薪酬委員會的書面職權範圍可於聯交所及本公司網站查閱。

由於本公司於2021年12月30日上市，薪酬委員會於截至2021年12月31日止年度概無舉行任何會議。

自上市日期起至本年報日期，薪酬委員會舉行了一次會議，以討論並考慮以下事項：

- 向董事會建議個別執行董事及高級管理層截至2021年12月31日止年度的薪酬待遇；
- 審閱非執行董事的薪酬；及
- 審閱及向董事會建議本公司全體董事及高級管理層的薪酬政策及架構。

The attendance of each Remuneration Committee member at the Remuneration Committee meeting during the period from the Listing Date to the date of the Annual Report is set out in the table below:

下表載列自上市日期起至本年報日期止期間，薪酬委員會各成員出席薪酬委員會會議的情況：

Name of Directors	董事姓名	Attended/Eligible to attend 已出席／應出席
Mr. Tian Ming	田明先生	1/1
Ms. Zhang Tong	張彤女士	1/1
Dr. Li Minghui	李明輝博士	1/1

Remuneration of Directors and Senior Management

The aggregate remuneration (including fees, salaries, bonuses, allowances, benefits in kind and pension scheme contributions) payable to the Directors for the year ended December 31, 2021 was approximately US$2,924 million.

The remuneration of the Directors is determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group. Details of the remuneration by band of the members of the Board and senior management of the Company, whose biographies are set out on pages 29 to 39 of the Annual Report, for the year ended December 31, 2021, are set out below:

董事及高級管理層薪酬

截至2021年12月31日止年度，應付董事的薪酬總額（包括袍金、薪金、花紅、津貼、實物福利及養老金計劃供款）約為2,924百萬美元。

董事薪酬通過參考可資比較公司支付的薪金、董事投入的時間及承擔的職責以及本集團的業績釐定。以下載列截至2021年12月31日止年度，本公司董事會成員及高級管理層（彼等的履歷載列於本年報第29至39頁）按等級劃分的薪酬詳情：

Band of remuneration (US$)	薪酬區間（美元）	Number of individuals 人數
Nil to US$500,000	零至500,000美元	11
Over US$500,000	超過500,000美元	5

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company from the Listing Date to the date of the Annual Report which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company has provided all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding its reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 170 to 177 of the Annual Report.

董事就財務報表的財務申報責任

董事知悉彼等對編製本公司自上市日期起至本年報日期止真實而中肯地反映本公司及本集團事務以及本集團業績及現金流量的財務報表的責任。

管理層已向董事會提供為使董事會可對呈交予董事會以供批准的本公司財務報表進行知情評估而必要的解釋及資料。本公司已向董事會全體成員提供有關本公司表現、狀況及前景的每月更新資料。

董事並不知悉任何與可能對本集團持續經營能力構成重大疑惑的事件或情況有關的重大不確定因素。

核數師就其對本公司綜合財務報表的申報責任發表的聲明載於本年報第170至177頁的獨立核數師報告。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining sound and effective internal control and risk management systems in order to safeguard the Company's assets and its shareholders' interests and reviewing the effectiveness of the Company's internal control and risk management systems on an annual basis so as to ensure that internal control and risk management systems in place are adequate. Such 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.

風險管理及內部控制

董事會負責維持完備有效的內部控制及風險管理系統，以保障本公司資產及其股東權益，以及負責每年審閱本公司內部控制及風險管理系統的有效性，以確保到位的內部控制及風險管理系統屬充分。該等系統設計旨在管理而非消除達致業務目標的失敗風險，並僅可提供針對重大錯誤陳述或損失的合理而非絕對的保證。

The Company has established comprehensive risk management and internal control processes through which the Company monitors, evaluates and manages the risks that the Company is exposed to its business activities and operations, which include but are not limited to procurement management, sales management, inventory management, research and development management, investment management, credit risk, related party transaction controls, information disclosure controls, human resources, IT management and other financial and operational controls and monitoring procedures. Examples of the relevant risk management and internal control measures are as follows:

本公司已建立綜合風險管理及內部控制流程，並通過此流程監察、評估及管理本公司在其業務活動及運營中面臨的風險，包括但不限於採購管理、銷售管理、存貨管理、研發管理、投資管理、信貸風險、關聯方交易控制、信息披露控制、人力資源、資訊科技管理及其他財務及營運控制及監控程序。相關風險管理及內部控制措施的示例如下：

Financial Reporting Risk Management – The Company has in place a set of accounting policies in connection with its financial reporting risk management, such as financial report management policies, budget management policies, financial statements preparation policies and financial department and staff management policies.

財務報告風險管理 – 本公司已就其財務報告風險管理制定一套會計政策，如財務報告管理政策、預算管理政策、財務報告編製政策以及財務部門及員工管理政策。

Information System Risk Management – The Company has implemented relevant internal procedures and controls to ensure that user data is protected and that leakage and loss of such data is avoided.

資訊系統風險管理 – 本公司已實施相關內部程序及控制措施，以確保用戶數據受到保護，並避免有關數據洩漏及丟失。

Internal Control Risk Management – The legal & compliance department of the Company reviews and updates the forms of contracts the Company enters into with its customers and suppliers and other relevant due diligence materials.

內部控制風險管理 – 本公司法律及合規部門會審閱及更新本公司與客戶及供應商訂立的合約形式以及其他相關盡職審查材料。

Human Resources Risk Management – The Company has in place an employee handbook approved by its management and distributed to all of its employees, which contains internal rules and guidelines regarding best commercial practices, work ethics, fraud prevention mechanism, negligence and corruption.

人力資源風險管理 – 本公司已制定經管理層批准並派發予全體僱員的員工手冊，當中載有有關最佳商業慣例、職業道德、防止欺詐機制、疏忽及貪污的內部規則及指引。

Investment Risk Management – The investment strategy of the Company is grounded in the principles of compliance, prudence, safety and effectiveness and the Company considers criteria including (i) size, expected returns and associated risks; (ii) compliance with applicable laws and regulations; (iii) consistency with our growth strategy; (iv) appropriateness of enterprise resource allocation; and (v) optimization of our portfolio when making investment decisions.

投資風險管理 – 本公司投資策略乃基於合規、審慎、安全有效的原則。本公司於作出投資決策時考慮的標準包括(i)規模、預期回報及相關風險；(ii)適用法律法規的合規情況；(iii)與我們增長策略的一致性；(iv)企業資源分配的合理性；及(v)投資組合的優化。

The risk management procedure of the Company is based on the well-defined risk identification standards, risk monitor responsibilities and risk control measure of each major classification. The management of the Company actively monitors the regional economy, trend of power tools and outdoor power equipment industry, reliance on continuing connected transactions and changes in applicable laws and regulations, and assesses income and expenditure and absorptive capacity of business expansions. The recommendations submitted by independent consultant have been accepted by the Company and implemented in stages, to further enhance the policies, procedures and practices of its internal control and risk management. The risk management procedure of the Company clearly specifies the management duties, authorization and approval of each party in respect of the major risk identification and management, and develops clear written policy for significant risk management process and circulate it to all managements and staffs. The Company's internal control procedures are designed to provide reasonable assurance for achieving objectives, including efficient and stable operations, reliable financial reporting and compliance with applicable laws and regulations. The management will review the risk assessment report on a quarterly basis and reports to the Board on a semi-annual basis.

本公司的風險管理程序基於各主要分類界定分明的風險識別標準、風險監察責任及風險控制措施。本公司管理層積極監察地區經濟、電動工具及戶外動力設備行業趨勢、對持續關連交易的依賴情況以及適用法律法規的變動情況，並評估業務擴張的收入及支出以及消化能力。獨立顧問提交的建議已被本公司接納並分階段實施，從而進一步加強其內部控制及風險管理的政策、程序及實踐。本公司的風險管理程序明確列出各方在主要風險識別及管理方面的管理職責、授權及批准，以及就重大風險管理流程制定明確的書面政策並將其向全體管理層及員工傳閱。本公司的內部控制程序設計旨在提供對達致目標的合理保證，有關目標包括高效及穩健的營運、可靠的財務申報及遵守適用法律法規。管理層將每季度審閱我們的風險評估報告，每半年向董事會報告。

During the year ended December 31, 2021, the Board has conducted a review of the effectiveness of internal control and risk management system of the Group and is of the view that such system is effective and adequate.

於截至2021年12月31日止年度，董事會已審閱本集團內部控制及風險管理系統的有效性，並認為該系統有效且充分。

During the year ended December 31, 2021, the Company has adopted various measures to ensure the effective implementation of its internal control and risk management system, including (i) establishing an Audit Committee to review and supervise our financial reporting process and internal control system; (ii) adopting various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; (iii) organizing training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong; (iv) conducting regular internal training for our employees and management on applicable laws and regulations to ensure awareness and compliance which cover various aspects of employee behavior during the ordinary business operations; and (v) appointing Guotai Junan Capital Limited as our compliance adviser to advise on ongoing compliance with the Listing Rules and other applicable securities laws and regulations in Hong Kong.

於截至2021年12月31日止年度，本公司已採取各種措施確保其內部控制及風險管理系統的有效執行，其中包括(i)建立審核委員會，以審閱及監督我們的財務報告流程和內部控制系統；(ii)採取各種政策以確保遵守上市規則，包括但不限於與風險管理、關連交易及信息披露有關的方面；(iii)就上市規則的相關規定及香港上市公司董事的職責，為我們的董事及高級管理層舉辦培訓課程；(iv)對我們的員工及管理層定期進行適用法律法規方面的內部培訓，以確保了解和遵守日常業務運營中僱員行為的各個方面；及(v)任命國泰君安融資有限公司為我們的合規顧問，以就持續遵守上市規則及香港其他適用的證券法例及規例提供建議。

The Company has adopted other internal rules and policies on December 8, 2021, which include procedures for handling inside information in accordance with the SFO and the Listing Rules to ensure the confidentiality of handling inside information and the publication of respective disclosure to the public as soon as practicable. The Company will make corresponding information disclosure timely with regard to information that is unlikely to maintain confidentiality, so as to ensure effective protection of the rights and interests of investors and stakeholders.

本公司已於2021年12月8日根據證券及期貨條例以及上市規則採用其他內部規則及政策(包括處理內幕消息的程序)，以確保處理內幕消息的保密性及在實際可行的情況下盡快向公眾刊發相關披露。對於不大可能保持機密的信息，本公司將及時作出相應的信息披露，以確保投資者及權益人的權利和利益得到有效保護。

In conclusion, the Company believes that its internal control and risk management system is sufficient and effective.

總而言之，本公司認為其內部控制及風險管理系統屬充分及有效。

DISCLOSURE POLICY

The Company has adopted other internal rules and policies on December 8, 2021, which includes procedures for disclosure policy and provides a general guide to the Company's directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

披露政策

本公司已於2021年12月8日採用其他內部規則及政策，包括披露政策程序及為本公司董事、高級職員、高級管理層及相關僱員處理機密資料、監督資料披露及回應查詢提供全面指引。本公司已實施監控程序，以確保嚴格禁止未經授權的內部資料獲取及使用。

DIVIDEND POLICY

The Company adopted a dividend policy (the "**Dividend Policy**") on December 8, 2021, which outlines the principles and guidelines that the Company intends to apply in relation to the declaration, payment and distribution of dividends to the Shareholders.

股息政策

於2021年12月8日，本公司採用股息政策(「**股息政策**」)，該政策概述本公司就向股東宣派、派付或分派股息擬採用的原則及指引。

According to the Dividend Policy, subject to the Articles of Association of the Company and all applicable laws and regulations, the Board after taking into account several factors, has absolute discretion on whether to declare and distribute dividends.

根據股息政策，在受本公司組織章程細則及所有適用法律法規規限的情況下，董事會經考慮若干因素後，可全權酌情決定是否宣派及分派股息。

The Board will take into consideration, if it decides to pay dividends, the Company's operational results, cash flows, financial condition, statutory and regulatory restrictions on the payment of dividends by the Company, the capital requirements, future business plans and prospects and any other factors that the Board may consider relevant.

倘決定派付股息，董事會將考慮本公司的營運業績、現金流量、財務狀況、本公司派付股息的法定及監管限制、資本需求、未來業務計劃及前景以及董事會可能認為相關的任何其他因素。

We have adopted a general annual dividend policy of declaring and paying dividends on an annual basis of no less than 20% of our total net profit attributable to us for any particular year. The declaration of dividends is subject to the discretion of our Directors, and, if necessary, the approval of our Shareholders. A decision to declare or to pay any dividends and the amount of any dividends will depend on various factors, including but not limited to our results of operations, cash flows and financial conditions, operating and capital expenditure requirements, distributable profits as determined under applicable laws, our Articles of Association, market conditions, our strategic plans and prospects for business development, contractual limits and obligations, payment of dividends to us by our operating subsidiaries, taxation, and any other factors determined by our Board of Directors from time to time to be relevant to the declaration of dividend payments. Our future declarations of dividends may or may not reflect our historical declarations of dividends. In addition, our Directors may reassess our dividend policy in the future.

我們已採納一般年度股息政策，按任何特定年份我們應佔淨利潤總額的不少於20%基準宣派及派付年度股息。股息宣派由我們的董事酌情釐定及（如需要）須經股東批准。宣派或派付任何股息的決定及任何股息金額將取決於各項因素，包括但不限於我們的經營業績、現金流量及財務狀況、運營及資本開支需求、根據適用法律釐定的可供分配利潤、我們的組織章程細則、市場狀況、我們的策略計劃及業務發展前景、合同限制及責任、我們運營附屬公司向我們支付的股息、稅務及我們董事會不時釐定與宣派股息相關的任何其他因素。我們日後的股息宣派可能會或可能不會反映我們的過往股息宣派。此外，董事日後可重新評估我們的股息政策。

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the Auditor to the Company for the year ended December 31, 2021 was approximately as follows:

核數師薪酬

截至2021年12月31日止年度，核數師向本公司提供的審計及非審計服務的薪酬概約情況如下：

Type of Services	**服務類別**	**Amount 金額 (US$'000) （千美元）**
Audit services	審計服務	1,332
Non-audit services related to tax consultation	關於稅務諮詢的非審計服務	182
Total	**總計**	1,514

COMPANY SECRETARIES

Directors have access to the services of the joint company secretaries to ensure that the Board procedures are followed. Mr. Hu Yian ("**Mr. Hu**"), one of the joint company secretaries, is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures and applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engaged Ms. Chow Yuk Yin Ivy ("**Ms. Chow**"), a director of the Corporate Services Department of Tricor Services Limited (a global corporate services provider), as another joint company secretary to assist Mr. Hu in discharging his duties as company secretary of the Company. Ms. Chow's primary corporate contact person at the Company is Mr. Hu.

For the year ended December 31, 2021, Ms. Chow has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules. As the Company listed on the Stock Exchange on December 30, 2021, Mr. Hu had taken less than 15 hours of relevant professional training during the period from the Listing Date to the date of the Annual Report and will be obliged to comply with Rule 3.29 of the Listing Rules in 2022.

公司秘書

董事可獲得聯席公司秘書服務，以確保遵循董事會程序。胡以安先生(「**胡先生**」)(聯席公司秘書之一)負責就企業管治事宜向董事會作出建議，並負責確保董事會政策及程序以及適用法律、規則及法規得到遵守。

為維持良好的企業管治及確保遵守上市規則及適用香港法例，本公司亦聘請周玉燕女士(「**周女士**」)(卓佳專業商務有限公司(一家環球企業服務供應商)企業服務部董事)為另一名聯席公司秘書，以協助胡先生履行其作為本公司的公司秘書職責。周女士於本公司的主要企業聯繫人為胡先生。

截至2021年12月31日止年度，周女士已根據上市規則第3.29條接受不少於15個小時的相關專業培訓。由於本公司於2021年12月30日在聯交所上市，胡先生於自上市日期起至本年報日期止期間已接受少於15個小時的相關專業培訓，胡先生於2022年內將須遵守上市規則第3.29條。

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Company's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The AGM provides an opportunity for constructive communication between the Company and the Shareholders. The Chairperson and the chairmen of the Board Committees of the Company or their delegates will attend the AGMs to answer Shareholders' questions. The Auditor will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

與股東的溝通及投資者關係

本公司認為與股東的有效溝通對加強投資者關係及增進投資者對本公司業務、表現及策略的了解至關重要。本公司亦認識到及時和非選擇性披露信息的重要性，其將使股東及投資者得以作出知情的投資決策。

股東週年大會為本公司與股東之間的建設性溝通提供了機會。本公司董事長及董事委員會主席或彼等授權代表將出席股東週年大會以回答股東提問。核數師亦將出席股東週年大會以回答有關審計行為、核數師報告編製及內容、會計政策及核數師獨立性的提問。

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders to ensure that Shareholders' views and concerns are appropriately addressed and maintains a website of the Company at https://global.chervongroup.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Such policy is regularly reviewed to ensure that it has been implemented in a proper and effective manner.

為促進有效溝通，本公司採用一項旨在建立本公司與股東之間雙向關係及溝通的股東溝通政策，以確保股東的意見及關注得到適當回應，並維持本公司網站https://global.chervongroup.com，登載本公司業務營運及發展的最新資料、財務資料、企業管治實踐及其他資料，以供公眾查閱。該政策定期審核以確保其獲適當有效實施。

SHAREHOLDERS' RIGHTS

股東權利

To safeguard Shareholders' interests and rights, separate resolution on each substantially separate issue will be proposed for voting at the general meeting, including the election of individual Directors.

為保障股東的利益及權利，將就股東大會上的每個實質性不同的議題提呈單獨決議案以供進行投票表決，包括選舉個別董事。

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

股東大會上提呈的所有決議案將根據上市規則以投票方式進行表決，表決結果將在每次股東大會後及時發佈在本公司及聯交所網站。

According to Article 62 of the Articles of Association and the Companies Ordinance, Shareholders may: (i) move a requisition to move a resolution at the AGM; (ii) requisition to convene an extraordinary general meeting (the "**EGM**"); and (iii) propose a person for election as a Director at a general meeting.

根據組織章程細則62條及公司條例，股東可：(i)於股東週年大會上請求動議決議；(ii)請求召開股東特別大會（「**股東特別大會**」）；及(iii)提議於股東大會上選舉任何人士為董事。

Requisition to Move a Resolution at an AGM

於股東週年大會上請求動議決議案

In accordance with section 615 of the Companies Ordinance, a requisition to move a resolution at the AGM may be submitted by any number of Shareholders representing not less than 2.50% of the total voting rights of all Shareholders having the right to vote on that resolution at the AGM, or not less than 50 Shareholders having the right to vote on that resolution at the AGM. The requisition must identify the resolution and must be authenticated by the person(s) making it. The requisition must be deposited at the Registered Office (as defined below), for the attention of the joint company secretaries, not later than 6 weeks before the AGM to which the request relates, or if later, when the Notice of AGM is dispatched.

根據公司條例第615條規定，於股東週年大會上動議決議案的請求可由下列股東提交：任何不少於有權在股東週年大會上就該決議案表決的所有股東的總表決權2.50%的該等股東，或不少於50名有權於股東週年大會上就該決議案表決的股東。請求書須陳述決議案之內容，並須經提出該要求的人士認證。請求書須於就該請求有關股東週年大會至少六個星期前，或（倘於在上述時間後送抵）於股東週年大會的通知發出之時，遞交至註冊辦事處（定義見下文），收件人為聯席公司秘書。

Requisition to Convene General Meeting

Shareholders holding not less than 5% of the total voting rights of all the members having a right to vote at general meetings of the Company can deposit a requisition to call a general meeting pursuant to sections 566 to 568 of the Companies Ordinance. The requisition must state the general nature of the business to be dealt with at the meeting, and must be authenticated by the person(s) making it. The requisition must be deposited at our Registered Office for the attention of the joint company secretaries.

請求召開股東大會

持有不少於所有有權於本公司股東大會上表決的股東的總表決權5%的股東，可根據公司條例第566至568條請求召開股東大會。請求書須陳述大會上將予處理事宜之一般性質，並須經提出該要求的人士認證。請求書須遞交至我們的註冊辦事處，收件人為聯席公司秘書。

Proposing a Person for Election as a Director at a General Meeting

If a Shareholder wishes to propose a person for election as a Director at a general meeting, he/she must give a written notice to that effect to the Joint Company Secretaries. The written notice must include the personal information of the person proposed for election as a Director as required by Rule 13.51(2) of the Listing Rules and be signed by such Shareholder and the person proposed for election as a Director indicating his/her willingness to be appointed or re-appointed and consent of publication of his/her personal information. Such notice shall be given within the period (or a longer period as may be determined by the Directors from time to time) commencing no earlier than the day after the dispatch of the notice of such meeting and ending no later than seven days prior to the date appointed for such meeting. Such details and procedures are available in our website. For requesting the Company to circulate to Shareholders a statement with respect to a matter mentioned in a proposed resolution or any other business to be dealt with at a general meeting, Shareholders are requested to follow the requirements and procedures as set out in section 580 of the Companies Ordinance.

於股東大會上提議選舉任何人士為董事

倘股東希望於股東大會上提議選舉任何人士為董事，彼須將一份關於該事宜的書面通知遞交聯席公司秘書收。根據上市規則第13.51(2)條的要求，該書面通知須包括該名獲提議選舉為董事之人士的個人資料，且須經該股東及表明願意獲委任或重新委任為董事之人士簽署，或同意刊登其個人資料之同意書。通知須於自有關大會的通知寄發之翌日起至有關大會指定舉行日期前七日止期間（或董事可能不時釐定的更長期間）送交。有關詳情及程序已登載於本公司網站。要求本公司就提議的決議案所述事宜或任何大會上將予處理的事宜向股東轉傳聲明，股東須遵守公司條例第580條所載的規定及程序。

Procedure in relation to Raising Enquiry and Concerns with the Board

Shareholders of the Company wishing to make any enquiry to the Board may do so in writing to the Company since verbal or anonymous ones would not generally be dealt with by the Company.

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the registered office (the "**Registered Office**") of the Company at Unit 04, 22/F, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kowloon, Hong Kong by mail, telephone (+86 25 84994002) or e-mail chervon-ir@cn.chervongroup.com.

For the avoidance of doubt, Shareholder(s) must deposit the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the below address and provide their full names, contact details and identification in order to give effect to such requisition, notice or statement, or enquiry. Shareholders' information may be disclosed as required by law.

向董事會提出查詢與關注的程序

本公司股東如欲向董事會提出任何查詢，可以書面方式向本公司提出。本公司通常不會處理口頭或匿名的查詢。

股東如欲向董事會作出有關本公司的查詢，可將其查詢郵寄至本公司註冊辦事處(「**註冊辦事處**」)，地址為香港九龍荔枝角長順街7號西頓中心22樓04室，電話(+86 25 84994002)或以電郵(chervon-ir@cn.chervongroup.com)方式作出有關查詢。

為免生疑問，股東必須呈上經正式簽署的書面要求、通告、聲明或查詢(視情況而定)之正本，發送至以下地址，並提供其全名、聯絡方式以及身份證明，以使相關要求、通告、聲明或查詢生效。股東資料可能會按照法律規定予以披露。

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company adopted amended and restated articles of association on December 8, 2021, which has been effective from December 16, 2021. From the Listing Date to the date of the Annual Report, the said amended and restated articles of association did not have any change.

章程文件的更改

本公司於2021年12月8日採納經修訂及重列組織章程細則(自2021年12月16日起生效)。自上市日期起至本年報日期，上述經修訂及重列組織章程細則並無任何變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
環境、社會及管治報告

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ABOUT THE REPORT

This is the first Environmental, Social and Governance Report (hereinafter referred to as "the Report") issued by Chervon Holdings Limited and its subsidiaries (hereinafter referred to as "Chervon Holdings", "the Group" or "we"), presenting the management practice and performance in the aspects of environment, social and governance in 2021, and performance in fulfilling environmental and social responsibilities.

Reporting Scope

Unless specified, the content and the coverage of social key performance indicators disclosed in the Report are the same as those in the Group's 2021 Annual Report. The environmental key performance indicators only include the Group's operating premises in Nanjing, China, where the output value of the production facilities accounts for approximately 90% of the Group's total output value in 2021.

Reporting Period

The Report is an annual report for the period from 1 January to 31 December 2021. To enhance the readability of the Report, some contents or data relate to previous years or the date of publication of the Report.

Main Reference Standards of the Report

The Report is prepared in accordance with the requirements of the *Environmental, Social and Governance Reporting Guidelines* of The Stock Exchange of Hong Kong Limited ("HKEX").

Reporting Principles

The Report is prepared in accordance with the following reporting principles:

Materiality: We identify major ESG issues through materiality assessment, and the relevant processes and results have been disclosed in the Report.

Quantitative: The Group in accordance with the requirements of the "Key Performance Indicators" in the *Environmental, Social and Governance Reporting Guidelines* of The Stock Exchange of Hong Kong Limited as set out in Appendix 27 to the Listing Rules and takes quantitative disclosure of key performance indicators with historical data in the areas of "environment" and "society".

關於本報告

本報告是泉峰控股有限公司及附屬公司(以下簡稱「泉峰控股」、「本集團」或「我們」)發佈的首份環境、社會與管治報告(以下簡稱「本報告」),旨在呈現泉峰控股2021年度在環境、社會與管治方面的管理實踐,以及履行環境責任、社會責任方面的工作表現。

報告主體範圍

如無特殊説明,本報告所披露文字內容和社會範疇關鍵績效指標的涵蓋範圍與泉峰控股2021年年報相同。環境範疇的關鍵績效指標僅包括本集團在中國南京市的運營處所,其中的生產基地產值約佔本集團2021年總產值的90%。

報告時間範圍

本報告為年度報告,時間範圍是2021年1月1日至12月31日。為增強報告的可讀性,部分內容或數據涉及到以往年度或本報告發佈日前。

報告編製依據

本報告依據香港聯合交易所《環境、社會及管治報告指引》披露要求編製。

匯報原則

本報告乃根據以下原則編製:

重要性:我們通過重要性評估確定主要ESG議題,相關過程與結果已經在本報告中披露;

量化原則:本集團依據聯交所「上市規則指引 — 附錄二十七環境、社會及管治報告指引」中「關鍵績效指標」要求,對「環境」和「社會」範疇的具有歷史數據的關鍵績效指標進行量化的披露。

Consistency: We follow a consistent statistical method of disclosure and will adopt a consistent statistical method to disclose ESG information in subsequent years to facilitate meaningful comparisons from year to year.

一致性原則：我們遵循一致的披露統計方法，將在往後年度採用一致的方法進行ESG信息的披露，以方便逐年做有意義的比較。

Access to the Report

The Report is released online, and the Chinese and English versions of the Report can be downloaded from the official website of Chervon Holdings Limited (https://global.chervongroup.com/zh) and the website of the Hong Kong Stock Exchange. The Report is published in both Chinese and English. In case of discrepancies between the Chinese version and the English translation, the Chinese version shall prevail.

報告發佈形式

本報告採用電子版形式發佈，可在泉峰控股有限公司官網(https://global.chervongroup.com/zh)及香港聯合交易所網站下載本報告的中英文版本。本報告以中英文兩種文字出版，在對兩種文本理解發生歧義時，請以中文文本為準。

Contact Us

We attach great importance to the opinions of various stakeholders and the public on the Report. If you have any inquiries or suggestions on the Group's environmental, social and governance performance, please contact us through email (esg@cn.chervongroup.com).

聯繫我們

我們十分重視各利益相關方和公眾對本報告的看法，若　閣下對公司的環境、社會及管治表現有任何意見或建議，歡迎發送郵件至esg@cn.chervongroup.com。

MESSAGE FROM THE CHAIRMAN

2021 was a challenging and significant year for Chervon. In the face of changes in global trends compounded by the pandemic, we made an all-out effort to address various risks and challenges, forge ahead with perseverance, seek both stability and progress, and establish a new image for "Made in China."

Guided by our corporate mission of "Better Tools, Better World," we have always adhered to the business philosophy of achieving coordinated economic, social and environmental development and promoting future-oriented, environment-friendly sustainable business practices, with the ultimate goal of creating value and fulfilling our corporate social responsibility.

Staying true to our original intention of "creating good products" and striving to become an innovation-driven global leader

Over the years, we have always put product quality first. By relying on our strong research and development (R&D) capabilities and production experience, we have built a comprehensive internal control system to ensure that our components and products meet high-quality standards. On this basis, we are able to continually provide users with safe, efficient and convenient power tools and outdoor garden equipment. By continuously innovating and providing superior products to users around the world, we aim to become a global leader in power tools and outdoor garden equipment in the lithium-ion, intelligent and digital era. At the same time, we are relentlessly focusing on user-centric innovation, with a view to creating a better user experience for consumers.

Upholding the concepts of value, quality and sustainability

Amid global climate change and the gradual implementation of the dual carbon goal in China, low-carbon operations and green product development are becoming increasingly important, and the shift from "electric first" to "fully electric" has become a consensus in the industry. In response to the *Outline of the 14th Five-Year Plan for National Economic and Social Development* and the *Made in China 2025* strategy, we have formulated the *Mid and Long-term Plan for Green Development* for the period from 2021 to 2025.

董事長致辭

2021年，對於泉峰控股是充滿挑戰又極具里程碑意義的一年。面對全球形勢變化與新冠疫情疊加的複雜局面，我們堅持全力應對各種風險挑戰，砥礪前行，穩中求進，樹立「中國製造」新形象。

遵循「造好工具，助世界一臂之力」的企業使命，我們一直遵循經濟、社會及環境共同發展的經營理念，推進未來導向的、環境友好的、創造價值的可持續性業務實踐並履行企業社會責任。

堅守「做好產品」的初心，勇爭創新驅動型全球領導者

多年來，我們把產品質量放在首位，依托強大的研發實力和生產經驗，構建了完備的內控標準體系，確保從關鍵零部件到各品類、型號產品均有高質量標準可依，持續為用戶提供安全、高效和便捷的電動工具和戶外園林設備。我們立志通過持續創新，為全球用戶提供卓越的產品，成為電動工具及戶外園林設備行業鋰電化、智能化及數字化時代的創新驅動型全球領導者。同時，我們始終專注於以用戶為中心的創新理念，致力於為消費者創造更優質的使用體驗。

堅持有價值、有質量、可持續的取向，經濟、社會與環境效益的三贏

隨着應對氣候變化成為全球性話題以及雙碳目標在中國的逐步落地，我們看到綠色低碳運營和發展綠色產品的重要性日益凸現。行業「電動為先」轉變為「全面電動」漸成共識。我們積極響應《國民經濟和社會發展第十四個五年規劃綱要》和《中國製造2025》戰略部署，制定了2021~2025年《綠色發展中長期規劃》。

With our dedicated R&D capabilities in the field of lithium-ion battery technology, we have been able to develop products that feature green attributes and long battery lives. Designed with a modular architecture, our products use battery packs as the core base module, which enables us to use highly compatible batteries to power all of our products. Meanwhile, by increasing the reuse rate of base modules, we are not only able conserve resources in battery production, but also bring more value to users.

憑借在鋰電池系統技術領域的專注研發能力，我們的產品兼具綠色環保特質與強大的動力儲備性能，並以模塊化思路架構設計產品，以電池包為核心基礎模塊，讓具有高兼容性的電池可以為所有產品提供動力源。通過提高基礎模塊的復用率，不僅減少了電池生產帶來的資源消耗，也切切實實地為用戶帶來了價值。

We also actively promote the use of clean energy at our operational sites. Chervon has undertaken various "blue roof," "green roof" and "geothermal resource" initiatives to promote clean energy use, reduce greenhouse gas emissions in daily production and operations, and enhance operational resilience during power rationing. In the future, we plan to work with our global partners to explore more green opportunities and develop innovative green products.

我們亦積極推廣運營點內清潔能源的使用，通過「藍色屋頂」「綠色屋頂」「地熱資源使用」等措施廣泛使用清潔能源，不僅減少日常生產經營中的溫室氣體排放，亦增強了被限電期間的經營韌性。未來，我們願與全球合作夥伴共同努力，通過技術創新，探索綠色商機，研發綠色創新產品。

Caring for employees and society, and responsible corporate citizenship

關愛員工與社會，做有責任的企業公民

Adhering to our "people-oriented" concept, we regard employees as our corporate's most precious asset. We are committed to creating an equal, respectful and harmonious working environment for all employees, and we are dedicated to building a growth model that encourages collaborative development and mutual growth. I would like to take this chance to express my heartfelt gratitude to Chervon staff both at home and abroad who have been striving for excellence and innovation, creating high-quality products and providing considerate services to our customers for many years.

我們秉承「以人為本」的宗旨，視員工為企業寶貴的財富，致力於為員工創造平等、尊重、融洽的工作環境，保持公司內部和諧、共同進步的工作氛圍，堅持構建與員工協同發展、彼此成就的成長模式。在這裏，我由衷地感謝多年來精益求精、銳意創新、打造高品質的產品並提供周到的服務的海內外泉峰人。

As our business prospers, we always remember the suppliers, distributors and customers who have accompanied us along the way, and we maintain regular communication with them to foster closer relationships. We have strengthened R&D and brand building, and we strive to be a responsible corporate citizen by actively participating in charity events so as to give back to society. Going forward, we will continue to adhere to the philosophy of "integrity, diligence, enthusiasm and aspiration," and work hand in hand with all of you as we use technology to empower sustainable development.

在企業繁榮發展的同時，我們也不忘一路相伴的供應商、經銷商和客戶，保持緊密的溝通互動，加強研發和品牌拓展，並努力回饋社會，做有責任的企業公民，積極投身公益事業。展望未來，我們將堅持誠思積善、天道酬勤的理念，在科技引領發展的路上腳踏實地，與諸君在可持續發展的路上攜手同行。

Pan Longquan
Chairman
29 April 2022

董事長
潘龍泉
2022年4月29日

BOARD OF DIRECTORS' ESG STATEMENT

The Board of Directors of Chervon Holdings assumes full responsibility for the Group's ESG strategy and reporting, is responsible for assessing and determining the Group's environmental, social and governance risks, and ensuring that Chervon Holdings establishes appropriate and effective environmental, social and governance risk management and internal control systems.

To promote the implementation and management of ESG-related affairs, Chervon Holdings has established a complete and rigorous ESG governance structure. The Board of Directors has the ultimate responsibility for the direction, strategy, goals, performance and reporting of the Group's sustainable development, and is responsible for oversight ESG matters including the identification and prioritization of key ESG issues, target commitment and actual performance monitoring of ESG matters. It is the responsibility of the Board of Directors to ensure the integration of ESG philosophy and the Group's strategy and establish an ESG Management Committee with the participation of the vice president of EHS, the vice president of Human Resources Department and the director of the Legal and Compliance department. The ESG Management Committee is responsible for reporting to the Board of Directors to help it evaluate and sort out the Group's ESG risk management and internal control systems, supervise the achievement of corporate strategic goals and enhance corporate ESG performance.

Chervon Holdings is committed to becoming an excellent corporate citizen, and always regards corporate environmental responsibility and social responsibility as an important part of the Group's strategy. The Board of Directors attaches great importance to the determination of important ESG topics. Based on the corporate management strategy and current situations, through exchanges and communication with stakeholders, peer companies disclose indicators, and benchmarking of industry-leading practices, the core ESG topics are identified and screened out, to determine the direction of ESG work and ESG reporting.

董事會ESG聲明

泉峰控股董事會對集團的環境、社會及管治策略及匯報承擔全部責任，負責評估及釐定集團有關環境、社會及管治的風險，並確保泉峰控股設立合適及有效的環境、社會及管治風險管理及內部監控系統。

為有效推進ESG相關事務的執行與管理，泉峰控股設立了完善而嚴謹的ESG管治架構，董事會對可持續發展的整體方向、戰略、目標、表現和報告負有最終責任，負責ESG事宜的監管，包括ESG關鍵議題的識別和優先次序排列、其目標承諾及實際表現監管，確保ESG理念與集團戰略的融合，並設有由EHS副總裁、人力資源副總裁以及法律合規部總監參與的ESG管理委員會，該委員會負責向董事會匯報，以助其評估及梳理集團ESG的風險管理及內部控制系統，監督達成企業戰略目標及提升企業ESG表現。

泉峰控股致力於成為優秀的企業公民，一貫將企業的環境責任與社會責任視為集團的戰略重要組成部分。董事會重視ESG重要議題的確定，以企業管理策略、經營現狀為基礎，通過與利益相關方的交流和溝通，同業公司披露指標、行業領先實踐的對標梳理，識別和篩選出ESG核心議題，以確定ESG工作與ESG報告的方向。

The Report discloses the progress and effectiveness of the Group's ESG work in 2021. The Board of Directors and all directors of the Group guarantee that the content of the Report does not contain any false records, misleading statements, or major omissions, and take individual and joint responsibility for the authenticity, accuracy, and completeness of the Report. Going forward, we will continue to adjust the sustainable development management strategy and promotion method according to the expectations of stakeholders and the actual operation situation, to continuously improve the sustainable development of the Group.

本報告詳盡披露本集團2021年ESG工作的進展與成效，集團董事會及全體董事保證本報告內容不存在任何虛假記載、誤導性陳述或重大遺漏，並對其內容的真實性、準確性和完整性承擔個別及連帶責任。未來，我們將持續根據利益相關方期望和公司運營實際調整可持續發展管理策略及推進方式，不斷提升本集團可持續發展水平。

I. ABOUT US

Company Overview

Chervon Holdings Limited is affiliated to the CHERVON Group and is a global solution provider specializing in product research and development, manufacturing, testing, sales and after-sales service of power tools, outdoor power equipment and related industries.

Chervon Holdings is committed to user-centric innovation, smart manufacturing and building a complete sales network to provide global users with excellent brands and products. The Group has established broad and close cooperation with many of the world's leading home centres, department chain stores, distributors and power tool manufacturers, and its products are sold in more than 100 countries around the world.

Through research and development, multi-channel distribution network, advanced testing centre and vertically integrated smart manufacturing capabilities, Chervon Holdings has become the leading global supplier of power tools and outdoor power equipment in the world.

Corporate Mission

Better Tools. Better World.

Chervon Holdings is determined to provide excellent products to users through continuous innovation and become an innovation-driven global leader in the era of lithium-ion, intelligence and digitalization in the power tool and outdoor power equipment industry.

一、 關於我們

公司概況

泉峰控股有限公司隸屬於泉峰集團，是專業從事電動工具、戶外園林設備及相關行業產品研發、生產、測試、銷售和售後服務的全球整體解決方案提供商。

泉峰控股致力於以用戶為中心的創新、智能製造和構建完善的銷售網絡，為全球用戶提供卓越品牌及產品。公司與全球諸多頂級建材超市、百貨連鎖店、分銷商及電動工具品牌製造商建立了廣泛而深入的戰略合作夥伴關係，產品在全球超過100個國家銷售。

通過持續的研發創新、多渠道的分銷網絡、先進的測試中心以及縱向一體化的智能製造能力，泉峰控股已成為全球領先的電動工具及戶外園林設備全球供應商。

企業使命

造好工具，助世界一臂之力！

泉峰控股立志通過持續創新，為全球用戶提供卓越的產品，成為電動工具及戶外園林設備行業鋰電化、智能化及數字化時代的創新驅動型全球領導者。

Main Products and Brands

Chervon Holdings focuses on the independent development of innovative products. It has become a pioneer in promoting industry transformation with entrepreneurial thinking, new technologies and in-depth end-user insights. As one of the first companies in the world to commercialize lithium-ion batteries for power tools, we believe that lithium-ion battery technology represents the development direction of the global power tool and outdoor power equipment ("OPE") industry and has developed industry-leading high-voltage lithium-ion OPE products. We currently own five differentiated and well-recognized brands that cover key geographies and segments for different types of end customers, namely *EGO*, *FLEX*, *SKIL*, *DEVON* and *X-TRON*.

主要產品及品牌

泉峰控股專注於自主開發創新產品，以創業思維、新技術和深入的終端用戶洞察力，成為推動行業轉型的先驅者。作為世界上最早將鋰離子電池商業化應用於電動工具的公司之一，我們始終相信鋰離子電池技術代表着全球電動工具和OPE行業的發展方向，並開發了行業領先的高壓鋰離子OPE產品。泉峰控股現擁有EGO、FLEX、SKIL、大有及小強五個差異化且廣受認可的品牌，覆蓋世界主要地區及針對不同類型終端客戶的細分市場。

Brand 品牌	Brand Positioning 品牌定位	Main product categories 主要產品類別	Target end users 目標終端用戶
EGO	The leading brand in the global electric OPE market 全球電動OPE市場領軍品牌	OPE OPE	Commercial/premium end users 商業／高端終端用戶
FLEX	A premium professional power tool brand for industrial/professional markets 針對工業級／專業級市場的高端專業級電動工具品牌	Power tools 電動工具	Professional end users 專業級終端用戶
SKIL	Providing a full assortment of power tools and OPE products for global consumer markets 為全球消費市場提供品類齊全的電動工具及OPE產品	Power tools and OPE 電動工具及OPE	Professional builders and consumer end users 專業建築商及消費級終端用戶
DEVON 大有	A high-end, professional power tool brand designed for greater China and other emerging markets 為大中華及其他新興市場設計的高端、專業級電動工具品牌	Power tools 電動工具	Professional/industrial end users 專業級／工業級終端用戶
小强 X-TRON 电动工具	A robust, durable and affordable brand for China market in construction and home improvement applications 針對中國建築及家居裝修應用市場的強大、耐用及實惠品牌	Power tools 電動工具	Contractors in the construction and home-improvement industries 建築和家裝行業承包商

Annual Awards **年度榮譽**

Year 獲獎年份	Honours 所獲榮譽
2021 2021年	2020 China Appearance Design Excellence Award (*EGO* Blowers) 2020年中國外觀設計優秀獎(EGO吹風機)
2021 2021年	2020 China Patent Excellence Award (*EGO* String Trimmers) 2020年中國專利優秀獎(EGO打草機)
2021 2021年	2021 Contemporary Good Design Gold Award (*EGO* Z6 Zero Turn Riding Mower) 2021年當代好設計金獎(EGO Z6零轉向騎乘式割草機)
2021 2021年	*EGO* Z6 Riding Mowers and High Grass Mowerswon Gold Award in Demo Park Exhibition 2021 in Germany EGO Z6騎乘式割草機及高草割草機獲得2021德國Demo park展會金獎
2021 2021年	Lowe's and Lowe's Canada "2021 Vendor Partner of the Year" Lowe's及Lowe's加拿大「2021年度供應商合作夥伴大獎」
2021 2021年	Nanjing Chervon Industry Co., Ltd. (hereinafter referred to as "Chervon Industry[1]") was awarded the title of "International Famous Brand for Key Cultivation and Development in Jiangsu Province" 南京泉峰科技有限公司(以下簡稱：泉峰科技[1])獲「江蘇省重點培育和發展的國際知名品牌」稱號
2021 2021年	Nanjing Chervon Industry Co., Ltd. was awarded the title of "Nanjing Healthy Enterprise" 泉峰科技榮獲「南京市健康企業」稱號
2021 2021年	Nanjing Chervon Industry Co., Ltd. Hangzhou Branch won the title of "2020 Outstanding Enterprise in Park Safety Management" 泉峰科技杭州分公司獲「2020年度園區安全管理優秀企業」稱號
2021 2021年	Outstanding Award of Zijin Industrial Design Competition 紫金工業設計大賽優秀獎
2021 2021年	Innovative Entrepreneur in Nanjing 南京市創新性企業家

In addition, Chervon Industry was awarded the title of "National Green Factory" and "National Industrial Design Centre" in 2019.

此外，泉峰科技於2019年獲得「國家綠色工廠」稱號和「國家工業設計中心」稱號。

1 Nanjing Chervon Industry Co., Ltd (南京泉峰科技有限公司) was formally known as "Nanjing Chervon Industry Co., Ltd. (南京德朔實業有限公司)". It changed to current name in January 2022.
南京泉峰科技有限公司原名「南京德朔實業有限公司」，於2022年1月改現名。

Examples of awards:

獲獎示例：

Chervon Industry was awarded the title of "National Green Factory"
泉峰科技獲「國家綠色工廠」稱號

The Industrial Design Centre of Chervon Industry won the title of "National Industrial Design Centre"
泉峰科技工業設計中心獲「國家工業設計中心」稱號

2020 China Design Excellence Award (*EGO* Blowers)
2020年中國外觀設計優秀獎（EGO吹風機）

EGO Z6 Riding Mowers and High Grass Mowers won Gold Award in Demo Park Exhibition 2021 in Germany
EGO Z6騎乘式割草機及高草割草機獲得2021德國Demo park展會金獎

Lowe's and Lowe's Canada "2021 Vendor Partner of the Year"
Lowe's及Lowe's加拿大「2021年度供應商合作夥伴大獎」

II. SUSTAINABLE DEVELOPMENT

Since its establishment, Chervon Holdings has been following consistently the business philosophy of common development of economy, society, and environment, promoting sustainable business practices, and fulfilling corporate social responsibilities, to better hold the opportunities brought by the development of the industry.

二、 可持續發展管理

泉峰控股自成立以來，一直遵循經濟、社會及環境共同發展的經營理念，推進可持續性的業務實踐並履行企業社會責任，以更好地把握行業發展帶來的機遇。

2.1 ESG Governance

2.1.1 ESG Strategy and Governance Structure

- ESG Policy and Strategy

  To promote the fulfilment of social responsibility and achieve the coordinated development of the corporate and the society, we have formulated the *ESG Policy and Strategy of Chervon Holdings* in accordance with relevant China's laws and regulations, and we set up relevant policies under the scope of environment, society and corporate governance to advance sustainable development:

2.1 ESG管治

2.1.1 ESG策略與管治架構

- ESG方針與戰略

  為促進社會責任的履行，實現企業與社會的協調發展，我們已根據國家有關法律法規制定了《泉峰控股ESG方針與戰略》，在環境、社會、企業管治三個主題下分別設立相關政策，推進可持續發展：

ESG field ESG領域	Related policy 相關政策	Content 內容
Environment	Environmental protection and resource conservation	➢ Abide by the China's national rules and regulations on environmental protection and resource conservation ➢ Establish environmental protection and resource conservation systems that conforms to actual operations ➢ Develop circular economy, and develop and use energy-saving products ➢ Reduce pollutant discharge and improve comprehensive utilization efficiency of resources
環境	環保保護與資源節約	➢ 嚴格遵守國家有關環境保護與資源節約的規章制度 ➢ 建立符合實際運營的環境保護與資源節約制度 ➢ 發展循環經濟，開發與使用節能產品 ➢ 降低污染物排放，提高資源綜合利用效率
	Climate change policy	➢ Pay attention to global climate change and strengthen ecological protection ➢ Supported by technology, monitoring, and mitigation of greenhouse gas emissions ➢ Incorporate climate change into corporate management and improve the ability to adapt to climate change
	應對氣候變化政策	➢ 關注全球氣候變化，加強生態保護建設 ➢ 科技支撐，監控並減緩溫室氣體排放 ➢ 將應對氣候變化納入企業管理，提高適應氣候變化能力

ESG field ESG領域	Related policy 相關政策	Content 內容
Social	Community investment and public welfare	➢ Participate in social welfare and build innovative communities ➢ Caring for the diverse population in the community, promoting urban renewal and revival
社會	社區投資及公益	➢ 積極參與社會公益，建設具有創新意義的社區 ➢ 關愛社區多元人群，促進城市更新、復興
	Occupational health and safety management policy	➢ Improve occupational health and safety management system ➢ Provide employees with a safe and healthy working environment ➢ Ensure the safety of stakeholders
	職業健康和安全管理政策	➢ 完善職業健康和安全管理體系 ➢ 為員工提供安全、健康的工作環境 ➢ 確保利益相關方的安全
Governance	Supplier code of conduct	➢ Control supplier access process, improve supply chain management system, and build sustainable supply chain ➢ Improve social responsibility requirements for suppliers and create a green supply environment
管治	供應商行為準則	➢ 嚴格供應商准入流程，完善供應鏈管理體系，建設可持續供應鏈 ➢ 提高對供應商的社會責任要求，打造綠色供應環境
	Integrity whistle-blower policy	➢ Improve employees' awareness of ethical behaviour and promote the construction of a clean and self-disciplined work style ➢ Resist fraud, bribery, and other improper and corrupt behaviours
	廉政舉報政策	➢ 提高員工道德行為規範意識，推動廉潔自律的工作作風建設 ➢ 堅決抵制弄虛作假、行賄、受賄等各種不正當及腐敗行為
	Product quality and safe production	➢ Abide by China's national and industry-related product quality requirements ➢ Operate in compliance with regulations, accept supervision, and improve product quality and service ➢ Abide by the relevant China's national regulations on production safety ➢ Establish safety production management system and emergency plan in line with operation
	產品質量與安全生產	➢ 嚴格遵守國家和行業相關產品質量要求 ➢ 合規經營，接受監督，切實提高產品質量和服務水平 ➢ 嚴格遵守國家有關安全生產相關規定 ➢ 建立符合實際運營的安全生產管理體系和應急預案

We know that a good sustainable development management mechanism is helpful to enhance corporate value. We implement the *ESG Policy and Strategy of Chervon Holdings* in operation and management, and regularly improve and publicize sustainable development systems, and actively fulfil social responsibility, effectively achieve economic and social benefits, short-term and long-term interests, self-development, and social development in coordination, as well as achieve healthy and harmonious development between enterprises and employees, enterprises and society, and enterprises and the environment.

我們深知良好的可持續發展管理機制有助於提升企業價值，在日常經營管理中貫徹落實《泉峰控股ESG方針與戰略》，並定期對可持續發展相關制度進行完善與宣貫，積極履行社會責任，切實做到經濟效益與社會效益、短期利益與長遠利益、自身發展與社會發展相互協調，實現企業與員工、企業與社會、企業與環境的健康和諧發展。

- ESG Governance Structure

  In terms of ESG governance, we have established an ESG governance system jointly led by those with governance and management, including:

  (1) Governance level: We have established an ESG Management Committee under the Board of Directors, which is composed of the vice president of EHS, the vice president of Human Resources Department and the director of the Legal and Compliance Department. The ESG Management Committee is responsible for strategy and decision-making on ESG matters, as well as assessing environmental, social and governance risks, and providing support to the Board of Directors to ensure that the Group has appropriate and effective environmental, social and governance risk management and oversight of internal control systems.

- ESG管治架構

  在ESG管治方面，我們建立了由治理層和管理層共同領導的ESG管治體系，包括：

  (1) 治理層：我們已在董事會下設由EHS副總裁、人力資源副總裁以及法律合規部總監共同組成的ESG管理委員會，負責ESG事宜的策略與決策，以及評估有關環境、社會及管治的風險，並對董事會確保本集團設立合適及有效的環境、社會及管治風險管理及內部監控系統的監管提供有力支持。

(2) Management level: We have established an ESG Executive Team composed of the heads of major operating functional departments at the headquarters, including the Legal and Compliance Department, EHS, Human Resources Department, Administration Department, Purchasing Department, Quality Control and Patent Department, Infrastructure and Energy Management and other departments. Under the leadership of the ESG Management Committee, the ESG Executive Team is responsible for the publicity and guidance, implementation monitoring and information reporting of specific ESG matters in various departments.

(2) 管理層：我們已建立由總部各主要營運職能部門（包括我們的法律合規部、EHS、人力資源部、行政部、採購部、品管與專利部、基建與能源管理等部門）負責人組成的ESG執行小組，在ESG管理委員會的領導下，負責具體ESG事宜在各部門的宣貫引導、執行監控及信息報送。

2.1.2 Stakeholder Engagement and Materiality Assessment

- Stakeholder Engagement

  We consider and respond to the expectations and demands of stakeholders, and work with stakeholders to promote social development and share development results.

2.1.2 利益相關方溝通與重要性議題評估

- 利益相關方溝通

  我們充分考慮並有效回應利益相關方的期望和訴求，與利益相關方共同促進社會發展，共享發展成果。

Stakeholders 利益相關方	Stakeholder Expectations 利益相關方期望	Engagement Mechanisms 溝通與參與機制	Responds 本公司回應
Investors	• Market capitalization and profitability increasement • Environmental and social responsibility performance improvement	General meeting; information disclosure; official website	• Publish reports regularly, disclose information truthfully and fully, and improve performance and create profits • Improve corporate governance and risk management, hold general meetings, manage investor relations, improve environmental and social responsibility management
投資者	• 市值與盈利水平的提高 • 環境和社會責任表現不斷提升	股東大會； 信息披露； 公司網站	• 定期發佈報告，如實、充分地進行信息披露，努力提升業績、創造利潤 • 提升企業管治及風險管理水平，召開股東大會，加強投資者關係管理，努力提升環境和社會責任管理
Clients	• High product quality • Legal rights protection	Contracts and agreements; customer satisfaction survey	• Provide high quality products and services • Establish a complete customer service system and customer feedback and complaint mechanism
客戶	• 優質的產品質量 • 保障合法權益	簽訂合同及協議； 客戶滿意度調查	• 提供高質量的產品和服務 • 建立完善的客戶服務體系及客戶意見反饋及投訴機制
Employees	• Employee salary and welfare guarantee • Caring for employee safety and health • Equitable promotion and development opportunities • Complete communication mechanism, participation of enterprise management	Labour contract; employee satisfaction survey	• Strictly abide by the terms of the labour contract and improve the salary and welfare system • Provide a safe and healthy work environment • Provide employee development channels and organize employee training • Provide equal communication channels
員工	• 保障員工薪酬福利 • 關愛員工安全和健康 • 提供公平晉升和發展機會 • 完善溝通機制，參與企業管理	勞動合同； 員工滿意度調查	• 嚴格遵守勞動合同條款，完善薪酬和福利待遇體系 • 提供安全與健康的工作環境 • 提供員工發展通道，組織開展員工培訓 • 提供平等的溝通渠道

Stakeholders 利益相關方	Stakeholder Expectations 利益相關方期望	Engagement Mechanisms 溝通與參與機制	Responds 本公司回應
Government Bodies	• Laws and regulations compliance, operation compliance, and national policies implement	Government related meetings participation	• Strictly abide by relevant laws and regulations, continue to improve corporate compliance management, and respond to relevant China's national policies
政府	• 遵紀守法、合規經營，貫徹國家政策	參與政府相關會議	• 嚴格遵守相關法律法規，持續加強企業合規管理，響應國家相關政策
Suppliers	• Integrity, fairness and just cooperation, mutual benefit and win-win, and promotion of the development of the industry	Contracts and agreements; regular bidding and supplier meetings	• Adhere to the business principles of openness and transparency, actively fulfil contracts and agreements, implement an open and transparent procurement model, and create a responsible supply chain
供應商	• 誠信、公平、公正合作，互利共贏，促進行業發展	簽訂合同及協議； 定期召開招投標及供應商會議	• 秉承公開透明的商業原則，積極履行合同及協議，實施公開透明的採購模式，打造責任供應鏈
Peers	• Fair competition, honest cooperation, transparent and open information • Compliance with industry norms and promotion of industrial innovation	Communication with industry-related research institutes, associations, media, etc.	• Strengthen communication and cooperation with peers, and jointly create a healthy and orderly competitive environment • Participate in industrial innovation research, achieve mutual benefit and win-win, make common progress, participate in industry evaluation, and provide suggestions for industry norms
同業	• 公平競爭、誠實合作、信息透明公開 • 遵守行業規範，促進產業創新	與行業相關研究院、協會、主流媒體等交流溝通	• 加強與同業的交流與合作，共同營造健康、有序的競爭環境 • 參與產業創新研究，互惠共贏，共同進步，參與行業評優，為行業規範提供建議

- Materiality Assessment

  We attach great importance to the identification and management of ESG issues and collect the opinions and feedback of stakeholders through interviews, surveys and other activities to identify important ESG issues and disclose them in the Report so as to improve the corporate sustainable development management. In 2021, through a questionnaire survey, we invite internal stakeholders to score ESG topics in the issue database, and thus obtain the materiality issue matrix of the Report. The matrix presents the substance of the issue at three levels: high importance, importance, and relevance.

- 重要議題評估

  我們重視ESG議題的識別和管理，通過訪談、調研等活動收集利益相關方的觀點以及反饋，以識別ESG重要議題，並在報告中有針對性地進行披露，以便有效提升企業的可持續發展管理水平。2021年，我們通過問卷調研的形式，誠邀內部利益相關方對議題庫中的ESG議題進行打分，並由此得出了本報告的實質性議題矩陣。矩陣將議題的實質性呈現為非常重要、重要、相關三個層級。

Materiality Assessment for Chervon Holdings's 2021 ESG Report
泉峰2021年度ESG報告實質性議題評估流程

01 Identification and Confirmation of ESG Matters
ESG議題識別和確認

- Comprehensively sorted out the key points of the Group's sustainable development work and the feedback of stakeholders, benchmarked industry hotspots and leading practices, delineated the scope of ESG issues.
- 全面梳理本集團可持續發展工作要點與各利益相關方的反饋，對標行業熱點與領先實踐，圈定議題範圍；
- Identified the industry's focus in the field of sustainable development by referring to relevant assessment elements such as ESG ratings in the capital market, combined with the relevant disclosure guidelines of sustainability such as the *Materiality Map* formulated by the Sustainability Accounting Standards Board (SASB).
- 參考資本市場ESG評級評估要素，結合可持續發展信息披露相關指引如可持續會計準則委員會(SASB)制定的《重要性議題庫》等，識別行業在可持續發展領域的關注重點。

02 Stakeholder Communication and Research
利益相關方溝通與調研

- Conducted stakeholder interviews to collect feedback and suggestions from various stakeholders on our sustainable development practices, as well as their views on future sustainable development strategies.
- 開展利益相關方訪談，收集各相關方對我們可持續發展實踐的反饋和建議，以及對未來可持續發展策略的看法；
- Designed an online questionnaire on the evaluation of ESG issues and invited internal stakeholders to score the corresponding ESG issues. Following sorting and analysis, we obtained the final survey results, and we calculated an overall score for how satisfied internal stakeholders are with respect to the Group's sustainable development. The score was 4.41 (out of 5.00).
- 編製ESG實質性議題評估在線調研問卷，邀請內部利益相關方對相應ESG議題的實質性進行打分，並通過整理，分析得出最終調研結果及內部利益相關方對集團可持續發展滿意度的整體評分，得分4.41分（滿分5.00分）。

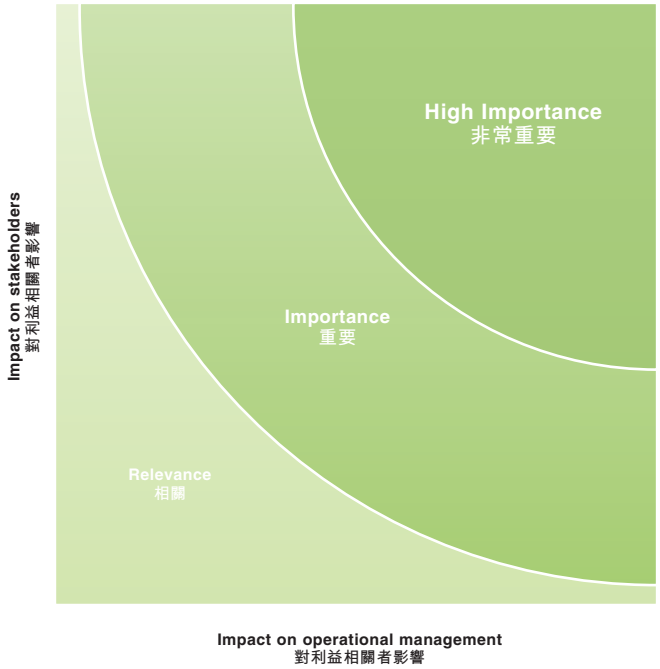
03 Materiality Assessment
實質性議題評估

- Based on the results of the stakeholder questionnaires and considering the development of enterprises, we conducted materiality issue assessments, ranked the materiality of each ESG issue according to the scores, and generated a matrix chart.
- 依據利益相關方調研問卷的結果，結合企業發展情況，開展實質性議題評估，將各項ESG議題的實質性按照評分排序，生成矩陣圖。

In 2021, we paid more attention to the following issues: governance, human resource management, employee rights, occupational health and safety, product quality and maintenance services, customer relationship management, business ethics and anti-unfair competition.

2021年，我們對管治、人力資源管理、員工權益、職業健康與安全、產品質量與維修服務、客戶關係管理、商業道德與反不當競爭等議題給予更多關注。

Materiality Assessment Matrix of Chervon Holdings's 2021 ESG Report
泉峰2021年ESG報告實質性議題矩陣圖



High Importance	**非常重要**
Governance	管治
Human Resources Management	人力資源管理
Employee Rights	員工權益
Occupational Health and Safety	職業健康與安全
Product Quality and Maintenance Services	產品質量與維修服務
Customer Relationship Management	客戶關係管理
Business Ethics and Anti-unfair Competition	商業道德與反不正當競爭
Importance	**重要**
Risk and Crisis Management	風險及危機管理
Policy Impacts	政策影響
Indirect Energy	間接能源
Raw Material Procurement	原料採購
Environmental Impacts of Product Life Cycle	產品生命週期的環境影響
Development and Training	發展及培訓
Supply Chain Management	供應鏈管理
Corporate Citizenship and Charity	企業公民與慈善
Information and Internet Security	信息與網絡安全
Eco-efficiency Operation	運營生態效率
Relevance	**相關**
Greenhouse Gas Emissions	溫室氣體排放
Waste Emissions	排放物管理
Direct Energy	直接能源
Water Resources	水資源
Impact of the Environment and Natural Resources	對環境和自然資源的影響
Climate Strategy	氣候戰略
Diversity and Equal Opportunity	多元化與機會平等

2.2 Compliance

2.2.1 Information Security and Privacy Protection

The Group strictly protects corporate information security and customer information and privacy.

Policy Guidelines

The Group attaches great importance to the protection of information security, and strictly abides by the national and local laws and regulations on information security, such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *EU General Data Protection Regulation*. A series of systems have been introduced, such as *User Information Security Management System*, *User Privacy Policy*, *Code of Ethics and Rules and Regulations Manual*, etc., which are improved and updated according to the requirements of laws and regulations, and publicized and implemented by employees.

Information Security

We have clarified the attribution of responsibilities in the "Confidentiality and Information Disclosure Management System" chapter of the *Code of Ethics Conduct and Regulations Manual*.

- Legal and Compliance Department: is responsible for the formulation of confidentiality and information disclosure systems, as well as guidance and training for the confidentiality and information disclosure work of various departments.
- Human Resources Department: is responsible for the publicity and implementation of the confidentiality awareness of the employees, as well as managing the signing and filing of the confidentiality agreement for the employees.

2.2 合規經營

2.2.1 信息安全與隱私保護

本集團嚴格保護企業信息安全及客戶信息和隱私。

政策指引

本集團高度重視信息安全保護，嚴格遵守《中華人民共和國網絡安全法》《中華人民共和國數據安全法》《歐盟通用數據保護條例》等國家及經營所在地關於信息安全的法律法規等，並據此出台了一系列制度如《用戶信息安全管理制度》《用戶隱私政策》《道德行為規範及規章制度手冊》等，根據法規要求進行完善更新並向員工進行宣貫落實。

信息安全

我們已於《道德行為規範及規章制度手冊》的「保密及信息披露管理制度」章節中明確了內部責任歸屬。

- 法律合規部：負責保密及信息披露制度的制定，以及對各部門保密和信息披露工作進行指導與培訓；
- 人力資源部：負責集團員工的保密意識宣貫工作，並負責管理集團員工保密協議的簽訂及備案。

All employees of the Group are required to sign the *Confidentiality Agreement*, and user information management personnel are required to conduct regular Internet information security training and assessment and we have established an Internet information security team consisting of the person in charge of the Group, the person in charge of other departments, and the main technical personnel of information management. This team is responsible for handling information security emergencies in time. We have also regulated the measures for dealing with leaks and improper information disclosure in the *Employee Discipline Management Measures* and *Employee Discipline Regulations*, and publicized and implemented them to all employees.

本集團全體員工均要求簽署《保密協議》，用戶信息管理人員需定期進行網絡信息安全培訓並進行考核，並已成立了由單位負責人、其他部門負責人、信息管理主要技術人員組成的網絡信息安全小組，以負責對信息安全突發事件進行及時處理。我們亦於《員工紀律管理辦法》和《員工紀律條例》規範了對洩密及信息披露不當事件的處理措施，並對全體員工進行宣貫。

Based on the established system and standardized management system, we fully protect the information assets of the Group, including hardware, software, data, information security and customer intellectual property rights, and guard against leakage, destruction, tampering, or loss of information assets caused by external threats or improper internal management, to ensure business operation, protect the Group's reputation, and prevent and minimise the impact of security incidents.

我們基於已建立的制度與規範化管理體系，充分保護本集團的信息資產，包括硬件，軟件，數據，信息安全以及客戶知識產權，謹防由外部威脅或內部管理不當導致的洩露，破壞，篡改或丟失，確保業務連續，保護本集團聲譽，預防安全事件並將其影響最小化。

In 2021, the Group did not have any incidents of violations of laws and regulations related to information security.

2021年，本集團未發生過與信息安全相關的違法違規事件。

Privacy Protection

隱私保護

We focus on protecting the privacy of employees, customers, consumers, suppliers, and business partners. There are regulations and measures for protection of stakeholder information and privacy in our *Code of Ethical Conduct and Regulations Manual*. We use a trusted protection mechanism to prevent the disclosure of the privacy of stakeholders, through the *User Privacy Policy* and *User Information Security Management System*, we inform customers of the feedback channels for the rights and interests of both parties and user privacy issues, and ensure that users fully understand the privacy protection standards we follow, and have established a full-time privacy compliance officer to help customers deal with privacy protection-related issues in time.

我們注重保護所有員工、客戶及消費者、供應商和業務夥伴的隱私，在我們的《道德行為規範及規章制度手冊》中亦有對利益相關方信息及隱私保護的相關規定和執行措施。我們使用受信賴的保護機制防止利益相關方隱私洩露，並通過《用戶隱私政策》和《用戶信息安全管理制度》向客戶明確告知雙方權益和用戶隱私問題反饋渠道，確保用戶充分了解我們所遵循的隱私保護規範，並設立了專職隱私合規官幫助客戶及時處理隱私保護相關問題。

Privacy Compliance Officer: 1-855-EGO-5656 (1-855-346-5656)

隱私合規官聯繫方式：1-855-EGO-5656 (1-855-346-5656)

In 2021, the Group did not have any incidents of violations of laws and regulations related to privacy protection.

2021年，本集團未發生過與隱私保護相關的違法違規事件。

2.2.2 Code of Business Ethics and Conduct

Chervon Holdings strictly abides by the *Contract Law of the People's Republic of China*, *Law of the People's Republic of China Against Unfair Competition*, *Interim Provisions on Prohibition of Commercial Bribery* and other relevant laws and regulations, and firmly opposes and explicitly prohibits corrupt behaviour. We create a culture of uprightness, integrity, and integrity within the Group.

At the same time, the Group has also taken various measures to comprehensively improve the construction of anti-corruption and compliance with business ethics mechanisms:

Compliance Policy and Process Construction

We have established the *Code of Conduct and Rules and Regulations Manual*, which covers business ethics such as fair trade, anti-bribery, gifts and hospitality. The manual specifies the basic principles and requirements that employees should follow in internal management and external business dealings to ensure that all employees conduct business with integrity and fairness within the scope of legal requirements.

Management Philosophy

Chervon Holdings adheres to the management philosophy of resolute anti-corruption and has zero tolerance for corrupt practices. While the Group places trust in all employees, any employee who commits any fraudulent act will be severely punished in accordance with the Group's policy. Fraudulent acts include but are not limited to embezzlement, misappropriation, illegal possession of company property or misrepresentation or fraudulent acquisition of company property. Any employee who has knowledge of any fraud must promptly report it.

Compliance Training

Training on professionalism and code of conduct is provided to every employee after he/she joins the Group to clarify the consequences of conflict of interest, corruption and bribery, and ensure that all employees are familiar with and understand the policies and procedures established by the Group to prevent corruption and bribery, and the price of corrupt practices.

2.2.2 商業道德與行為準則

泉峰控股嚴格遵守《中華人民共和國合同法》《中華人民共和國反不正當競爭法》《關於禁止商業賄賂行為的暫行規定》等有關法律法規，堅決反對並明令禁止貪腐行為，希望在本集團內部營造風清氣正、廉潔誠信的文化氛圍。

與此同時，本集團亦多措並舉，全面完善反腐敗及遵守商業道德機制建設：

合規政策及流程建設

我們建立了《道德行為規範及規章制度手冊》，涉及公平交易、反賄賂、饋贈與款待等商業道德方面的內容，明確員工於內部管理及外部商業往來中應當遵守的基本原則及規定，確保員工能夠在法律要求範圍內秉承誠信、公平的原則開展業務。

管理理念

泉峰控股秉持堅決反腐的管理理念，對腐敗行為零容忍。本集團本着對所有員工賦以信任，但若員工存在任何欺詐行為，將根據集團政策進行嚴肅追責，包括但不限於：貪污、侵吞、非法佔有公司財物或虛報冒領、騙取公司財物等，任何知情的員工都必須及時上報。

合規培訓

在入職後對每一位同事進行職業素養與道德行為規範相關培訓，明確利益衝突與貪污受賄行為後果，確保員工熟悉和理解集團制定的預防貪污賄賂等腐敗行為的政策和程序，了解腐敗行為的代價。

Third Party Compliance Pledge

In the course of cooperation with third parties, such as customers and business partners, Chervon Holdings requires third parties to sign the *Partner Integrity Pledge*, pursuant to which business partners undertake to protect the legitimate rights and interests of Chervon Holdings and its subsidiaries and affiliates in business transactions, fully embody the spirit of fairness, impartiality, integrity, honest cooperation, fight against commercial fraud, and build a cooperation relationship based on trust, honesty, straightforwardness and integrity.

第三方合規承諾

在與客戶、商業合作夥伴等第三方進行合作的過程中，泉峰控股要求第三方簽署《合作夥伴廉潔誠信承諾書》，承諾保障泉峰控股及其子公司、關聯公司在業務往來中的合法權益，充分體現公平、公正、廉潔、誠信合作的精神，反對商業欺詐，在信任、誠實、坦率與正直的基礎上構築相互之間的合作關係。

We have established a complaint reporting system and implementation measures:

- Complaint channel. In the event of any potential conflict of interest, employees can immediately report to their superiors or the Legal and Compliance Department (E-mail of the department: compliance@chervon.com.cn).
- Non-retaliation commitment. We have clarified the protection mechanism for whistle-blowers in the *Code of Ethics Conduct and Regulations Manual*, and strictly prohibit discriminatory or retaliation against whistle-blowers.
- Serious Treatment. The Group conduct confidential and comprehensive investigations into all allegations, and the investigations will be carried out or managed by the Legal and Compliance Department, Audit Department, and Human Resources Department, striving to ensure that any incidents of violations of norms are properly dealt with.

我們建立了投訴舉報制度和實施辦法：

- 投訴渠道：如遇任何潛在利益衝突事件，員工可立即向其上級或者法律合規部進行匯報（合規管理部郵箱：compliance@chervon.com.cn）。
- 不報復承諾：我們已於《道德行為規範及規章制度手冊》明確了對於合理舉報者的保護機制，嚴格禁止對舉報者實行歧視對待或者實施報復。
- 嚴肅對待：本集團承諾對所有指控進行保密和全面調查，由法律合規部、審計部、人力資源部實施或管理調查工作，努力使得任何違反規範的行為都得到適當處理。

In 2021, we regularly conduct training activities on ethics for new managers, with an average training time of 1 hour per person. We also conduct anti-corruption training and publicity work for board members, and the main training content is anti-corruption policies and regulations in the direction of gifts and entertainment, related person transactions, etc. As of the end of 2021, the Group has received a total of 15 reported cases, of which 11 have been verified, 8 have been completed, and the rest are under investigation.

2021年，我們定期對新晉管理人員進行道德規範專項培訓活動，人均受訓時長1小時，並對董事會成員進行反貪污培訓宣貫工作，主要培訓內容為在禮品和招待方向、有關聯關係的人員交易等方面的反貪污的政策和制度規定。截至2021年末，本集團共接獲舉報案件15起，其中查實案件11起，已結案8起，其餘正在調查中。

Going forward, the Group will continue to improve the implementation of anti-corruption work in two directions: on the one hand, we will start from strengthening education, adding lectures and case trainings on anti-corruption, so that every employee can aware of the importance of anti-corruption, starting from small things, guarding against lax thinking and behaviour, and improving their own thinking consciousness and moral standards; on the other hand, the Group will continue to improve the internal reporting mechanism, make the process more transparent and specific, fulfil the responsibility, clarify the reward and punishment system, and ensure the implementation of the anti-corruption work.

未來，本集團將朝着兩個方向繼續深化落實反腐倡廉工作，引領集團清風正氣的不斷傳播：一方面，我們將從強化教育着手，增設反腐倡廉專題講座和案例培訓，使每一位員工深刻意識到反腐的重要性，從小事、點滴做起，謹防思想行為的鬆懈，不斷提高自身思想覺悟和道德水準；另一方面，本集團將不斷完善內部舉報機制，使流程更透明、更具體，履行好主體責任，明確獎懲制度，確保反腐倡廉工作落到實處。

III. PRODUCT RESPONSIBILITY

3.1 Quality Assurance

3.1.1 Product Quality Assurance

➢ Product quality compliance

Chervon Holdings always put product quality first. Relying on its strong research and development capabilities and production experience, the Group has built a complete internal control standard system to ensure that there are high-quality standards from key components to various types and models of products, providing users with a safe, efficient, and convenient experience. The products sold by the Group are strictly in accordance with the requirements of local laws and regulations on safety regulations, electromagnetic compatibility, environmental protection, etc., and are implemented in the whole process of developing, testing, and manufacturing of products.

➢ Product quality compliance inspection. We complete third-party type tests at qualified institutions according to relevant quality standards and obtain corresponding compliance certificates or reports.

➢ Product quality compliance description. We reflect executive standard of the product in product packaging and instructions in accordance with regulatory requirements, so as to accept market quality supervision and sampling.

三、 產品責任

3.1 品質保證

3.1.1 產品質量保證

➢ 產品質量合規

泉峰控股長期以來把產品質量放在首位，依托強大的研發實力和生產經驗，構建了完備的內控標準體系，確保從關鍵零部件到各品類、型號產品均有高質量標準可依，持續為用戶提供安全、高效和便捷的使用體驗。集團所銷售的產品，均嚴格依照出口當地對於安規、電磁兼容、環保等法律法規的要求，並貫徹落實於產品研發、測試、生產全流程。

➢ 產品質量合規性檢驗：我們依據相關質量標準在持有資質的機構完成第三方型式試驗並獲取相應的符合性認證證書或報告。

➢ 產品質量合規性説明：我們按照法規要求在產品包裝和説明書中體現產品執行標準，以接受市場質量監督及抽檢。

Category 類別	Country/Region 國家&地區	Examples of Regulations and Standards that Chervon Holdings Complies With 遵循法規與標準示例
Safety	United States and Europe	Hand-held Motor-operated Electric Tools – Safety – General Requirements (IEC/UL/EN60745-1) Particular Requirements for Benchtop Machinery – Safety (IEC/UL/EN62841-3-*) Particular Requirements for Lawn and Garden Machinery – Safety (IEC/UL/EN62841-4-*)
安規	歐美	《手持式工具的通用安規要求(IEC/UL/EN60745-1)》 《台型工具的各類產品特殊安規要求（IEC/UL/EN62841-3-*）》 《花園工具的各類產品特殊安規要求（IEC/UL/EN62841-4-*）》
	China	Hand-held Motor-operated Electric Tools – Safety – General Requirements (GB3883.1) Safety of Hand-held Motor-operated Electric Tools – Safety – Particular Requirements (GB/T3883.2**)
	中國	《手持式工具的通用安規要求(GB3883.1)》 《手持式工具的各類產品特殊安規要求（GB/T3883.2**）》
Electromagnetic compatibility	Europe	EN55014 – Safety Requirements for Household Appliances, Electric Tools and Similar Apparatus EN61000 – EMC Testing Standards for Electrical and Electronic Products
電磁兼容	歐洲	EN55014家用和類似電器的安全規範標準 EN61000電子電器產品EMC檢測標準
Environmental	European Union	Directive on Waste electrical and Electronic Equipment (WEEE) (2012/19/EU) Directive on Restriction of Hazardous Substances (RoHS) in Electrical and Electronic Equipment Registration, Evaluation and Authorisation of Chemical Substances (REACH) – Regulation (1907/2006(EC)) GS Certification Requirements EU Regulation on Persistent Organic Pollutants (POPs)
環境相關	歐盟	《報廢電子電氣設備(WEEE)指令(2012/19/EU)》 《電子電氣設備中限制使用某些有害物質(RoHS)指令》 《REACH法規1907/2006(EC)》 《GS認證要求》 《歐盟持久性有機污染物(POPs)法規》
	United States	Formaldehyde Standards for Composite Wood Products Act (S.1660) U.S. Toxic Substances Control Act
	美國	《複合木製品甲醛標準法案》S.1660 《美國有毒物質控制法》
	China	Requirements of Concentration Limits for Certain Restricted Substances in Electrical and Electronic Products (GB/T/26572) Directive No. 32: Administrative Measures for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products
	中國	《電子電氣產品中限用物質的限量要求(GB/T/26572)》 《第32號令：電器電子產品有害物質限制使用管理辦法》

- Overall life cycle quality management

  Chervon Holdings has established a complete quality management system according to ISO9001 and implements quality management on the whole process of designing, developing, manufacturing, shipping, and after-sales service of products, and combines departmental responsibility implementation, employee training and education and other measures to ensure product quality and safety.

  - Product design and development process. During the researching and developing process of new products, we fully evaluate and test product safety to ensure compliance with relevant quality and safety standards.

  - Product manufacturing testing process. Relying on the Group's manufacturing and research and development capabilities with significant experience, we have established a professional testing centre, which can undertake a series of inspections for safety assessment, safety certification and quality testing during the process of researching, development, and manufacturing of products.

  - Product safety emergency process. In order to prevent and deal with possible quality and safety problems during the manufacturing and after-sales process of products, we have established a number of emergency plans and measures, and regularly conduct drills and training for employees to reduce product safety and quality risks.

- 全生命周期質量管理

  泉峰控股根據ISO9001建立了完善的質量管理體系，對產品從設計開發、生產實現、出運、售後等全流程實施質量管理，並結合部門責任落實，員工培訓教育等多項舉措，保障產品質量與安全。

  - 產品設計研發流程：新品研發期間，我們對產品安全進行充分評估與試驗，以保證達到相關質量與安全標準要求；

  - 產品生產測試流程：依托於集團成熟的生產與研發實力，我們建立了專業的測試中心，可承擔產品研發與生產期間的安全評估、安全認證和質量測試一系列檢驗工作；

  - 產品安全應急流程：為預防和處理產品生產過程以及售後可能出現的質量和安全問題，我們已建立多項應急方案與措施，並定期對員工進行演練與培訓，降低產品安全與質量風險。

As of the end of 2021, the Group's production facility in Nanjing, China has passed the ISO 9001:2015 quality management system certification.

截至2021年末，本集團位於中國南京的生產基地已通過ISO 9001:2015質量管理體系認證。

CQC

质量管理体系认证证书

证书编号：00119Q34161R4M/3200
兹证明

南京德朔实业有限公司
统一社会信用代码：91320115608968458N

注册地址：中国江苏省南京江宁区将军大道 159 号（江宁开发区）/中国江苏省南京江宁区将军大道 159 号（江宁开发区）
生产地址：中国江苏省南京江宁区将军大道 159 号（江宁开发区）/中国江苏省南京江宁区将军大道 529 号（江宁开发区）

建立的质量管理体系符合标准：
GB/T 19001-2016 / ISO 9001:2015
通过认证范围如下：

159 号；资质范围内手持式系列电动工具、测距仪、探测器、水平尺、投线仪的设计开发和生产
529 号；直流手持式系列电动工具、园林工具、切割类台式电动工具及支架、附件（充电器、电池包）的设计开发和生产（不在 CCC 认证范围）

首次发证日期：2007年5月31日　本次发证日期：2021年3月23日　有效期至：2022年6月7日

在一个监督周期后，本证书必须为CQC签发的监督审核合格通知书合并使用方可有效。查询证书有效性和验证码请登陆www.cqc.com.cn，本证书信息可在国家认证认可监督管理委员会官方网站（www.cnca.gov.cn）上查询

IAF　CNAS　IQNet

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Chervon Industry obtained ISO 9001:2015 Quality Management System Certification
泉峰科技獲得ISO 9001:2015質量管理體系認證證書

- Product Quality Control

We have formulated strict, comprehensive and targeted product quality acceptance standards, and clarified the product quality inspection process in the *Product Monitoring and Measurement Control Procedures*.

According to the *Product Monitoring and Measurement Control Procedures*, we have conducted a large number of safety, reliability and product function and performance tests in the research and development and manufacturing process. The tests simulate various usage scenarios of users to ensure that the products can meet the design indicators in terms of structural strength, fatigue life, environmental weather resistance, safety in use and design performance, and have a high design safety margin.

- 嚴控產品質量

我們制定了嚴格、全面、針對性的產品質量驗收標準，於《產品監視和測量控制程序》中對產品的質量檢驗流程進行明確。

依據《產品監視和測量控制程序》，我們在研發和生產環節進行了大量安全、可靠性及產品功能、性能的相關測試。模擬用戶各類使用場景，確保產品從結構強度、疲勞壽命、環境耐候性、使用安全、設計性能等方面均能達到設計指標，並有較高的設計安全餘量。

Product Quality Inspection

- Test centre: Conduct quality tests on products in the R&D and trial production stage and mass production stage to assess product quality.
- Inspection of materials: Confirm and inspect the quality of purchased raw materials and key components.
- Three inspections in the production process: Inspect the first piece and the production process, and conduct terminal inspection.
- Finished product quality check: Inspect product quality before delivery to ensure that the products meet customer quality requirements.

產品質量檢定：

- 測試中心：針對研發試制階段和正式量產階段的產品進行質量測試，評估產品質量；
- 來料檢驗：針對所採購的原材料、關鍵零部件等進行質量確認和檢驗；
- 生產制程三項檢驗：首件檢驗、制程巡檢、終端檢驗；
- 成品品質稽核：為保證產品滿足客戶品質要求，於產品出貨前進行質量檢驗。

Product Warranty and Recall

We pay attention to the safety and health issues of the sold products and follow the requirements of different local rules for product sales such as recall management and after-sales management. In 2021, the Group has not to recall any products due to health and safety reasons.

產品保修與召回

我們對於已售產品的安全與健康問題保持關注，並嚴格遵循產品銷售當地對於召回管理與售後管理等不同制度的要求，2021年，本集團並無因健康和安全理由而召回的產品。

3.1.2 Innovative Product Development

Innovative Idea

We always focus on user-centred innovative ideas and are committed to creating a better user experience for consumers. Our research and development capabilities in the field of lithium-ion battery system technology make our products both environmentally friendly and have strong power reserve performance.

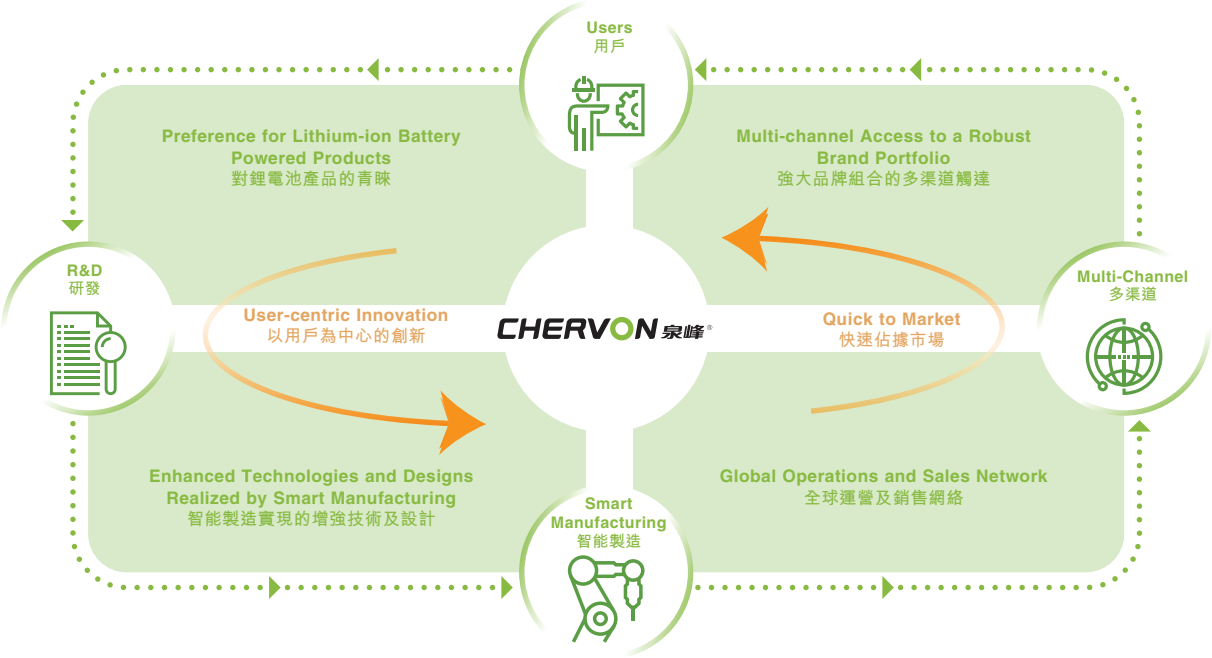
3.1.2 創新產品研發

創新理念

我們始終專注於以用戶為中心的創新理念，致力於為消費者創造更優質的使用體驗。泉峰控股在鋰電池系統技術領域的專注研發能力，使我們的產品兼具綠色環保特質與強大的動力儲備性能。

Our advanced research and development capabilities enable us to achieve advancement in fundamental technologies such as battery platforms, battery management systems (BMS), motors and electric controls. We also equip our brands and products with intelligent systems and product-specific technologies such as dust and vibration reduction to enhance user experience.

我們依托先進的研發實力，在電池平台、電池管理系統(BMS)、電機及電控等基礎技術上取得持續進展與突破，並將研發成果，如智能系統以及產品特定技術(防塵及減振等)應用於我們多品牌，多品類的產品配備中，努力提升各種用戶群體的使用需求和消費體驗。



User demand leads to innovation, building global brands
用戶需求導向創新，全球品牌建設運營

Continue to Innovate

- Research and Development Capabilities. We have research and development centres in five countries around the world (China, the United States, Germany, the United Kingdom, and the Netherlands), and the research and development team consisted of 680 employees. Through team communication and cooperation, we can obtain and learn the industry's first-class technology in time in multiple fields, categories, and channels.

- Smart Manufacturing. We have focused on building competitive advantages by advancing our manufacturing technologies and production management capabilities over the past 20 years.
  - With respect to product assembly, we have focused on promoting the application of industrial engineering and quality control technologies in our assembly lines.
  - With respect to production management, we have significantly improved the level of automation and transparency in our logistics system by horizontally integrating our information technology systems.

持續創新

- 研發實力：我們於全球五個國家（中國、美國、德國、英國及荷蘭）均設有研發中心，研發團隊成員數量達680名，我們通過團隊交流與合作，使得我們可以在多領域，多品類，多渠道都及時獲取與學習行業一流技術。

- 智能製造：在過去20年中，我們一直專注於通過提升我們的製造技術和生產管理能力，建立競爭優勢。
  - 在產品組裝方面，我們專注於推動工業工程和質量控制技術在組裝線上的應用。
  - 在生產管理方面，通過橫向整合我們的信息技術系統，我們已經大幅度提高了物流系統的自動化水平和透明度。

Intellectual Property Management

We attach great importance to the protection of property rights. On the one hand, we actively protect the intellectual property rights formed by the Group, and on the other hand, we respect the intellectual property rights of others to avoid infringement. Chervon Holdings has established intellectual property management norms such as *Intellectual Property Management System* to publicize and standardize intellectual property protection, enhance employee awareness, effectively protect intellectual property rights, improve the Group's overall strength and competitiveness on intellectual property rights, and promote the sustainable, stable, and healthy development of the Group.

知識產權管理

我們高度重視產權保護工作，一方面積極保護本集團形成的知識產權，另一方面尊重他人的知識產權避免侵權。泉峰控股已設立了《知識產權管理制度》等知識產權管理規範，以宣貫和規範知識產權保護，提升員工意識，有效地保護知識產權，提高本集團於知識產權方面的整體實力和競爭能力，促進本集團持續、穩定、健康發展。

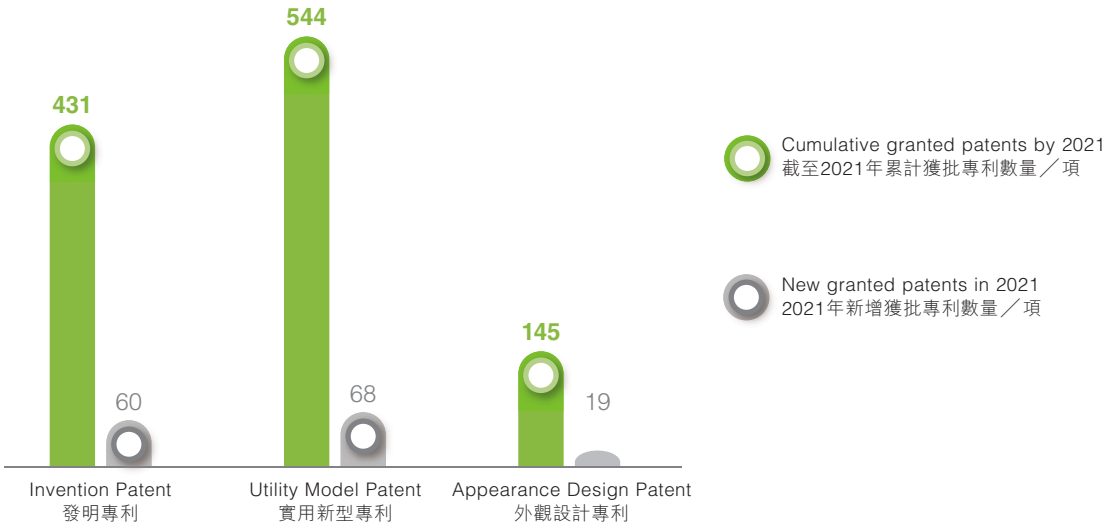
- We put enterprise intellectual property management throughout the entire process of enterprise research and development, manufacturing, sales, import and export, etc.
- We plan new research projects based on business development and product strategic needs, explore different types of innovations according to project progress, and submit patent applications in time.
- We encourage employees to invent and create. In order to promote technological innovation and the promotion and application of scientific and technological achievements, we give rewards to applicants and research and development teams according to the value of patents to help employees and the Group make progress together.

- 我們將企業知識產權管理貫穿於企業研發、生產、銷售、進出口等整個環節。專利部門在每個研發項目均深入參與，檢索排查專利申請風險並在不同階段予以積極防控。
- 我們結合業務發展與產品戰略需求，合理開展新研項目策劃，根據項目進展挖掘不同類型的創新並及時提交專利申請。
- 我們鼓勵員工發明創造的積極性，為促進技術創新和科技成果的推廣應用，我們根據專利價值對申請人和研發團隊給予相應獎勵，幫助員工與集團共同進步。

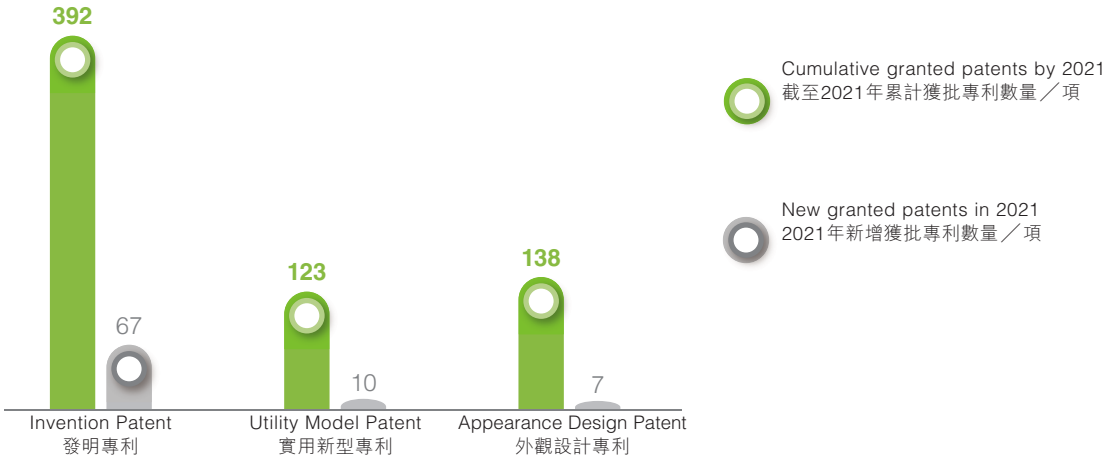
By the end of 2021, we have obtained a total of 1,773 patents, of which 231 new patents are granted in 2021; a total of 583 registered trademarks, of which 42 are newly registered in 2021. In addition, 126 new trademark applications are filed in 2021.

截至2021年末，我們已累計獲批專利1,773項，其中，2021年新增獲批專利231項；累計註冊商標583個，其中，2021年新增註冊商標42個。另外，2021年新增商標申請126個。

Granted Patents of Domestic Subsidiaries in 2021
2021年國內附屬公司獲批專利情況



Granted Patents of Foreign Subsidiaries in 2021
2021年國外附屬公司獲批專利情況



Chervon Holdings's Granted Patents in 2021
泉峰控股2021年專利獲批情況

Case: Application of Patented Technology in Products
案例：產品中專利技術應用

	Patent 專利名稱	Technical Features 技術特點
	Battery charging methods, battery chargers and charging combinations 電池充電方法、電池充電器以及充電組合	• Dynamically adjust charging current according to battery temperature and battery level to improve battery life during fast charging • Increase charging speed and reduce charging waiting time • 根據電池溫度和電池電量，動態調整充電電流，改善快速充電時電池壽命 • 提高充電速度，減少充電等待時間
	Riding lawn mowers 騎乘式割草機	• For the first time, high density lithium-ion battery packs for electrical tools are used to power riding lawn mowers • Promote the recycling of battery packs purchased by users for electrical tools • Energy-saving • 首次在騎乘式割草機領域採用電動工具的高能量密度的鋰電電池包供電 • 推動用戶已購買的用於電動工具的電池包循環利用 • 有效節省能源

Case: Intellectual Property Incentives
案例：知識產權激勵

Chervon Holdings issues invention patent awards to employees
為員工頒發發明專利獎

3.2 Multi-party Communication

3.2.1 Customer Satisfaction Management

In order to listen more to the positive and negative voices from customers about products on the market side, and to better monitor the public opinion and data of products on the market side, the Group has formulated a series of customer service management systems such as the *Procedures for Handling Customer Complaint and Quality Accident*, *Complaint Registration Form*, *245-Product Abnormality Closed-loop Handling Process* and *039-Customer Complaint Judgment Method*. We have professional customer service teams with members from the Customer Quality Department and After-sales Service Department to jointly provide customers with a multi-channel, all-round information collection and feedback mechanism.

Customer Communication Channels

➢ For domestic market:

- After-sales service: 400-828-9076
- The Group's online channels: official WeChat account, WeChat applet, QQ, self-operated official website, etc.
- Electronic Warranty Card: By inserting the electronic warranty card and after-sales service in the official WeChat account, it is convenient for users of different brands of products to obtain service information such as the after-sales service department and authorized maintenance outlets in time.

3.2 多方溝通

3.2.1 客戶滿意度管理

為了更多地傾聽來自客戶在市場端的產品正負面的聲音、更好地監控產品在市場端的輿情信息和數據監控，本集團制定了《客戶投訴和質量事故處理程序》《投訴登記表》《245－產品異常閉環處理流程》《039－顧客抱怨判定方法》等一系列客戶服務管理制度。我們擁有專業的客戶服務團隊，由客戶質量部和售後服務部聯合為客戶提供多渠道、全方位的信息收集與反饋機制。

客戶溝通渠道

➢ 針對國內市場：

- 售後服務電話：400-828-9076
- 自有渠道在線諮詢：官微公眾號，微信小程序，QQ，自營官網等。
- 電子保修卡：通過於官微公眾號中植入電子保修卡售後服務，便於不同品牌產品用戶及時獲取售後服務部、授權維修網點等服務信息。

- For overseas markets:
  - Collect and transmit customer opinions through dealer channels and local sales teams and use customer relationship management system (hereinafter referred to as CRM system) to manage customer feedback information.
  - In 2021, the Group received a total of 27 written complaints or suggestions from customers and channels, covering quality, packaging and shipment. The response rate and resolution rate for complaints were both 100%. For suggestions, we actively improved and responded in time.

- 針對海外市場：
  - 通過經銷商渠道和當地銷售團隊進行客戶意見收集與傳遞，並使用客戶關係管理系統（以下簡稱CRM系統）進行客戶反饋信息管理。
  - 2021年，本集團收到客戶及渠道的書面投訴和建議共27起，內容涉及質量、包裝和運輸，對於投訴回覆率和解決率均為100%，對於建議我們結合實際積極改進並及時回覆。

Example of electronic warranty card for Chervon Holdings's *EGO* and *DEVON*
泉峰控股EGO品牌與大有品牌電子保修卡示例

After-sales service channels:

- For the domestic market:
  - We authorize third parties (existing dealers) to provide repair and replacement services for products within and outside the warranty period.
  - Provide repair services according to the actual demands of customers.

售後服務渠道：

- 針對國內市場：
  - 由我們授權第三方（即現有經銷商）對質保期內、外的產品提供維修、更換服務；
  - 根據客戶實際需求提供部分寄修服務。

- For foreign markets:
  - North America and Australia. Hire a professional third-party service company into the maintenance system to provide after-sales service such as maintenance and replacement.
  - Europe. After-sales services such as repairs and replacements are provided by dealers.

Customer Service Management:

- Positive feedback:
  - Service Commitment. For customer complaints, we address them in accordance with the *Customer Complaint and Quality Accident Handling Procedures*, and we promise to complete the 8D/3D report within 14 working days if the information returned by the customer is complete. For the maintenance service in the domestic market, we promise to complete the product maintenance service within 48 hours on working days (currently valid for all products of *DEVON* and *X-TRON*).
  - Problem analysis. For product quality complaints, we set up a problem improvement team according to actual demands, analyse and study customer demands, product performance, and issue problem analysis reports to provide improvement suggestions for the product department.
- Active improvement:
  - System analysis. The Customer Quality Department regularly interprets and analyses the after-sales information in the CRM system, figures out potential product problems, establishes a problem tracking list, actively promotes internal improvement, and forms a closed-loop management of product quality.
  - Service support. The Group's after-sales support team provides service support for global distribution and third-party service teams to ensure service quality.

- 針對國外市場：
  - 北美、澳洲：聘請專業第三方服務公司納入維修體系，提供維修、換貨等售後服務；
  - 歐洲：由經銷商提供維修、換貨等售後服務。

客戶服務管理：

- 積極反饋：
  - 服務承諾：針對客戶投訴，我們依據《客戶投訴和質量事故處理程序》進行處理，在客戶反饋的信息完整的情況下，我們承諾於14個工作日內完成8D/3D報告。針對國內市場的維修服務，我們承諾在工作日48小時內完成產品維修服務（目前對大有和小強全線產品有效）；
  - 問題分析：對於產品質量投訴意見，我們會根據實際需要成立問題改善小組，對客戶需求，產品性能等進行分析研究，並出具問題分析報告，為產品部門提供改善建議。
- 主動提升：
  - 系統分析：客戶質量部定期對CRM系統中的售後信息進行解讀分析，挖掘潛在的產品問題，建立問題跟蹤清單，主動推動內部改善，形成產品質量閉環管理；
  - 服務支持：集團售後支持團隊為全球經銷與第三方服務團隊提供服務支持，保證品牌服務質量；

- Customer satisfaction survey. In order to actively seek customer feedback, we have set up the function of automatically issuing a satisfaction survey questionnaire after the service is completed in the CRM system. In 2021, *EGO* series products received a total of 17,441 responses to customer satisfaction surveys, of which "very satisfied" accounted for 60% and "overall satisfied" accounted for over 71%.

- 客戶滿意度調查：為主動尋求客戶反饋，我們在CRM系統中設置了服務完成後自動發放滿意度調查問卷功能。2021年度，EGO系列產品收到客戶滿意度調查回覆共17,441起，其中「非常滿意」佔比達60%，「整體滿意」佔比超71%。

➢ Customer Service Training:

- Internal training. We provide professional knowledge training for customer quality team members, such as ISO9001 quality system, VDA6.3 process audit, 6-sigma training, etc.; provide new product knowledge training for customer service representatives; through pre-job training, help new colleagues master service skills by the "old colleagues teach new colleagues" method.

- External training. We organize the after-sales service team of overseas companies to provide guidance and training such as product fault diagnosis and after-sales maintenance for overseas third-party service agencies.

➢ 客戶服務培訓：

- 內部培訓：我們為客戶質量團隊人員提供專業知識培訓如ISO9001質量體系，VDA6.3過程審核，6-sigma培訓等；為客戶服務代表提供新品知識培訓；通過崗前培訓，「老帶新」等方式幫助同事快速掌握服務技能；

- 對外培訓：我們組織境外公司的售後服務團隊為境外第三方服務機構提供如產品故障診斷、售後維修等指導培訓。

2022 Customer Service Improvement Plan:

- Through the implement of the online quality management system (hereinafter referred to as the QMS system), the quality management of multiple departments can be achieved, and the relevant processes and situations of quality improvement can be learned in time. The implement of the QMS system will help us improve the efficiency and transparency of customer complaint resolution and quality improvement processes, as well as improve the sharing of internal quality information.

- Continue to improve the construction of overseas maintenance outlets, increase service outlets, and improve maintenance efficiency.

- Use the customer service platform to build and empower customer service teams to continuously improve service skills and efficiency.

2022年客戶服務工作提升計劃：

- 通過上線質量管理系統（以下簡稱QMS系統）實現多部門同步進行質量管理，及時獲悉質量改善相關流程與情況。QMS系統上線後將有助於我們提高客戶投訴解決及質量改善流程的效率和透明度，也有助於提升內部質量信息共享性；

- 繼續完善海外維修網點建設，增加服務網點，提升維修效率；

- 利用客服平台建設賦能客戶服務團隊，持續提升服務技能和效率。

3.2.2 Sustainable Supply Chain

Sincere cooperation with suppliers is an important guarantee for the realization of the Group's strategy. We attach great importance to communicate with suppliers, actively builds a cooperation platform, and strives to establish long-term, close, and win-win cooperation with suppliers, to provide customers with high-quality products and services, and to promote the sustainable and stable development of the industry. Our suppliers are primarily providers of battery cells, electronics parts and components and logistics and warehouse services.

In terms of supplier management, we have established a full-life-cycle supply chain management system covering supplier development, evaluation, access, review, and withdrawal, and implemented the ESG concept into all aspects of procurement, committed to building a network of first-class suppliers that meet our sustainability requirements.

3.2.2 可持續供應鏈

與供應商的精誠合作是本集團實現戰略的重要保障。我們重視與供應商的交流，積極搭建合作平台，力求與供應商建立長期、緊密、互惠共贏的合作關係，攜手為客戶提供優質產品和服務，推動行業持續穩定發展。我們的供應商主要包括：提供電芯、電子零部件等實物的供應商及物流倉儲服務供應商。

在供應商管理方面，我們建立了覆蓋供應商開發、評估、准入、評審、退出的全生命周期供應鏈管理體系，並將ESG理念貫徹至採購的各個環節，致力於建立符合我們可持續發展要求的一流供應商網絡。

Supplier access

- **Access assessment:** Conduct access assessment of suppliers' production capacity, business licences and management systems based on the *Supplier Selection Process*, the *Supplier Assessment Report* and other specifications to mitigate the risk of conflict of interests and assess long-term stable supply capacity.
- **On-site audit:** In order to ensure the quality of purchased products, we conducted on-site audits of 42 new suppliers in 2021.

供應商准入

- **准入評估：**依據《供應商開發流程》《供應商評估報告》等規範對供應商生產能力、營業許可、管理體系等進行准入評估，合理規避衝突風險，評估長期穩定供應能力。
- **現場審核：**為保證採購產品質量，2021年，我們對42家新入供應商進行了現場審核。

Supplier management

- **Qualification review:** Form an annual review team composed of the purchasing manager, the operations manager and the quality manager in accordance with the *Supplier Review and Control Procedures* and other documents to verify the validity of qualification documents such as supplier licences, product certifications and environmental testing reports.
- **Social responsibility risk assessment:** Based on the *Supplier Review Rules* and other management policies, we conduct a comprehensive risk assessment of suppliers in five aspects: environmental protection, employee social security payment, operations, willingness to cooperate and plant operational safety risk, and classify suppliers into five risk levels according to the scoring results to support decision-making for continuous cooperation.
- **Tiered management:** Suppliers are managed in 3 tiers based on their capabilities and performance. Different procurement strategies, partnership development directions and management measures are adopted for different suppliers after considering Chervon Holdings's risk control requirements and suppliers' risk ratings to strengthen risk management and improve procurement efficiency.
- **Clean procurement:** Promote the signing of the *Partner Integrity Pledge* with manufacturing and trade suppliers to establish a fair, transparent, honest and trustworthy business relationship through honest cooperation.
- **Environmental protection management:** In accordance with the *Management Procedures for Control of Supplier's Use of Hazardous Substances*, the *Process Management Manual for Hazardous Substances* and other policies, we monitor suppliers' implementation of ROHS Directive and other environmental requirements stipulated by laws and regulations, as well as customers' environmental requirements. Suppliers of parts and components are also required to sign the *Supplier Environmental Declaration* to ensure that no harmful chemical substances are used in the purchased products.

供應商管理

- **資格審查**：根據《供應商評審與控制程序》等文件由採購經理、運作經理、質量經理等組成年度評審小組，對供應商行業許可證、產品認證和環保檢測報告等資質文件有效性進行核驗。
- **社會責任風險評估**：依據《供應商評審規則》等管理制度對供應商從環境保護、用工社保繳納、運營、合作意願、廠區經營安全風險五個方面進行綜合風險評估，並根據評分結論將供應商分為五個風險等級，為持續合作提供決策支持。
- **分級管理**：依據供應商的能力及績效表現，對供應商進行三級分層管理，結合風險管控要求及供應商的風險評級，對不同供應商採取不同的採購策略、合作關係發展方向及管理措施，以強化風險管理、提升採購效率。
- **廉潔採購**：推動與製造類和貿易類供應商簽署《合作夥伴廉潔誠信承諾書》，以期通過廉潔合作，建立公平、透明、誠實守信的業務合作關係。
- **環保管控**：依據《供應商有害物質控制管理程序》《有害物質過程管理手冊》等制度監督控制供應商執行ROHS指令及其它法律法規規定的環保指令、以及客戶相關環保要求。對於零部件類供應商我們還要求簽署《供應商環保聲明》，保證採購產品不使用有害化學物質。

Communication with suppliers

We hope to enhance partnership with suppliers through diversified forms of communication using multiple channels. In addition to irregular communication, we organise special activities such as supplier conferences, at which market analysis and corporate strategic planning are shared. With these efforts, we work closely with our business partners for development together.

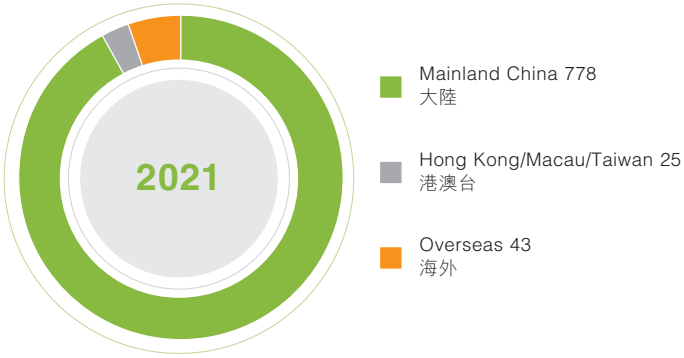
供應商對話

我們希望以多渠道多形式的對話方式強化與供應商的夥伴關係，除不定期溝通外，還舉辦如供應商大會或其他方式的專項交流活動，活動中涉及市場形勢分析，企業戰略規劃分享等，與合作夥伴攜手共進。

As of the end of 2021, the Group had a total of 846 suppliers in the manufacturing sector. In 2021, we conducted an annual review of 629 of these suppliers, with a coverage rate of 81%. For some suppliers whose access time is less than 6 months, or suppliers designated by customers, the annual review has not yet been carried out.

截至2021年末，本集團於生產製造領域共有846家供應商。2021年，我們對其中的629家供應商進行了年度評審，覆蓋率達81%，對部分引入時長未滿6個月的供應商，或屬於客戶指定類供應商，尚未進行年度評審。

Geographical Distribution of Suppliers in 2021
2021年供應商地域分佈



Case: Supplier Communication Meeting
案例：供應商交流會議

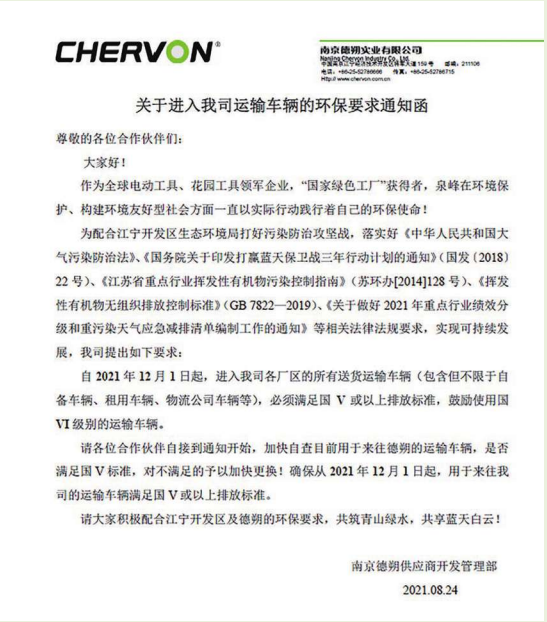
2021 Electronics Supplier Conference
2021年電子供應商會議

2021 Supplier Strategic Planning Learning Sharing Session
2021年供應商戰略規劃學習分享會

Case: Green Supply Concept
案例：綠色供應理念

In terms of environmental protection and building an environment-friendly society, we have been practicing our environmental protection mission with practical actions, and strive to promote environmental protection to our partners.

我們在環境保護、構建環境友好型社會方面一直以實際行動踐行着自己的環保使命，並努力對合作夥伴進行環保宣貫。



CHERVON

南京德朔实业有限公司

关于进入我司运输车辆的环保要求通知函

尊敬的各位合作伙伴们：

大家好！

作为全球电动工具、花园工具领军企业，"国家绿色工厂"获得者，泉峰在环境保护、构建环境友好型社会方面一直以实际行动践行着自己的环保使命！

为配合江宁开发区生态环境局打好污染防治攻坚战，落实好《中华人民共和国大气污染防治法》、《国务院关于印发打赢蓝天保卫战三年行动计划的通知》（国发（2018）22号）、《江苏省重点行业挥发性有机物污染控制指南》（苏环办[2014]128号）、《挥发性有机物无组织排放控制标准》（GB 7822—2019）、《关于做好2021年重点行业绩效分级和重污染天气应急减排清单编制工作的通知》等相关法律法规要求，实现可持续发展，我司提出如下要求：

自2021年12月1日起，进入我司各厂区的所有送货运输车辆（包含但不限于自备车辆、租用车辆、物流公司车辆等），必须满足国V或以上排放标准，鼓励使用国VI级别的运输车辆。

请各位合作伙伴自接到通知开始，加快自查目前用于来往德朔的运输车辆，是否满足国V标准，对不满足的予以加快更换！确保从2021年12月1日起，用于来往我司的运输车辆满足国V或以上排放标准。

请大家积极配合江宁开发区及德朔的环保要求，共筑青山绿水，共享蓝天白云！

南京德朔供应商开发管理部

2021.08.24

On August 24, 2021, Chervon Industry, as the winner of the "National Green Factory", actively cooperated with the Ecological Environment Bureau of Jiangning Development Zone to address pollution, and quickly responded to the *Notice on Doing a Good Job in 2021 Performance Classification of Key Industries and Compilation of Emergency Emission Reduction Inventory for Heavy Pollution Weather*, and issued the *Notice on Environmental Protection Requirements for Entering Our Transportation Vehicles* to ensure that from December 1, 2021, all delivery and transportation vehicles entering the factory (including but not limited to self-provided vehicles, rental vehicles, logistics company vehicles, etc.) all meet the national V or above emission standards.

2021年8月24日，泉峰科技作為「國家綠色工廠」獲得者，積極配合江寧開發區生態環境局打好污染防治攻堅戰，快速響應《關於做好2021年重點行業績效分級和重污染天氣應急減排清單編製工作的通知》，發佈了《關於進入我司運輸車輛的環保要求通知函》，確保從2021年12月1日起，所有進入廠區的送貨運輸車輛（包含但不限於自備車輛、租用車輛、物流公司車輛等）均滿足國V或以上排放標準。

IV. WORKFORCE DEVELOPMENT

4.1 Talent Management

4.1.1 Standardised Employment

Chervon Holdings always implements the tenet of "people-oriented" and strictly abides by the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* and other laws and regulations. We respect the differences in gender, age, race, and cultural background of applicants and oppose any form of discrimination and unequal competition.

We recruit talents from various channels, mainly including campus recruitment, social recruitment and internal referral, etc.

- Campus recruitment: For fresh graduates from domestic universities, we provide suitable positions for outstanding graduates and introduce new talents to the Group. We used a combination of online and offline methods for campus recruitment activities in 2021:
  - Online: Held 2 online live broadcasts, and 47 online double-selection sessions.
  - Offline: Held 25 offline seminars covering 24 schools, held 9 double-selection sessions.
- Social recruitment: Targeting outstanding talents in the market, we continue to import advanced technology or management concepts for the Group and improve the overall competitiveness of talents. To enhance the talent reserve, we increased the recruitment of special RPO channels in 2021, and conduct unified recruitment and batch hiring of talents such as R&D engineers or those with limited working experience, and implement specialized training, combing with business needs.
- Internal referral: Encourage all employees to participate in recruitment to attract more outstanding talents.

四、 人才培養與發展

4.1 人才管理

4.1.1 規範僱傭

泉峰控股始終貫徹「以人為本」的宗旨，嚴格遵守《中華人民共和國勞動法》《中華人民共和國勞動合同法》等法律法規。我們尊重應聘者在性別、年齡、種族、文化背景等方面的差異，反對任何形式的歧視和不平等競爭。

我們從多種渠道招聘人才，主要包括校園招聘、社會招聘和內部推薦等：

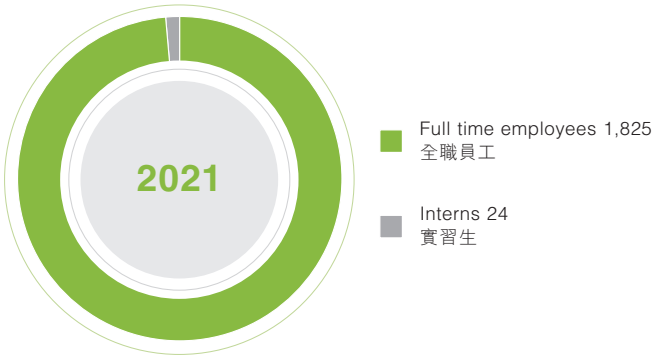
- 校園招聘：面向國內高校應屆畢業生，為優秀畢業生提供合適崗位，為集團引入新生力量。2021年，我們採用線上與線下結合的方式進行校園招聘活動：
  - 線上：共舉辦2場線上直播；共舉辦47場線上雙選會；
  - 線下：共舉辦25場線下宣講會，覆蓋24個學校；共舉辦9場線下雙選會；
- 社會招聘：面向市場上優秀人才，為集團持續輸入先進技術或管理理念，提升整體的人才競爭力。2021年，為增強人才儲備，我們加大專項RPO途徑的招聘力度，結合業務需求，面向研發工程師或簡短工作經歷者等類型人才進行統一獵聘、批量引入，並實行專項培養。
- 內部推薦：鼓勵全員參與招聘，為企業吸引更多的優秀人才。

By the end of 2021, the Group had a total of 6,732 employees[2], including 4,174 male employees (62%) and 2,558 female employees (38%). Among them, there were 1,849 employees in Nanjing[3], including 1,139 male employees (62%) and 710 female employees (38%). Among them, there were 14 employees at senior management level and above, of which 86% were male and 14% were female. The difference in the ratio of men to women is mainly due to the industry characteristics and does not deviate from the Group's equal employment (including recruitment and promotion) principle.

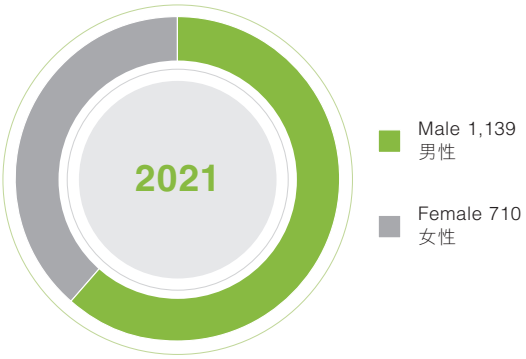
截至2021年末，本集團僱員總數[2]為6,732人，包括男員工4,174人，佔比62%；女員工2,558人，佔比38%。其中，南京地區員工[3]1,849人，包括男員工1,139人，佔比62%；女員工710人，佔比38%。其中，高管及以上層級員工共計14人，其中男性佔比86%，女性佔比14%。男女比例的差異，主要系本集團所處的行業因素，與本集團的平等僱傭（包括招聘與晉升）原則並不相背離。

2 Labour dispatch employees are not included.
2 未包括勞務派遣制員工。
3 Only counts non-front-line employees.
3 僅統計非一線員工人數。

Employment Type in Nanjing
南京地區員工僱傭類型



Gender Distribution of Employees in Nanjing
南京地區員工性別分佈



Turnover rates by Gender and by Age Group[4]

按性別與按年齡劃分的離職率[4]

Nanjing **南京地區**	**Male** **男性**	**Female** **女性**	**20-40 years old** **20-40歲**	**Above 40 years old** **40歲以上**
Turnover rates 員工離職率	8.90%	7.79%	15.95%	0.74%

4 Only counts the turnover rates of non-front-line employees.
4 僅統計非一線全職員工離職率。

The Group and its subsidiaries clearly prohibit the employment of persons under the age of 18 in accordance with *the National Law on the Protection of Minors*, the *Regulations on the Prohibition of Child Labour* and other laws and regulations. We conduct strict vetting during the recruitment process to avoid misuse of child labour. All employees of the Group are required to present their original ID cards and submit a copy of their signed ID cards for filing when they go through the entry procedures to ensure that the hired employees are over the age of 18. The Human Resources Administration Centre conducts random checks of employee information during internal audits from time to time. If any misuse of child labour is discovered, the situation will be corrected immediately, employment will be terminated and the person responsible will be held accountable. During the reporting period, there were no incidents of child labour employed by the Group.

本集團及附屬公司根據國家《未成年人保護法》《禁止使用童工規定》等法律法規，明確規定禁止聘用年齡未滿18周歲者，並在招聘過程中進行嚴格的審查，以避免誤用童工。本集團所有員工辦理入職手續時均須出示身份證原件，並提交本人簽字的身份證複印件留檔，確保錄用的員工年齡已滿18周歲。人力行政中心不定期在內部審計中抽查員工入職資料，一經發現誤用童工的情形，將立即糾正，終止僱傭，並對相關責任人進行追究。報告期內，本集團未發生僱傭童工的事件。

The Group fully respects the freedom of employment of its employees. During the entire employment period, the Group and its factories are prohibited from withholding valid documents, collecting deposits, forcing employees to work or defaulting on payment of labour. Employees are informed of their working hours of corresponding positions before they join the Group. If the working hours need to be adjusted due to production needs or job changes after employment, it shall also be carried out with the consent of the employee. If overtime work is arranged with the consent of employees due to production scheduling, overtime payment or compensatory leave shall be given. If any employee proposes to resign, he/she will go through the resignation procedures according to the process. We have also constructed an internal monitoring mechanism to accept complaints on irregularities and violations through publicly available email address, address and telephone number. During the reporting period, the Group did not have any incidents of forced labour.

本集團充分尊重員工的就業自由。於整個僱傭期間內，集團及下屬各工廠均禁止扣留員工有效證件、收取押金、強迫勞動或拖欠勞動報酬等行為。員工入職前均告知對應崗位的工作時間；入職後因生產需要或崗位變動需要調整工作時間的，也均在員工同意後進行；因生產排期需要在徵得員工同意後安排加班的，均給予加班費或安排調休；員工提出離職，按流程辦理離職手續。我們也在內部構建了監督機制，公開舉報郵箱、地址和電話，接受對違規違法情況的舉報。報告期內，本集團未發生強制勞工的事件。

4.1.2 Health and Safety

Ensuring a safe working environment for employees is our fundamental responsibility. We strive to create a safe and healthy work environment, maintain the safety of each workplace, and make every effort to avoid any hazards that cause or may cause physical injury to our employees.

4.1.2 健康與安全

確保員工擁有安全的工作環境是我們的一項基本責任。我們極力營造安全、健康的工作環境，維護每處工作環境的安全，盡力避免因任何危險因素導致或可能導致員工身體的傷害。

Strengthened Leadership

On the premise of the *Production Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other relevant laws and regulations in our operating locations, we continuously draw on the management concepts and methods from leading global practices, and actively promote the construction of the occupational health and safety system.

By the end of 2021, our Nanjing production base has obtained ISO 45001:2018 Occupational Health and Safety Management System Certification and Level 2 Certification of Work Safety Standard.

強化領導

我們以《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》等營運所在地的相關法律法規為前提，不斷汲取全球領先實踐中的管理理念和方法，積極推進職業健康安全體系的建設。

截至2021年末，本集團南京生產基地已通過ISO 45001:2018職業健康安全管理體系認證和安全生產標準二級認證。

Chervon Industry obtained ISO 45001:2018 Occupational Health and Safety Management System Certificate
泉峰科技獲得ISO 45001:2018
職業健康安全管理體系認證證書

Chervon Industry received the Certificate of Work Safety Standardization
泉峰科技獲得安全生產標準化證書

Risk Control

We follow the *Risk Management Risk Assessment Technique, Law of the People's Republic of China on Special Equipment Safety* and other systems to establish the *Regulations on Hazard Identification and Risk Classification Control and Management*. We strictly implemented and carried out the construction of the risk classification and control system in accordance with the regulations, strived to reduce production risks, eliminate or reduce various accident hazards and prevent production safety accidents.

The Group conducts systematic review of the risk classification and control system at least once a year and publishes the review results.

風險管控

我們遵循《風險管理風險評估技術》《中華人民共和國特種設備安全法》等制度建立了《危險源識別與風險分級管控和管理規定》，按照規定嚴格落實與開展風險分級管控體系建設工作，努力降低生產風險，杜絕或減少各種事故隱患，預防生產安全事故發生。

本集團每年至少對風險分級管控體系進行一次系統性評審，並對評審結果進行公布。

Hidden Dangers Investigation

To realize the long-term mechanism of accident hidden danger investigation and management, strengthen the supervision and management of accident hidden dangers, prevent and reduce the occurrence of accidents, and protect the lives and properties of employees, we follow the *Interim Provisions of Safety Production Accident Hidden Danger Investigation Jurisprudence*, *Method of Determining Major Fire Hazards* and other norms to develop the *Hidden Dangers Investigation and Management System*. We inspect the responsible departments in accordance with the *Hidden Danger Investigation List of Basic Management*, *Screening List of Hidden Dangers on Production Site*, and take the identified risk points, hazards as the core to carry out the hidden danger classification inspection and classification management.

For the identified hidden dangers, the responsible departments are informed to carry out rectification through the process and required to provide timely feedback on the rectification situation, and in accordance with the principle of "hidden danger reporting – treatment – acceptance – closure", the hidden danger investigation department organizes acceptance of the hidden danger rectification effect and issues acceptance opinions to achieve closed-loop management. In 2021, we identified a potential safety hazard in the speed of electric forklifts and set a limit of 5 km/h for electric forklifts in the factory.

The Group shall conduct a systematic review of the hidden danger investigation and treatment at least once a year and publishes the review results.

隱患排查

為實現事故隱患排查治理長效機制，加強事故隱患監督管理，防止、預防和減少事故的發生，保障員工生命財產安全，我們遵循《安全生產事故隱患排查法理暫行規定》《重大火災隱患判定方法》等規範制定了《隱患排查治理管理制》，檢查責任部門按照《基礎管理類隱患排查清單》《生產現場類隱患排查清單》將已識別的風險點、危險源作為核心，進行隱患分級排查、分級治理工作。

對於排查出的隱患，通過流程告知責任部門進行整改並要求及時反饋整改情況，並按照「隱患上報－治理－驗收－關閉」的原則，由隱患排查組織部門對隱患整改效果組織驗收並出具驗收意見，實現閉環管理。2021年，我們識別出電動叉車行使速度存在安全隱患，針對該隱患設立了廠區內電動叉車運行速度不得超過5 km/h的限制。

集團每年至少對隱患排查治理體系進行一次系統性評審，並對評審結果進行公布。

From 2019 to 2021, the Group did not have any work-related deaths of employees. In 2021, the work-related injuries and loss of work due to work-related injuries are as follows:

2019-2021年，本集團未發生員工因工身亡事件。2021年，工傷及因工傷誤工情況如下：

		2021 **2021年**
Number of employees injured at work (unit: person)	工傷人數（單位：人）	20
Number of working days lost from work injuries	工傷損失工作日數	753

For safety accidents, we follow the *Casualty Management System*, actively implement the principle of "four no let-ups" in safety production, immediately analyse and summarise accidents and issue accident investigation reports, quickly take targeted corrective measures to firmly eliminate such potential risks and hazards and notify the accident situation within the Group to give safety warnings and further strengthen safety awareness education and safety skills training.

對於安全事故，我們依照《傷亡事故管理制度》，積極落實安全生產「四不放過」原則，即時進行事故分析總結並出具事故調查報告，快速採取針對性整改措施，以堅決消除此類風險隱患，並對事故情況在集團範圍內通報，予以安全警示，進一步加強安全意識教育和安全技能培訓。

Case: Employee Safety House
案例：員工安全之家

To make employees have a deeper feeling of "safety prevention and control" and enhance the culture of safety prevention in the park. We have set up a "Staff Safety House" in the workshop. Through the posting of slogans, safety accident education and the introduction of the use of labour protection equipment, we help employees to further raise awareness of safety production.

為讓員工對於「安全防控」有更深入的感受，增強園區內的安全防範文化氛圍。我們在車間搭建了「員工安全之家」，通過標語張貼，安全事故教育以及勞保用具的使用介紹等方式幫助員工進一步提高安全生產意識。

Employee Safety House
員工安全之家

Case: Fire Drill
案例：消防演練

To further strengthen the safety management of fire and explosion prevention, effectively prevent fire and explosion accidents, and protect the property of our unit and the lives of employees, we hold regular firefighting training and fire drills, in which professional firefighters explain the use of firefighting equipment and firefighting knowledge to employees so as to improve their safety awareness and firefighting skills.

為進一步加強防火防爆安全管理，有效地預防火災、爆炸事故發生，保障本單位財產和職工生命安全，我們定期舉行消防專業知識的培訓，以及消防演習，由專業的消防員為員工講解消防器材的使用及消防知識，提高員工的安全意識和滅火技能。

Organize employees to carry out fire drill
組織員工進行消防演練

Case: Pandemic Prevention and Control
案例：疫情防控

In 2021, during the pandemic period in Nanjing, the Group paid great attention to the health and safety of employees. To prevent and control the pneumonia epidemic caused by COVID, we improve the prevention and control and response capabilities, effectively prevent and control the spread of the pandemic to protect the health and lives of employees, and maintain normal work order, we introduced some management measures in stages scientifically and effectively.

2021年，在南京地區疫情流行期間，本集團高度關注員工健康與安全，為科學有效地做好新型冠狀病毒感染的肺炎疫情防控工作，提高防控和應對能力，有效預防和控制疫情傳播來保障員工身體健康和生命安全，維護正常的工作秩序，我們階段性地出台了一些管理措施。

(1) Nucleic acid screening for all employees one by one.
對所有員工逐一進行核酸篩查；
(2) Registering all employees, providing dormitory isolation, meal delivery, temperature taking and other employee services.
對所有員工進行登記，為員工提供宿舍隔離，送餐、測體溫等員工服務；
(3) Grid-based reporting management for 3 plants in Nanjing.
對南京地區3個廠區進行網格化匯報管理。

Nucleic Acid Testing of Employees
員工核酸檢測

4.2 Talent Development

4.2.1 Employee Rights and Benefits

The Group attaches importance to employee communication and care, creates an equal, respectful and harmonious working environment for employees, and maintains a harmonious and progressive working atmosphere. The Group also focuses on employees' cultural activities, enriches employees' spare time, and continuously improves corporate services and welfare policies. At the same time, we listen to the valuable opinions of employees and make improvements to continuously enhance the sense of belonging and satisfaction of employees.

Smooth Communication

We open a variety of communication channels for employees to ensure timely and effective access to employee feedback, helping employees to balance work and life.

- Employee opinion box: We adopt the form of QR code and print it on the reverse side of the employee's work badge, so employees can scan the code at any time to give feedback. HR regularly collates and sends it to relevant departments for timely processing. By the end of 2021, we collected 442 pieces of feedback from employees, of which 200 pieces of valid feedback have been properly followed up.

- Seminars: In 2021, we conducted 8 seminars for frontline employees, with 200 participants, and collected 192 questions and suggestions in the seminars. We set up a satisfaction improvement team and organized a dedicated person to take charge of the 8 issues that were raised most frequently.

4.2 人才發展

4.2.1 員工權益

本集團重視員工的溝通和關懷，為員工創造平等、尊重、融洽的工作環境，保持企業內部和諧、共同進步的工作氛圍；注重員工文化活動，豐富員工的業餘生活，持續完善企業服務和福利政策。同時，聆聽員工寶貴意見並做出改善，不斷提升員工的歸屬感和滿意度。

順暢溝通

我們為員工開放多種溝通渠道，保障及時、有效獲取員工意見反饋，幫助員工平衡工作與生活。

- 員工意見箱：採用二維碼形式並打印佩戴在員工工作牌反面，員工可隨時掃碼反饋，HR定期整理併發給相關部門及時處理。截至2021年末，我們共收集員工反饋442條，其中有效反饋200條，均已妥善跟進。

- 座談會：2021年，我們針對一線員工共開展8座談會，參與人數達200人，於座談會中共收集192條問題及建議。我們設立滿意度提升小組，針對提出頻率最高的8項問題，組織專人對接負責。

- Communication and interviews: We require team leaders, supervisors, managers and even VPs to conduct monthly interviews with subordinate employees, record feedback and present it in the monthly report.

- Satisfaction survey: We conduct 1-2 employee satisfaction surveys every year to gain a deep understanding of employee problems and provide timely feedback for solutions.

- 溝通訪談：我們要求組長、主管、經理以至VP，每月需要與下屬員工進行訪談，記錄反饋意見並呈現在月報中。

- 滿意度調查：我們每年進行1-2次員工滿意度調查，以深度了解員工問題，及時反饋解決。

Caring for Employees

To enhance employees' sense of belonging, we provide a platform for employees to show themselves and communicate through a series of employee care activities to meet their spiritual needs and enhance their sense of well-being.

員工關懷

為增強員工的歸屬感，我們通過開展一系列的員工關懷活動，為員工提供展示自我、交流溝通的平台，滿足員工的精神需求，提升員工的幸福感。

Case: CEIBS (China Europe International Business School) Alumni Corporate Badminton League
案例：中歐校友企業羽毛球聯賽

In May 2021, CEIBS Alumni Nanjing Branch organized the first "Shunwei Fund" Cup Alumni Corporate Doubles Badminton Team League. As the president company, Chervon Holdings took the lead in gathering badminton fans from the Group to form a team to participate. Chairman Pan Longquan, as the president of CEIBS Alumni Nanjing Branch, also came to watch the game and cheered for Chervon Holdings's team. Chervon Holdings's team won the second place in the league.

2021年5月，中歐校友南京分會組織第一屆「順為基金」杯校友企業羽毛球雙打團體聯賽。泉峰控股作為會長企業，帶頭集結本集團的羽毛球愛好者組隊參與。潘龍泉董事長作為中歐校友南京分會的會長，也來到現場觀看比賽，並為泉峰代表隊加油鼓勵。泉峰代表隊於此次聯賽中獲得團隊賽亞軍。

Chervon Holdings's team won the second place in the CEIBS Alumni Corporate Badminton League
泉峰代表隊於中歐校友企業羽毛球聯賽中獲得團隊賽亞軍

Case: Dragon Boat Race at Xuanwu Lake
案例：玄武湖賽龍舟

In May 2021, during the Dragon Boat Festival, to promote communication among colleagues and strengthen team building, R&D Centre organized a dragon boat race at Xuanwu Lake for employees. A total of 8 teams participated in this activity.

2021年5月，正值端午佳節，為促進同事間溝通，加強團隊建設，研發中心組織員工前往玄武湖賽龍舟，此次活動共有8支隊伍參賽。

R&D Centre organized employees to race dragon boats at Xuanwu Lake
研發中心組織員工前往玄武湖賽龍舟

4.2.2 Training and Development

We insist on building a growth model of collaborative development and mutual achievement with our employees. Therefore, we create a learning atmosphere in our company through various means, establish a multi-level training system, continuously invest in quality resources, strengthen talent training, help our employees plan and develop their career paths and help them continuously improve their personal capabilities and achieve their career development goals.

In 2021, the Group provided a total of 571 hours of internal training courses, including:

4.2.2 培訓與發展

我們堅持構建與員工協同發展、彼此成就的成長模式。為此，我們通過多種途徑在企業中營造學習氛圍，建立多層次的培訓體系，持續投入優質資源，加大人才培養力度，幫助員工規劃併發展其職業道路，助力員工個人能力的不斷提升和職業發展目標的實現。

2021年，本集團提供內部培訓課程總時長達571小時，具體包括：

Training Type 培訓類別	Industry 工業	Leadership 領導力	Compulsory 強制類	R&D 研發	Profession 職業化	Total 總計
Duration/Hour 時長／小時	91	88	15.5	250.5	126	571

In 2021, the number of participants of the Group in Nanjing reached 1,196, with 35.1 hours of training per person.

2021年，本集團南京地區參訓人數總計達1,196人，人均受訓時長為35.1小時。

Employee Type 受訓員工類型	Female 女性員工	Male 男性員工	Management Staff 管理層員工	Mid-level Staff 中層員工	Primary-level Staff 基層員工
Training duration per person/hour 人均受訓時長／小時	41.5	30.7	60	24.3	38
Training ratio 受訓比例	52%	48%	95%	51%	59%

"Hummingbird" Program

Our industry requires a high level of technical professionals. With business development needs, we are increasingly aware of the importance of a dedicated talent pool. Recent college graduates are an important way for us to recruit high-tech talents. Our graduate recruitment demand reached 81 in 2021, double the number in 2020.

In order to strengthen the attractiveness of our company to graduate recruits, we have developed a special training program for fresh university graduates, which is centrally managed by the Group and jointly directed by the Business Department and the HR Department to help fresh graduates quickly integrate into the Group through relatively comprehensive, systematic and professional training, and accelerate the growth of fresh university graduates into Chervon staff who can take up jobs independently within one year.

To realize the precise positioning of special talents, we summarized previous years' "Hummingbird" program every year and formulated the framework of the next year's program in line with the business needs.

The framework of the 2021 "Hummingbird" program:

- Training plan: Four stages of exploration, practice, commitment and delivery.
- Team integration: Factory visit + online operation, timely adjust internship expectations and strengthen learning goal management by intensive prior employee communication.

蜂鳥計劃

我們所在行業對於專業技術要求水平較高，伴隨業務發展需求，我們愈發意識到專項人才儲備的重要性。大學應屆畢業生是我們招收高科技人才的重要途徑，2021年我們的校招生需求達到81人，較2020年增長一倍。

為強化企業對於校招人才的吸引力，我們針對大學應屆畢業生制定了專項培養計劃，由集團集中管理，業務部和人事部聯合定向培養，通過相對全面、系統、專業的培養，幫助應屆生快速融入企業，加速大學應屆畢業生在1年內成長為能夠獨立定向承擔工作的泉峰人。

為實現專項人才精準定位，每年我們都會對往年「蜂鳥」項目進行盤點總結，並結合經營需求制定下年項目框架。

2021「蜂鳥」項目的框架：

- 培養方案：探索期、實踐期、承擔期、交付期四階段全流程方案規劃；
- 融入團隊：工廠參觀+上線操作，通過加強事前員工溝通，及時調整實習預期，強化學習目標管理；

- Mentorship coaching: According to the department-specific training plan, combined with HR interview and counselling, we track vocational skills training.
- Independent undertaking: Arranging advanced version of vocational skills training to achieve on-the-job improvement and offline activities (such as senior management face-to-face, etc.).
- Project delivery: Results reporting, HR and departments develop training programs for high potential talents through talent inventory.

- 導師帶教：根據部門專項培養計劃，結合HR面談輔導，並軌職業化技能培訓；
- 獨立承擔：安排進階版職業技能培訓，實現在崗提升，進行線下活動（如高管面對形式面等）；
- 項目交付：成果匯報，通過人才盤點，HR和部門針對高潛人才制定培養方案；

Leadership Program Plan

The Group is currently in a booming period, with a scale of business growth from quality to quantity in the next 3-5 years. In order to empower the organization, activate talent and build a quality talent supply chain, we have developed a leadership program for our management level staff.

Chervon Holdings's "Leadership Development Program v2.0" was launched in 2021, with the theme of "Capability Advancement, Community Operations".

- Based on organizational needs: We set up one class for managers and two classes for supervisors, with a total of 72 participants in the program.
- Competency advancement: Differentiated training for supervisors and managers, and designed advanced courses based on their competency level.
- Course system optimization: Focus on organization, self-improvement, team management and business development.

領導力項目計劃

本集團目前正處於業務增長期，在未來3-5年中業務從質量到數量均有規模性成長，為賦能組織、激活人才，打造優質人才供應鏈，我們針對管理人員制定了領導力項目計劃。

2021年是泉峰控股「領導力發展項目v2.0」階段，項目主題是「能力進階　社群運營」：

- 基於組織需求：我們設立了1個經理班，2個主管班，共72人參與培訓計劃；
- 勝任力進階：對主管和經理課程進行差異化培訓，根據能力水平設計進階課程；
- 課程體系優化：關注組織，提升自我，管理團隊，發展業務；

- OMO teaching: Combination of online, offline and community operation.

In order to effectively activate individual managers and thus empower the organization, we conduct an annual review of previous years' leadership programs and plan the training strategy for the following year, taking into account the management needs.

- OMO方式授課：線上、線下和社群運營結合。

為有效激活管理人員個體，進而賦能組織，每年我們都會對往年領導力項目進行復盤工作，並結合管理需求規劃下年培訓戰略。

2021 Leadership Program
2021年領導力項目培訓

V. GREEN AND SUSTAINABLE DEVELOPMENT

5.1 Emissions Management

We strictly comply with many local environmental protection and pollution prevention laws, regulations and standards, including the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Comprehensive Emission Standards for Air Pollutants*, and the *Pollution Control Standards for Hazardous Waste Storage*. The Group has established corresponding management system such as *Environmental Management Operation Control Procedures*, *Solid Waste Management Regulations*. At the same time, each operation site will conduct internal supervision and management of emissions of waste gas, wastewater, and waste according to the standards of local environmental protection authorities to ensure that emissions meet the standards.

五、 綠色可持續發展

5.1 排放物管理

我們嚴格遵守運營所在地包括《中華人民共和國大氣污染防治法》《中華人民共和國固體廢物污染環境防治法》《中華人民共和國水污染防治法》《大氣污染物綜合排放標準》《危險廢物貯存污染控制標準》等在內的諸多運營所在地環境保護和污染防治法律法規和標準，集團制定了如《環境管理運行控制程序》《固體廢棄物管理規定》等相應的管理制度。與此同時，各運營點會根據當地環保部門標準，對廢氣、廢水及廢棄物的排放進行內部監督管理，以確保排放達標。

By the end of 2021, the Group's Nanjing production base has obtained ISO 14001:2015 environmental management system certification.

截至2021年末，本集團南京生產基地已通過ISO 14001:2015環境管理體系認證。

CQC

环境管理体系认证证书

证书编号：00121E30368R3L/3200

兹证明

南京泉峰科技有限公司

注册/运营地址：中国江苏省南京市江宁区将军大道529号、159号（江宁开发区）

建立的环境管理体系符合标准：

GB/T 24001-2016 / ISO 14001:2015

通过认证范围如下：

159 号：资质范围内手持式系列电动工具、测距仪、探测器、水平尺、投线仪的设计开发和生产及相关管理活动

529 号：直流手持式系列电动工具、园林工具、附件（充电器、电池包）的设计开发和生产（不在 CCC 认证范围）及相关管理活动

首次发证日期：2011 年 12 月 26 日　本次发证日期：2022 年 1 月 27 日　有效期至：2023 年 12 月 25 日

在一个监督周期后，本证书必须与CQC签发的监督审核合格通知书合并使用方可有效，查询证书有效状态请登陆www.cqc.com.cn，本证书信息可在国家认证认可监督管理委员会官方网站（www.cnca.gov.cn）上查询

IAF　CNAS　谢肇煦　IQNet

中国质量认证中心

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http://www.cqc.com.cn

A 0043670　2021年版

Chervon Industry obtained ISO 14001:2015 Environmental Management System Certificate
泉峰科技獲得ISO 14001:2015環境管理體系認證證書

Our emissions mainly consist of waste gas, wastewater and waste. We rely on our environmental management system to implement pollution prevention strategies and cooperate with external third parties to effectively monitor and treat emissions and waste.

我們的排放物種類主要包括廢氣、廢水及廢棄物。我們依托環境管理體系，推行污染防治策略，與外部第三方開展合作，對排放物及廢棄物進行有效監控及處理。

➢ *Waste Gas*

The main sources of industrial waste gas in our operations are waste gas from drip painting motor workshops, injection workshops and product testing. In order to ensure that waste gas emissions meet the requirements of the *Comprehensive Emission Standards for Air Pollutants*, we have installed and operated waste gas treatment facilities (such as water curtain dust removal systems, bag dust removal systems, and active carbon absorption treatment devices). The relevant departments maintain daily operation records, conduct routine maintenance, inspection and repair of waste gas emission equipment, exhaust systems and waste gas treatment devices, and keep the inspection records according to the related requirements. We manage emissions by adhering to emission requirements which are stricter than the national standards, cooperate with irregular surprise inspections from the environmental protection departments and engage professional third-party institutions to perform testing regularly as required by the Environment Bureau.

➢ *廢氣*

我們經營中的工業廢氣的主要來源有：電機車間滴漆廢氣、注塑車間廢氣產品測試廢氣等。為確保廢氣排放達到《大氣污染物綜合排放標準》的要求，我們通過安裝和運行廢氣處理設施（如水幕除塵系統、布袋除塵系統、活性炭吸收治理裝置等），確保廢氣達標排放。相關部門會按照規定要求進行廢氣排放設備、廢氣排風系統、廢氣處理裝置的日常運行記錄、日常維護保養、檢查維修，並保留相關檢查記錄。我們嚴格按照高於國家標準的排放要求進行排放管理，配合環保部門的不定期突擊檢查工作並按照環保局規定定期委託專業第三方機構執行檢測。

Case: RTO Waste Gas Treatment System
案例：RTO廢氣處理系統

In 2021, Chervon Industry responded to the national control of VOCs and invested in the construction of an RTO waste gas treatment system in the motor workshops with a view to improving the efficiency of waste gas treatment and reducing emissions.

2021年，泉峰科技響應國家對揮發性有機物的管控，在電機車間投入建設了RTO廢氣處理系統，以期進一步提升廢氣治理效率，降低排放量。

In 2022, we plan to further reduce waste gas emissions after installing the RTO exhaust gas treatment system.

2022年，我們計劃RTO廢氣處理系統安裝完成後，進一步推進廢氣減排工作。

Installation of the RTO waste gas treatment equipment in progress
RTO蓄熱式氧化廢氣處理設備安裝建設中

➢ *Wastewater*

Our wastewater is divided into industrial wastewater and domestic wastewater.

Industrial wastewater mainly comes from mechanic processing workshops and contains emulsified wastewater.

- For the areas that produce a large amount of industrial wastewater, we have built sewage pipelines for wastewater to run through to the target sewage treatment plant.
- For industrial wastewater discharged sporadically, we use special drainage trucks to transfer the wastewater to the sewage treatment plant.

➢ *廢水*

我們的廢水主要分為兩類：工業廢水和生活廢水。

工業廢水：主要來自機加工車間，為含乳化液廢水。

- 對於產生工業污水量較多的區域建立污水管道，我們直接引入污水處理站；
- 對於零星排放的工業廢水，我們使用專用排水車，傾倒入污水處理站。

- We have formulated the *Specification for the Maintenance and Management of Online Automatic COD_{cr} Analyser System*, the *Operating Procedures for Online COD_{cr} Analyser System* and the *Management Regulations for Wastewater Treatment System* and have dedicated personnel responsible for the operation of sewage treatment plants to ensure that the plants operate normally, and wastewater is only discharged to the sewage pipeline network after meeting the standards.

- 我們已制定《COD_{Cr}全自動在線分析儀系統維護管理規範》《COD_{Cr}在線分析儀系統操作規程》和《污水處理系統管理規定》，並有專人負責污水處理站的運營，確保污水處理站正常運行，達標後排入污水管網。

- The EHS Department organises all departments to formulate and implement the wastewater reduction plan.

- EHS部門組織各部門制定並實施廢水減量化方案。

Domestic wastewater mainly comes from staff canteens and toilets and is discharged after being filtered and precipitated using grease traps.

生活廢水：主要來自職工食堂和廁所，經隔油池等過濾、沉澱後排放。

- We have set up isolation nets in the canteen water storage ditch and cofferdams in the sewerage ditch of the food waste room.

- 我們在食堂蓄水溝內設置隔離網，廚餘垃圾房的下水溝設置圍堰；

- Professional cleaners are hired regularly to clean and service the grease traps and domestic wastewater pipelines to prevent sewage overflow.

- 委託專業人員定期清理、疏通隔油池、生活污水管道，防止污水外溢。

➢ *Solid Waste*

We follow the principles of reducing, recycling and harmless solid waste control.

In order to reduce the impact of waste on the surrounding ecological environment, effectively control various wastes generated by the Group, and avoid waste hazards to the environment and human health, we have formulated the *Solid Waste Management Regulations* and *Waste Material Disposal Management Specifications*, which are strictly enforced in actual operation, and to achieve responsibility implementation.

- The waste generating department is responsible for the classified collection and storage of the waste and for the daily management of the departmental waste temporary storage place.

➢ *固體廢棄物*

我們遵循減量化、資源化和無害化地固體廢棄物控制原則。

為了減少廢棄物對周圍生態環境的影響，使本集團所產生的各種廢棄物得到有效控制，避免廢棄物對環境和人類健康造成危害，我們制定了《固體廢棄物管理規定》《廢舊物資處理管理規範》，在實際運營中嚴格執行，並做到責任落實。

- 廢棄物產生部門負責該廢棄物的分類收集、存放並負責部門廢棄物暫存地的日常管理工作；

- EHS department is the competent department for waste disposal, responsible for the qualification and disposal agreement review of all waste disposal units, as well as the collection, classification, legal disposal and comprehensive supervision and management of hazardous waste.

- EHS部門是廢棄物處置的主管部門，負責所有廢棄物處置單位的資質和處置協議審核，並負責危險廢棄物的收集、分類、合法處置以及綜合監督管理；

- EHS and related departments are responsible for the sorting, storage and daily cleaning of general waste, as well as the disposal of general waste.

- EHS及相關部門負責一般廢棄物的分選、存放及日常清理工作，負責一般廢棄物的處置；

- For hazardous waste, we stipulate that we need to fill out the *Internal Transfer Order of Hazardous Waste* and transfer it to the hazardous waste warehouse after confirmation by environmental engineers, and the EHS department is responsible for disposal.

- 對於危險廢棄物，我們規定需填寫《危險廢物內部轉移單》並經環境工程師確認後轉移至危險廢棄物倉庫，由EHS部門負責處置。

Indicator **指標**	**2021** **2021年**
Emission **排放**	
Total GHG emissions (tons CO_2 equivalent) 溫室氣體排放總量（噸二氧化碳當量）	23,824.0
GHG (Scope 1) emissions (tons CO_2 equivalent) 溫室氣體（範圍一）排放量（噸二氧化碳當量）	1,036.11
GHG (Scope 2) emissions (tons CO_2 equivalent) 溫室氣體（範圍二）排放量（噸二氧化碳當量）	22,921.67
Total sewage discharge (ton) 污水排放總量（噸）	292,960.0
Sewage discharge per unit of product (ton/thousand units) 單位產品污水排放量（噸／千單位）	19.7
Total amount of hazardous waste (ton) 有害廢棄物產生總量（噸）	250.0
Amount of hazardous waste per unit product (kg/thousand units) 單位產品有害廢棄物產生量（千克／千單位）	16.8
Total amount of industrial solid waste (ton) 工業固體廢棄物產生總量（噸）	4,811.0
Amount of industrial solid waste per unit product (kg/thousand units) 單位產品工業固體廢棄物產生量（千克／千單位）	323.3
Total amount of recyclable waste (ton) 可回收廢棄物產生總量（噸）	4,561.0
Amount of recyclable waste per unit product (kg/thousand units) 單位產品可回收廢棄物產生量（千克／千單位）	306.5
Total VOCs emission (kg) VOCs排放總量（千克）	2,279.8
VOCs emission per unit product (g/thousand units) 單位產品的VOCs排放量（克／千單位）	153.22

With the growth of production capacity and output, it is difficult to reduce the total amount of emissions, but the Group will continue to reduce emissions per unit of production through refined management and improvement of production processes. On the basis of legal compliance, the emissions per unit of production can be reduced by upgrading production facilities and emission treatment facilities, accurate forecasting and scientific production scheduling.

隨着產能與產量的增長，排放物的總量降低存在現實困難，但本集團將持續通過精細化管理和生產工藝的改良，降低每單位產量的排放物。在合法合規的基礎上，通過更新生產設施和排放物處理設施，精準預測和科學排產來實現每單位產量排放物的降低。

5.2 Energy and Resource Use

We strictly comply with the requirements of the *Environmental Protection Law of the People's Republic of China*, *the Law of the People's Republic of China on Appraising of Environment Impacts*, the *Law of the People's Republic of China on Energy Conservation* and many other laws and regulations in the places where we operate and have established various systems such as *the Environmental Operation and its Control Procedures* within the Group to regulate the use of energy and resources.

5.2 能源及資源使用

我們嚴格遵守《中華人民共和國環境保護法》《中華人民共和國環境影響評價法》《中華人民共和國節約能源法》等諸多運營所在地法律法規要求，在集團內部制定如《環境運行及其控制程序》等各項制度，對能源與資源使用進行規範。

By the end of 2021, the Group's Nanjing production base has passed the ISO 50001:2018 energy management system certification.

截至2021年末，本集團南京生產基地已通過ISO 50001:2018能源管理體系認證證書。

CQC

能源管理体系认证证书

证书编号：00122En20053R1L/3200

兹证明

南京德朔实业有限公司

注册/运营地址：中国江苏省南京江宁区将军大道 529、159 号（江宁开发区）

统一社会信用代码/组织机构代码：91320115608968458N

建立的能源管理体系符合标准：

GB/T 23331-2020 / ISO 50001:2018

RB/T119-2015;

通过认证范围如下：

电动工具、园林工具&设备、测量工具、附件（充电器、电池包）的研发、生产所涉及的相关能源管理活动

（获证组织本年度产品单位产量综合能耗及能耗核算边界见标有相同证书注册号的证书附件，证书附件是本证书组成部分）

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在一个监督周期后，本证书必须与CQC签发的监督审核合格通知书合并使用方可有效。查询证书有效状态请登陆www.cqc.com.cn。本证书信息可在国家认证认可监督管理委员会官方网站（www.cnca.gov.cn）上查询

CNAS 中国认可 管理体系 MANAGEMENT SYSTEM CNAS C001-M

谢肇煦

Signed by: Xie ZhaoXu

IQNet

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2021年版

Chervon Industry obtained ISO 50001:2018 Energy Management System Certification
泉峰科技獲得ISO 50001:2018能源管理體系認證證書

Energy Saving Management Measures

- According to the Management Measures for Energy Saving and Consumption Reduction formulated by the EHS department and combined with the actual consumption of the previous year, organize each department to formulate the energy cost reduction plan for the current year.
- Require each department to control the consumption of water, electricity, gas and other resources and energy, compare and analyse the data to reduce the resource and energy consumption of products.
- Educate employees to establish energy-saving awareness, operate carefully and strive to reduce consumption.

節能管理措施

- 根據EHS部門組織所制定的《節能降耗管理辦法》，結合上年度的實際消耗情況，組織各部門制定本年度能源降本方案；
- 要求各部門對水、電、氣等資、能源的消耗情況進行控制，對照分析數據，以降低產品的資、能源消耗；
- 教育員工樹立節能意識，精心操作，努力降低消耗。

Water Resources Management

The Group's water is basically from municipal water, and there is no major issue in the acquisition of water resources.

水資源管理

本集團的用水基本取自市政用水，在水資源的獲取上並無重大問題。

Environment and Natural Resources

We pay much attention on the economical use of natural resources and strive to build a resource-saving and environment-friendly enterprise to achieve the harmonious and sustainable development of people, resources and the environment. Although our production and operations do not directly involve natural resources, we fully consider the impact of our construction activities on the surrounding environment when building new production sites and conduct environmental impact assessments in accordance with regulatory requirements to ensure that our construction practices do not affect biodiversity or damage the environment.

環境及天然資源

我們高度重視對自然資源的節約使用，努力建設資源節約型、環境友好型企業，實現人、資源與環境的協調可持續發展。儘管我們的生產經營不直接涉及天然資源，但我們在新建生產基地時充分考慮建造活動對周邊環境的影響，按法規要求進行環境影響評估，確保不因我們的建造行為影響生物多樣性或破壞環境。

Key Environmental Performance

環境關鍵績效

Indicator **指標**	**2021** **2021年**
Energy Usage **能源使用**	
Total electricity consumption (kWh) 耗電量（千瓦時）	34,585,110
Natural gas consumption (m^3) 天然氣消耗量（立方米）	64,284
Gasoline (litres) 汽油消耗量（升）	23,330
Diesel (litres) 柴油消耗量（升）	28,912
Comprehensive energy consumption (ton of standard coal) 綜合能源消耗量（噸標準煤）	4,572.0
Energy consumption per unit product (ton of standard coal/thousand units) 單位產品能源消耗量（噸標準煤／千單位）	296.7
Water Usage **水資源使用**	
Total water consumption (10 thousand ton) 耗水量（萬噸）	43.0
Water consumption per unit product (ton/thousand units) 單位產品耗水量（噸／千單位）	28.9

With the growth of production capacity and output, there are certain practical difficulties in reducing the total use of energy and resources. However, the Group will continue to reduce the consumption of non- renewable energy through green office means such as the substitution of renewable energy, optimization of vehicle routes and reduction of travel, and strive to reduce the energy consumption per unit output and improve energy efficiency. In terms of water usage, we continuously publicize the awareness of water saving and gradually adopt water-saving appliances to enhance the water efficiency and strive to reduce the water consumption per unit product.

隨着產能與產量的增長，能源和資源使用總量的降低存在一定的現實困難，但本集團將持續通過可再生能源的替代、優化車輛行車路線和減少差旅等綠色辦公手段減少不可再生能源的消耗，並努力降低每單位產量的能源消耗量，提升用能效益。在水資源使用上，我們通過持續宣傳節水意識和逐步採用節水型器具，來提升用水效益，努力降低每單位產品的耗水量。

5.3 Addressing Climate Change

Environmental risks are closely related to climate change. The development of a low-carbon economy has become the consensus of the international community to address the severe challenges posed by climate change. Globally, it is becoming a consensus for the industry to shift from "electric first" to "fully electric". As a pioneer of new energy, Chervon Holdings has responded to the *13th Five-Year Plan for National Economic and Social Development* and the strategic deployment of *Made in China 2025* and formulated the *Medium and Long-Term Plan for Green Development* from 2021 to 2025.

According to the *Medium and Long-Term Plan for Green Development*, we have set:

- **Annual quantitative green development target:** 15% reduction in annual average output energy consumption (kg of standard coal/10 thousand RMB).
- **Green development target:** Reduce energy consumption per unit product, improve the recycling rate of major renewable resources, improve the level of clean production, and establish a green manufacturing system.
- **Guarantee measures for green development:**
  - The leading group, created by the green factory, actively work with relevant departments to improve the working mechanism, combined with the actual situation to accelerate the promotion of industrial green development goals and tasks and work programs.

5.3 應對氣候變化

環境風險與氣候變化緊密相關，為應對氣候變化帶來的嚴峻挑戰，發展低碳經濟已成為國際社會共識。目前在全球範圍內，行業「電動為先」轉變為「全面電動」漸成共識。泉峰控股作為新能源先鋒企業，積極響應《國民經濟和社會發展第十三個五年規劃綱要》和《中國製造2025》戰略部署，制定了2021~2025年《綠色發展中長期規劃》。

根據《綠色發展中長期規劃》，我們已制定：

- **年度量化綠色發展指標**：年均產值能耗（千克標煤／萬元）下降15%。
- **綠色發展目標**：降低單位產品能耗，提升主要再生資源回收利用率，提高清潔生產水平，建立綠色製造體系。
- **綠色發展保障措施**：
  - 由綠色工廠創建領導小組會，積極會同相關部門健全工作機制，結合實際情況提出加快推進工業綠色發展的目標任務和工作方案；

- Using the EKP system, we strengthen public opinion propaganda guidance, carry out multi-level and multiform propaganda education, and guide all staff to establish the concept of green consumption.

- According to the green development target, the Infrastructure Department is responsible for decomposing this target to each department and workshop, and including it in the KPI assessment target of each department, with a weight of no less than 10%, and regularly reviewing, assessing and evaluating the progress of the target.

- 利用EKP系統，加強輿論宣傳引導，開展多層次、多形式的宣傳教育，引導全員樹立綠色消費理念；

- 根據綠色發展目標，由基建部負責將此目標分解到各部門各車間，並且列入各部門的KPI考核目標並且佔不少於10%的權重，定期進展目標回顧和考核和評比。

Establishing a Risk Control System

In terms of governance, we have established an ESG governance structure to cover the overall governance of ESG related work, including the management of various projects related to addressing climate change. The Board of Directors authorizes the ESG Management Committee to carry out ESG management, and clearly understands the responsibility of the Board for ESG matters and the support of management (see more details in ESG Governance section above). We refer to the TCFD (Climate Related Financial Disclosure) framework to progressively carried out status review, strategy formulation, risk management, indicator and target identification and management on the risks and opportunities that the Group may face due to climate change.

建立風險控制體系

在管治方面，我們已建立ESG管治架構，以覆蓋對ESG相關工作的全面管治，其中包括對各項與應對氣候變化有關項目的管理。董事會授權ESG管理委員會開展ESG管理工作，並清楚地了解董事會對於ESG事宜負有的監督責任以及管理層應給予的支持（具體內容請見前述ESG管治段落）。我們參考TCFD（氣候相關財務信息披露）框架，對本集團可能面臨的因氣候變化導致的風險和機遇逐步開展現狀審視、戰略制定、風險管理、指標和目標識別與管理。

In 2021, some of our parks are in areas with seasonal tightness in power supply and will be subject to power restrictions or blackouts for a period of time by the local power bureau in case of power shortage. In response to such irregular and phased power restrictions, combined with the actual operation needs of the park, we have formulated the *Temporary Plan for Negative Control Emergency Response*:

2021年，我們的部分園區處於電力供應存在季節性緊張的地區，在電力短缺時會被當地電力局安排限電或停電一段時間，針對該等不定時、階段性的限電情況，結合實際園區運營需求，我們已制定了《負控應急響應臨時預案》：

- ➢ Set electricity consumption warning level: yellow, orange and red warning levels according to electricity consumption intensity

- ➢ Implement hourly electricity consumption monitoring:

  - When the daily electricity consumption reaches the yellow warning line, the monitoring data will be collected once every 1 hour.

- ➢ 設置用電量預警等級：根據用電強度設置黃色、橙色和紅色三級預警等級

- ➢ 執行小時制用電監控：

  - 日用電量達到黃色預警線時，對監控數據調整為每1小時採集一次；

- When the daily electricity consumption reaches the orange warning line, the monitoring data will be collected once every 0.5 hours.
- When the daily electricity consumption reaches the red warning line, a responsible staff will check the monitoring data in real time and keep in touch with the electricity room.

- 日用電量達到橙色預警線時，對監控數據縮短至每0.5小時採集一次；
- 日用電量達到紅色預警線時，由專人對監控數據進行實時監控並保持與電房的聯繫。

➢ Load control scheduling by warning level:

- Yellow warning: The electrician class enters a state of readiness and instantly notifies the production department that electricity consumption has entered a state of warning and maintains the status quo of electricity consumption.
- Orange warning: Start the load control, start dispatching part of the shutdown area, ask the production department to reduce the load according to the dispatching requirements within 15 minutes after receiving the information.
- Red warning: The load control is fully activated in the park, and generator sets are turned on to protect the electricity consumption of the elevated warehouse, data centre and energy centre.

➢ 按預警等級負控調度：

- 黃色預警：電工班進入備戰狀態，即時通知生產部門用電已經進入預警狀態，暫維持用電現狀；
- 橙色預警：啟動負控，開始調度部分關停區域，請生產部門收到信息後15分鐘內按調度要求降負荷；
- 紅色預警：園區內全面啟動負控，並開啟發電機組來保障高架庫、數據中心及能源中心部分用電。

➢ Emergency response liaison: Set up primary and secondary emergency contacts in each power consumption area to clarify responsibility for deployment.

➢ 應急響應聯絡：設置各用電區域一級、二級應急聯絡人，明確責任部署。

As a manufacturing company, we actively cooperate with the control requirements of the local government departments and continue to promote the establishment and implementation of contingency plans for climate related risks. Through a series of arrangements and initiatives such as reasonable allocation of power units and timely adjustment of power periods, we ensure smooth communication among units and ensure that personnel work in place to minimize the negative impact of climate-related risks such as power restrictions on our own production and our customers' product demand.

身為製造型企業，我們積極配合運營所在地政府部門的管控要求，並持續推進對於氣候相關風險的應急預案的設立與落實，通過合理分配用電單位，及時調整用電期間等一系列安排與舉措，保證各單位間溝通順暢，確保人員工作執行到位，最大限度減少限電等氣候相關風險對於我們自身生產，以及客戶產品需求的不利影響。

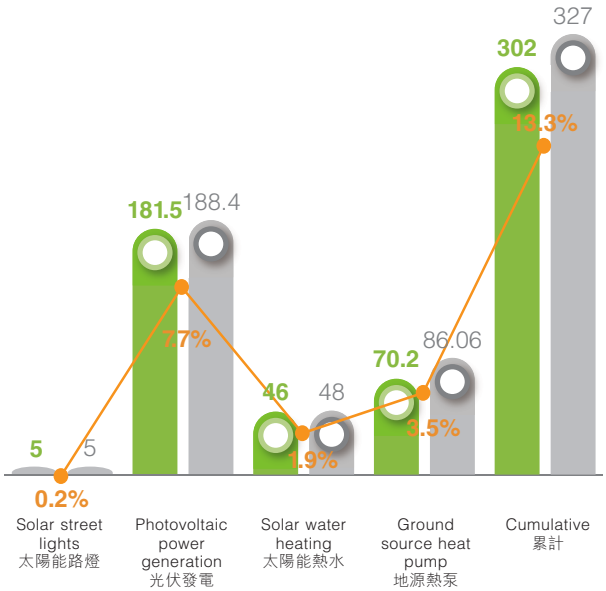
We also actively promote the use of clean energy in our operation sites, using it as a backup energy source during periods of power restrictions, while effectively reducing greenhouse emissions in our daily production operations.

我們亦積極推廣運營點內清潔能源的使用，將清潔能源作為限電期間的備用能源，同時有效減少日常生產經營中的溫室排放。

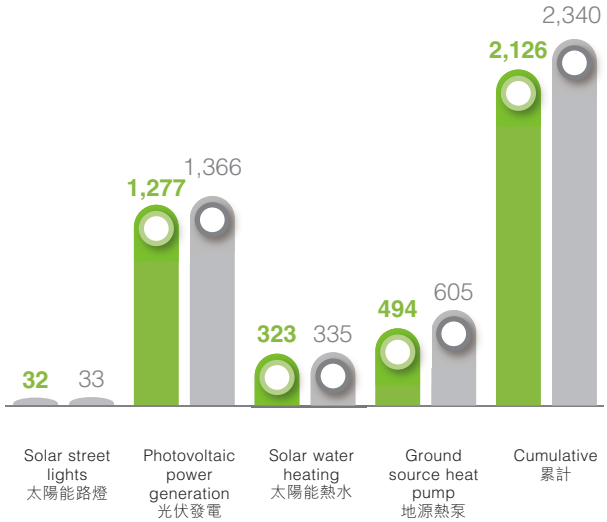
Case: Clean Energy
案例：清潔能源

Blue roof 藍色屋頂	We have built a rooftop solar photovoltaic system in Chervon Green Power Industry Park that generates 2,000 MWh of solar energy per year, which is equivalent to an annual reduction of 730 tonnes of carbon dioxide emissions. The solar hot water system in the facility saves about 244 tonnes of standard coal per year. Solar streetlights are also installed in our manufacturing facilities, saving approximately 4.5 tonnes of standard coal per year. 我們在泉峰新能源工業園中建設了每年可產生2,000兆瓦時太陽能的屋頂太陽能光伏電站，相當於每年減少730噸二氧化碳排放。利用該設施上的太陽能熱水系統，每年可節約約244噸標準煤。我們亦於生產設施中配備太陽能路燈，每年可節約約4.5噸標準煤。
Green roof 綠色屋頂	A "green roof" system is installed in our R&D headquarters building, covering an area of approximately 7,000 square metres. The system uses green plants as roofing material, and insulates and filters rainwater, thereby reducing fuel consumption by approximately 35,000 litres per year. 我們在研發總部大樓安裝「綠色屋頂」系統，覆蓋面積約7,000平方米。該系統使用綠色植物作為屋頂材料，進行隔熱及過濾雨水，每年可減少耗油量約35,000公升。
Geothermal 地熱	The air conditioning system in Chervon Green Power Industry Park is equipped with an advanced ground source heat pump system that uses the earth itself as a heat source in winter and a cooling source in summer, which reduces approximately 839 tonnes of carbon dioxide emissions per year. 我們在泉峰新能源工業園區內的空調系統中配備了先進的地源熱泵系統，將土方本身用作冬季熱源及夏季冷源，相當於每年減少約839噸二氧化碳排放。

Clean Energy Usage (Unit: 10,000 kWh)
清潔能源使用量（單位：萬kWh）



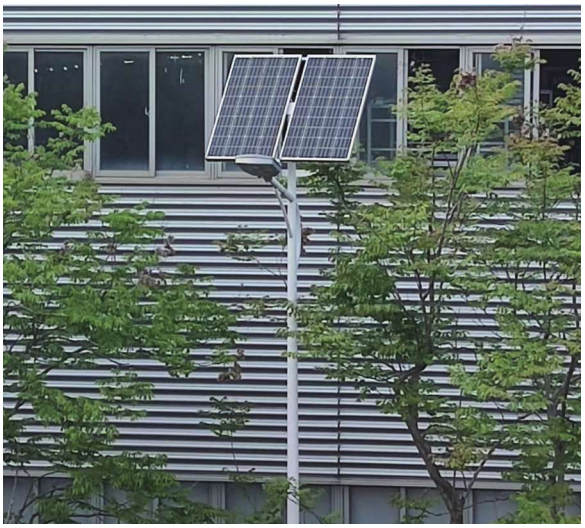
CO_2 Emission Reduction from Clean Energy Use
清潔能源使用減少的CO_2排放量

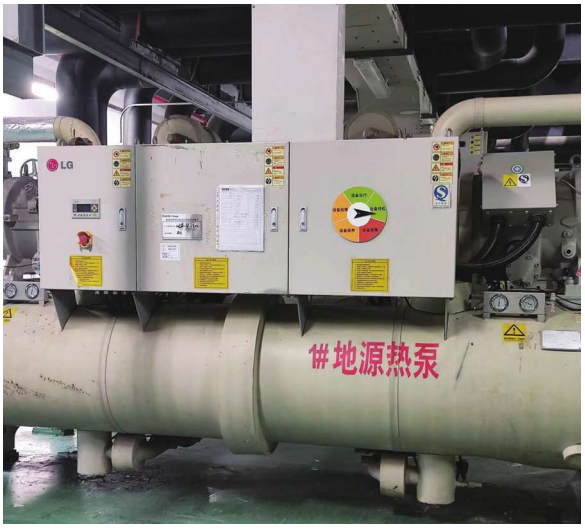


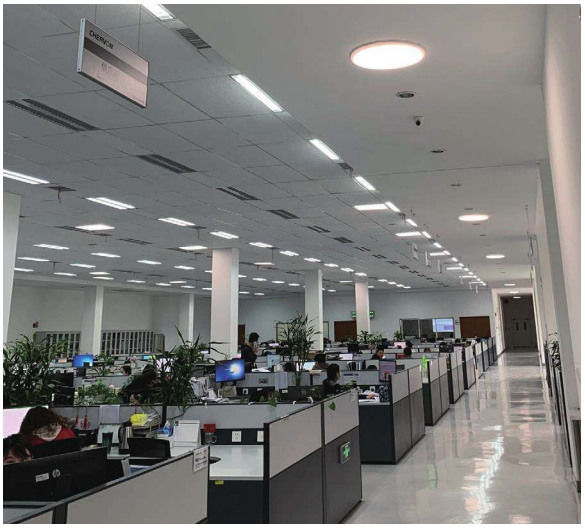
- Clean energy usage in 2020 (unit:10,000kWh)
  2020清潔能源使用價值（萬kWh）
- Clean energy usage in 2021 (unit:10,000kWh)
  2021清潔能源使用價值（萬kWh）
- Ratio of clean energy usage to total electricity consumption in Chervon Green Power Industry Park in 2021
  2021清潔能源佔新能源園區總用電比值

- CO_2 emission reduction in 2020 (t)
  2020減少的CO_2排放量(t)
- CO_2 emission reduction in 2021 (t)
  2021減少的CO_2排放量(t)

Continuously promote the use of renewable energy in Chervon Green Power Industry Park
在泉峰新能源工業園中持續推進新能源使用







The usage of renewable energy in Chervon Green Power Industry Park
泉峰新能源工業園中清潔能源的使用情況

Case: Green Products
案例：綠色產品

In 2021, Chervon Holdings obtained a patent for the invention of a "Light energy charger and electric energy system comprising the same," which enables the use of light energy to charge battery packs in power tools, making full use of clean energy to convert electricity, saving electricity and reducing costs for users.

In the future, we will continue to make efforts to reduce carbon dioxide emissions through green design, intelligent manufacturing design, and development of new energy products based on our product features to help China achieve the "dual carbon goal."

2021年，泉峰研發的「光能充電器以及具有該光能充電器的電能系統」獲得發明專利，該充電器可實現利用光能給電動工具中的電池包充電，充分利用了清潔能源來轉換電能，對用戶而言，節約了電能，降低了成本。

未來，我們將不斷通過綠色設計與智能製造設計，結合自身產品特點，以新能源產品研發為發力點做出減碳努力，助力中國「雙碳目標」實現。

VI. PUBLIC WELFARE AND COMMUNITY ENGAGEMENT

六、 公益及社區參與

6.1 Long-distance Charity Run

Since 2013, Chervon Holdings has organized 8 "Chervon Charity Run" events, with the goal of enabling CHERVON employees and their relatives, as well as our cooperative charity partners from Tzu Chi Foundation, to enjoy running, challenge themselves and exercise healthily The participants can enjoy running, challenge themselves and exercise in the event while contributing to charitable projects. As at the end of 2021, we donated a total of RMB1.29 million to charity projects such as "Water Cellars", "Post-quake Ya'an School Reconstruction", "Spring Buds Education Aid" in north Jiangsu and "New Shoots Education Aid".

In the 2021 "Charity Run", a student from the "Spring Buds Education Aid" charity project also participated, demonstrating CHERVON's vision of "Better Tools. Better World".

6.1 愛心長跑

自2013年起，泉峰已累計舉辦8次「泉峰愛跑」活動，目的是讓泉峰員工和親屬，以及慈濟夥伴一起在享受跑步樂趣、挑戰自我和健康運動的同時，共同助力公益慈善項目。截至2021年末，我們已為「愛心水窖」「雅安災後學校重建」和蘇北「春蕾助學」「新芽助學」等慈善項目累計捐款人民幣129萬元。

2021年的「泉峰愛跑」中，還有一位來自「春蕾助學」公益項目的資助學生也參與其中，我們用行動證明了「Better Tools. Better World」的泉峰願景。

DONATION DETAILS OF EACH CHERVON "CHARITY RUN" 泉峰愛跑歷屆捐款信息

Year 年份	Donation amount/RMB 捐款金額／元	Cooperative charity partners 合作慈濟夥伴	Cooperative charity projects 合作慈善項目
2013	129,059.7	The Amity Foundation 愛德基金會	Water Cellar 愛心水窖
2014	118,900	The Amity Foundation 愛德基金會	Water Cellar 愛心水窖
2015	229,805	Buddhist Compassion Relief Tzu Chi Foundation 慈濟慈善事業基金會	Ya'an post-disaster school reconstruction 雅安災後學校重建
2016	146,099.98	Buddhist Compassion Relief Tzu Chi Foundation 慈濟慈善事業基金會	"Spring Bud Learning Support" in Northern Jiangsu 蘇北「春蕾助學」
2017	212,596.36	Buddhist Compassion Relief Tzu Chi Foundation 慈濟慈善事業基金會	"Spring Bud Learning Support" in Northern Jiangsu 蘇北「春蕾助學」
2018	126,279.64	Buddhist Compassion Relief Tzu Chi Foundation 慈濟慈善事業基金會	"Spring Bud Learning Support" in Northern Jiangsu 蘇北「春蕾助學」
2019	127,302.74	Buddhist Compassion Relief Tzu Chi Foundation 慈濟慈善事業基金會	"Spring Bud Learning Support" in Northern Jiangsu 蘇北「春蕾助學」
2021	200,858.51	Buddhist Compassion Relief Tzu Chi Foundation 慈濟慈善事業基金會	"New Bud Learning Support" in Northern Jiangsu 蘇北「新芽助學」
Total 總計	1,290,901.93		

2021 CHERVON "Charity Run"
2021年「泉峰愛跑」

6.2 Overcoming Difficulties Together

6.2 共克時艱

Case: Pandemic in Nanjing
案例：南京疫情

During the pandemic period in Nanjing in July 2021, Chervon Industry donated more than RMB200,000 worth of emergency pandemic prevention materials, including medical protective clothing, N95 masks, goggles, isolation screens, disinfectant solution, etc., and 20 electric tricycles to Jiangning Development Zone. Support the prevention and control of the epidemic in Jiangning Since the outbreak of the pandemic, we quickly organized the "pandemic protection group" to respond quickly and deploy carefully. Employees from all departments enthusiastically participated in volunteer services and actively cooperated with the pandemic prevention and related work deployment to overcome the difficulties together.

2021年7月南京疫情期間，泉峰科技向江寧開發區捐贈價值人民幣20餘萬元的急缺防疫物資，包括醫用防護服、N95口罩、護目鏡、隔離面屏、消毒液等，以及20輛電動三輪車，支援江寧疫情防控工作。自疫情發生以來，我們迅速組織「疫情防護組」快速響應、周密部署，各部門員工踴躍參與志願服務，積極配合防疫相關工作部署，共度難關。

"CHERVON pandemic protection group" is taking action
「泉峰疫情防護組」在行動

Case: Henan Floods
案例：河南水災

Chervon Holdings supports the reconstruction of Xinxiang, Henan Province
泉峰控股支持河南新鄉災後重建工作

During the Henan floods in 2021, we donated 500,000 RMB worth of power tools through the local Red Cross Society to support the rescue and reconstruction of Xinxiang, Henan Province, which was severely affected by the disaster, contributing "CHERVON power" to restore normal production and life in the area.

2021年河南水災期間，我們通過當地紅十字會捐贈價值人民幣50萬元電動工具，用於支援受災嚴重的河南新鄉災情搶險與災後重建，為當地恢復正常生產、生活秩序貢獻「泉峰力量」。

6.3 Government Inspections

On April 23, 2021, Hu Chunhua, member of the Political Bureau of the CPC Central Committee and Vice Premier of the State Council, came to Chervon Holdings for an inspection. Premier Hu Chunhua listened to the report of Chairman Pan Longquan about the main business, products, development history, core competence, personnel employment and corporate culture. During the visit to the product exhibition hall, Chairman Pan Longquan introduced our own brand power tools and outdoor power equipments, which are independently developed, designed and manufactured by us, to Premier Hu. In response to the suggestions given by Premier Hu on the employment of the Group and the implementation of the policy of stabilizing the jobs, we will take up the corporate social responsibility, accelerate the pace of transformation and upgrading, and continuously improve the competitiveness of the enterprises.

6.3 政府考察

2021年4月23日，中共中央政治局委員、國務院副總理胡春華來泉峰控股視察。胡春華總理聽取潘龍泉董事長關於主營業務、產品、發展歷程、核心能力、人員用工及企業文化的匯報。在產品展廳參觀時，潘龍泉董事長向胡總理介紹我們自主研發、設計、製造的自有品牌電動工具和花園工具產品。對於胡總理給出的企業用工、穩崗政策落實等建議，我們會承擔起企業社會責任，加快轉型升級步伐，不斷提高企業競爭力。

Hu Chunhua, member of the Political Bureau of the CPC Central Committee and Vice Premier of the State Council, came to Chervon Holdings for an inspection
中共中央政治局委員、國務院副總理胡春華來泉峰控股視察

On 27 April 2021, Leung Chun-ying, Vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) visited Chervon Holdings. He was accompanied by Huang Lixin, Chairperson of Jiangsu Provincial CPPCC; Huang Jipeng, Secretary General of Jiangsu Provincial CPPCC; Zhang Yingchun, Deputy Secretary of Jiangsu Provincial Committee of the Communist Youth League and Chairman of the Jiangsu Provincial Youth Federation; Li Shigui, member of the Standing Committee of the Nanjing Municipal Committee of the Communist Party of China (CPC) and Secretary of the Jiangning District CPC Committee; and Fan Qun, Vice-chairman of Nanjing Municipal CPPCC. Leung Chun-ying visited Chervon Green Power Industry Park to understand Chervon Holdings's technological innovation, market expansion and core competence. He spoke highly of Chervon Holdings's continuous innovation and rapid development over the years, fully affirmed our positive contribution to economic and social development, and encouraged us to seize the opportunity in the construction of new development pattern for further growth. According to Chairman Pan Longquan, Chervon Holdings, as the president entity of the Nanjing Jiangning Fraternal Association, will continue to uphold our vision of "Better Tools, Better World," and is committed to creating corporate value through continuous innovation and improvement.

2021年4月27日，全國政協副主席梁振英到泉峰控股考察。江蘇省政協主席黃莉新，省政協秘書長黃繼鵬，團省委副書記、省青聯主席張迎春，南京市委常委、江寧區委書記李世貴，南京市政協副主席范群陪同考察。梁振英主席在泉峰新能源工業園進行了參觀和考察，詳細了解泉峰科技創新、市場拓展、核心能力等情況，對泉峰控股多年來的持續創新、快速發展給予了高度評價，充分肯定企業為經濟社會發展做出的積極貢獻，並勉勵泉峰控股在構建新發展格局中抓住機遇，實現更大發展。潘龍泉董事長表示，泉峰控股作為香港南京江寧同鄉聯誼會的會長企業，將繼續秉持「造好工具，助世界一臂之力」的企業願景，致力於通過持續創新和改善，創造企業價值。

Vice Chairman of the Chinese People's Political Consultative Conference (CPPCC), Leung Chun-ying, visited Chervon Holdings
全國政協副主席梁振英到泉峰控股考察

APPENDIX

附錄

Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guidelines Content Index

香港聯交所《環境、社會及管治報告指引》內容索引

Environmental, Social and Governance Reporting Guide 《環境、社會及管治報告指引》		Report Content 報告內容
A. Environmental **主要範疇A. 環境**		
Aspect A1: Emissions **層面A1：排放物**		
A1	General Disclosure 一般披露 Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。	5.1
A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	5.1
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 直接（範圍1）及能源間接（範圍2）溫室氣體排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）	5.1
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	5.1
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	5.1
A1.5	Description of emission target(s) set and steps taken to achieve them. 描述所訂立的排放量目標及為達到這些目標所採取的步驟。	5.1
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. 描述處理有害及無害廢棄物的方法，及描述所訂立的減廢目標及為達到這些目標所採取的步驟。	5.1

Environmental, Social and Governance Reporting Guide 《環境、社會及管治報告指引》		Report Content 報告內容
A. Environmental **主要範疇A. 環境**		
Aspect A2: Use of Resources **層面A2：資源使用**		
A2	General Disclosure 一般披露 Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源（包括能源、水及其他原材料）的政策。	5.2
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源（如電、氣或油）總耗量（以千個千瓦時計算）及密度（如以每產量單位、每項設施計算）。	5.2
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度（如以每產量單位、每項設施計算）。	5.2
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them. 描述所訂立的能源使用效益目標及為達到這些目標所採取的步驟。	5.2
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. 描述求取適用水源上可有任何問題，以及所訂立的用水效益目標及為達到這些目標所採取的步驟。	5.2
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量（以噸計算）及（如適用）每生產單位佔量。	Improving with progress, plan to disclosure in future years 持續完善，將在以後年度披露
Aspect A3: The Environment and Natural Resources **層面A3：環境及天然資源**		
A3	General Disclosure 一般披露 Policies on minimising the issuer's significant impacts on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	5.2
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	5.2

Environmental, Social and Governance Reporting Guide 《環境、社會及管治報告指引》		Report Content 報告內容
A. Environmental **主要範疇A. 環境**		
Aspect A4: Climate Change **層面A4：氣候變化**		
A4	General Disclosure 一般披露 Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. 識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。	5.3
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. 描述已經及可能會對發行人產生影響的重大氣候相關事宜，及應對行動。	5.3
B. Social **主要範疇B. 社會**		
Employment and Labour Practices **僱傭及勞工常規**		
Aspect B1: Employment **層面B1：僱傭**		
B1	General Disclosure 一般披露 Information on remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other treatment and benefits: 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。	4.1
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. 按性別、僱傭類型（如全職或兼職）、年齡組別及地區劃分的僱員總數。	4.1
B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	4.1

Environmental, Social and Governance Reporting Guide 《環境、社會及管治報告指引》		Report Content 報告內容
B. Social **主要範疇B. 社會**		
Aspect B2: Health and Safety **層面B2：健康與安全**		
B2	General Disclosure 一般披露 Information on: 有關提供安全工作環境及保障僱員避免職業性危害的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 遵守對發行人有重大影響的相關法律及規例的資料。	4.1
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. 過去三年（包括匯報年度）每年因工亡故的人數及比率。	4.1
B2.2	Lost days due to work injury. 因工傷損失工作日數。	4.1
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	4.1
Aspect B3: Development and Training **層面B3：發展及培訓**		
B3	General Disclosure 一般披露 Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	4.2
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別（如高級管理層、中級管理層等）劃分的受訓僱員百分比。	4.2
B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	4.2

Environmental, Social and Governance Reporting Guide 《環境、社會及管治報告指引》		Report Content 報告內容
B. Social **主要範疇B. 社會**		
Aspect B4: Labour Standards **層面B4：勞工準則**		
B4	General Disclosure 一般披露 Information relating to preventing child and forced labour on: 有關防止童工或強制勞工的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。	4.1
B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	4.1
B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	4.1
Operating Practices **營運慣例**		
Aspect B5: Supply Chain Management **層面B5：供應鏈管理**		
B5	General Disclosure 一般披露 Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	3.2
B5.1	Number of suppliers by geographical region. 按地區劃分的供貨商數目。	3.2
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. 描述有關聘用供貨商的慣例，向其執行有關慣例的供貨商數目、以及有關慣例的執行及監察方法。	3.2
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. 描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	3.2
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. 描述在揀選供貨商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	3.2

Environmental, Social and Governance Reporting Guide 《環境、社會及管治報告指引》		Report Content 報告內容
B. Social **主要範疇B. 社會**		
Aspect B6: Product Responsibility **層面B6：產品責任**		
B6	General Disclosure 一般披露 Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。	3.1
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	3.1
B6.2	Number of products and services related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	3.1
B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	3.1
B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	3.1
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored. 描述消費者數據保障及私隱政策，以及相關執行及監察方法。	2.2

Environmental, Social and Governance Reporting Guide 《環境、社會及管治報告指引》		Report Content 報告內容
B. Social **主要範疇B. 社會**		
Aspect B7: Anti-corruption **層面B7：反貪污**		
B7	General Disclosure 一般披露 Information relating to bribery, extortion, fraud and money laundering on: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及規例的資料。	2.2
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	2.2
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	2.2
B7.3	Description of anti-corruption training provided to directors and staff. 描述向董事及員工提供的反貪污培訓。	2.2
Community **社區**		
Aspect B8: Community Investment **層面B8：社區投資**		
B8	General Disclosure 一般披露 Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	6.1 6.2
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇（如教育、環境事宜、勞工需求、健康、文化、體育）。	6.1 6.2
B8.2	Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源（如金錢或時間）。	6.1 6.2

FEEDBACK FORM

To our readers:
Thank you very much for reading this Report during your busy schedule. To improve the report preparation and enhance the responsibility performance of Chervon Holdings Limited, we particularly hope to listen to your comments and suggestions. Please help complete this page and give us your feedback by selecting the following methods.

Email: esg@cn.chervongroup.com

讀者反饋

尊敬的讀者：
您好！感謝您在百忙之中閱讀本報告。為了不斷提高和改進泉峰科技可持續發展管理與社會責任信息披露，我們真誠地希望聽取您的寶貴意見和建議。請您協助完成本頁內容並選擇以下方式反饋給我們。

電郵地址：esg@cn.chervongroup.com

1. For Chervon Holdings your stakeholder category is:
   對泉峰來説，您所屬的利益相關方類別是？
   ☐Government 政府 ☐Media 媒體 ☐Community/Public 社會公眾 ☐NGOs 非政府組織
   ☐Employee 員工 ☐Consumer 消費者 ☐Partner (Suppliers & Distributors) 合作夥伴（供應商與經銷商）
2. What is your overall evaluation of this Report？
   您對本報告整體評價是？
   ☐Excellent 好 ☐Good 較好 ☐Average 一般 ☐Poor 較差 ☐Very Poor 差
3. How do you think the quality of social responsibility information disclosed in this Report?
   您認為本報告所披露的社會責任信息質量如何？
   ☐Very high 高 ☐High 較高 ☐Average 一般 ☐Low 較差 ☐Very Low 差
4. What do you think of the structure of this Report?
   您認為本報告的結構安排如何？
   ☐Excellent 好 ☐Good 較好 ☐Average 一般 ☐Poor 較差 ☐Very Poor 差
5. How do you think of the readability of this Report?
   您認為本報告的可讀性如何？
   ☐Excellent 好 ☐Good 較好 ☐Average 一般 ☐Poor 較差 ☐Very Poor 差
6. Which part of this Report are you most interested in?
   您對本報告的哪部分最感興趣？
   ☐About Us 關於我們 ☐Sustainable Development 可持續發展管理 ☐Product Responsibility 產品責任
   ☐Workforce Development 人才培養與發展 ☐Green and Sustainable Development 綠色可持續發展 ☐Public Welfare & Community Involvement 公益及社區參與
7. What other valuable suggestions do you have for Chervon Holdings Limited's responsibility fulfilment practice?
   您對泉峰控股環境和社會責任履責實踐的意見和建議：
8. What other valuable suggestions do you have for Chervon Holdings Limited's ESG report preparation?
   您對泉峰控股ESG報告編製的意見和建議：

If convenient, please leave your contact information:
如果方便，請留下您的聯繫方式：

Name: 姓名：	Occupation: 職業：	Workplace： 工作單位：	
Postal code： 郵編：	E-mail： 郵箱：	Contact Number： 聯繫電話：	Contact Address： 聯繫地址：

We will fully consider your comments and suggestions, and promise to keep your information properly.
我們將充分考慮您的意見和建議，並承諾妥善保管您的信息。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

Independent auditor's report to the members of Chervon Holdings Limited
(Incorporated in Hong Kong with limited liability)

致泉峰控股有限公司股東之獨立核數師報告

(於香港註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Chervon Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 178 to 324, which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2021 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 Hong Kong Companies Ordinance.

意見

我們已審核泉峰控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表(載於第178至324頁),其包括於2021年12月31日的綜合財務狀況表及截至該日止年度的綜合損益表、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(包括主要會計政策概要)。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於2021年12月31日的綜合財務狀況,及其截至該日止年度的綜合財務表現及綜合現金流量,並已按照香港公司條例的披露規定妥為編製。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by 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.

意見基準

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

KEY AUDIT MATTERS

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對我們審計本期間的綜合財務報表最為重要的事項。該等事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對該等事項提供單獨的意見。

Revenue recognition
收入確認

Refer to note 4 to the consolidated financial statements and the accounting policies on page 216 to 217.
請參閱綜合財務報表附註4及第216至217頁的會計政策。

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們於審計過程中處理有關事項的方式
The Group's revenue principally comprises sales of power tools, outdoor power equipment and related products. 貴集團的收入主要包括銷售電動工具、戶外電動設備及相關產品。 Contracts for different products with different types of customers have a variety of different terms. Such terms may affect the timing of the recognition of sales to these customers. Management evaluates the terms of each contract in order to determine the appropriate timing of revenue recognition. 與不同類型客戶就不同產品訂立的合約的條款各異。該等條款可能影響向此等客戶銷售的確認時間。管理層評估每份合約的條款，以釐定收入確認的合適時間。 Revenue from sales of products is recognised when the control over the goods is transferred to customers, which is generally at the point in time when the goods leave the Group's warehouses, when the goods are delivered at the customers' premises or when the goods are loaded on board of shipping, in accordance with the terms of sales contracts with customers. 產品銷售收入於貨品的控制權移交予客戶時確認，而根據銷售合約的條款，有關時間一般分別指貨品離開貴集團倉庫時、貨品送抵客戶處所時及貨品裝載上船時。	Our audit procedures to assess the recognition of revenue included the following: 我們評估收入確認的審計程序包括下列各項： • obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls in relation to revenue recognition; • 了解及評估管理層有關收入確認的關鍵內部控制措施的設計、實施及運行有效性； • inspecting customer contracts, on a sample basis, to identify performance obligations and terms and conditions relating to the transfer of control of the goods and assessing the Group's timing of revenue recognition with reference to the requirements of prevailing accounting standards; • 參照現行會計準則規定，抽樣檢查客戶合約以識別與轉讓貨品控制權相關的履約義務以及條款及條件並評估貴集團收入確認的時間；

Revenue recognition
收入確認

Refer to note 4 to the consolidated financial statements and the accounting policies on page 216 to 217.
請參閱綜合財務報表附註4及第216至217頁的會計政策。

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們於審計過程中處理有關事項的方式
We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of revenue recognition by management to meet specific targets or expectations. 我們確定收入確認為關鍵審核事項，因收入為貴集團的關鍵業績指標之一，故存在管理層藉操縱收入確認時間以達到特定目標或預期的固有風險。	• comparing revenue transactions recorded during the current year, on a sample basis, with invoices, sales contracts, customer acceptance notes, customs declaration forms, sales statements, and other underlying documents, where appropriate, to assess whether the related revenue was recognised in accordance with the Group's revenue recognition accounting policies; • 將交易於本年度內錄得的收入與發票、銷售合約、客戶驗收單、海關申報表、銷售報表及其他相關文件（如適用）進行抽樣對比，以評估相關收入是否已根據貴集團的收入確認會計政策確認； • comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with underlying documentation, which included goods delivery notes, customs declaration forms, goods acceptance notes, and sales statements, where appropriate, to assess whether the revenue had been recognised in accordance with the contract terms and in the correct financial year; • 將交易於財政年結日前後錄得的特定收入與相關單據（包括貨品交付單、海關申報表、貨品驗收單及銷售報表（如適用））進行抽樣對比，以評估該收入是否已根據銷售合約的條款及於正確的財政年度內確認；

Revenue recognition
收入確認

Refer to note 4 to the consolidated financial statements and the accounting policies on page 216 to 217.
請參閱綜合財務報表附註4及第216至217頁的會計政策。

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們於審計過程中處理有關事項的方式
	• confirming, on a sample basis, the amount of sales transactions for the year ended December 31, 2021 directly with customers and inspecting underlying documentation to reconcile the difference between the transaction amounts confirmed by customers and the Group's accounting records; and • 抽樣確認截至2021年12月31日止年度直接與客戶進行銷售交易的金額，並就客戶已確認交易金額與貴集團賬目記錄之間的對賬差額核驗其相關單據；及 • inspecting journal entries relating to revenue which met specific risk-based criteria, enquiring of management the reasons for posting such journal entries and checking the details of the journal entries to relevant underlying documentation. • 檢查與符合特定風險標準的收入有關的分類賬，向管理層查詢發佈該等分類賬的理由及根據相關文件檢查分類賬的詳情。

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

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

綜合財務報表及就此所作核數師報告以外的資料

董事對其他資料負責。其他資料包括年報所載的所有資料，惟不包括綜合財務報表及我們就此發表的核數師報告。

我們有關綜合財務報表之意見並不涵蓋其他資料，我們亦並不就此發表任何形式的核證結論。

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

倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告此一事實。我們就此並無須報告事項。

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

董事就綜合財務報表須承擔的責任

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

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。

董事於審核委員會的協助下履行其責任，監督貴集團的財務報告過程。

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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

核數師就審計綜合財務報表承擔的責任

我們的目標是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告書。本報告按照香港公司條例第405節僅向　閣下（作為整體）作出，除此以外，本報告書別無其他目的。我們不就此報告的內容對任何其他人士承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期彼等個別或匯總起來可能影響該等綜合財務報表使用者所作出的經濟決定，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的審計過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

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

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。

- 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.

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所取得的審計證據，確定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告書中提請使用者對綜合財務報表中的相關披露資料的關注。假若有關的披露資料不足，則我們須出具非無保留意見的核數師報告書。我們的結論乃基於截至我們報告書日期止所取得的審計證據。然而，未來事件或情況可能導致貴集團不能繼續持續經營。

- 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.

- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映有關交易和事項。

- 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.

- 就貴集團中實體或業務活動的財務信息獲取充分、適當的審計證據，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們僅對審計意見承擔責任。

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

我們與審核委員會溝通了有關(其中包括)計劃的審計範圍、時間安排、重大審計發現等事項，包括我們在審計期間識別出內部控制的任何重大缺陷。

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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.

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通所有可能合理地被認為會影響我們獨立性的關係及其他事項，以及在適用的情況下，採取消除威脅的行動或應用防範措施。

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

從與審核委員會溝通的事項中，我們確定哪些事項對本期間綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們會在核數師報告書中描述這些事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在我們的報告書中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告書中溝通該事項。

The engagement partner on the audit resulting in this independent auditor's report is Chan Ting Yuen.

本獨立核數師報告的審核工作合夥人為陳定元。

Certified Public Accountants

執業會計師

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香港中環
遮打道10號
太子大廈8樓

March 30, 2022

2022年3月30日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
綜合損益表

For The Year Ended December 31, 2021 *(Expressed in US dollar ("USD"))*
截至2021年12月31日止年度 *（以美元（「美元」）列示）*

			Year ended December 31, 截至12月31日止年度	
			2021	2020
			2021年	2020年
		Note	**USD'000**	USD'000
		附註	**千美元**	千美元
Revenue	**收入**	*4*	**1,757,784**	1,200,902
Cost of sales	銷售成本		**(1,263,276)**	(832,190)
Gross profit	**毛利**		**494,508**	368,712
Other revenue	其他收入	*5(a)*	**5,180**	5,801
Other net gain/(loss)	其他收益／（虧損）淨額	*5(b)*	**37,887**	(3,140)
Selling and distribution expenses	銷售及分銷開支		**(195,507)**	(179,447)
Administrative and other operating expenses	行政及其他經營開支		**(103,610)**	(82,843)
Research and development costs	研發成本		**(50,151)**	(38,939)
Profit from operations	**經營利潤**		**188,307**	70,144
Net finance costs	財務成本淨額	*6(a)*	**(16,617)**	(17,357)
Share of profits of associates	應佔聯營公司利潤	*17*	**4,408**	6,724
Profit before taxation	**除稅前利潤**	*6*	**176,098**	59,511
Income tax expense	所得稅開支	*7*	**(26,377)**	(11,123)
Profit for the year	**年內利潤**		**149,721**	48,388
Attributable to:	**以下人士應佔：**			
Equity shareholders of the Company	本公司權益股東		**144,544**	44,359
Non-controlling interests	非控股權益		**5,177**	4,029
Profit for the year	**年內利潤**		**149,721**	48,388
Earnings per share	**每股盈利**	*11*		
Basic (USD)	基本（美元）		**0.36**	0.11
Diluted (USD)	攤薄（美元）		**0.36**	0.11

The notes on pages 186 to 324 form part of these financial statements.

第186至324頁的附註構成該等財務報表的一部分。

For The Year Ended December 31, 2021 *(Expressed in US dollar ("USD"))*
截至2021年12月31日止年度 *（以美元（「美元」）列示）*

			Year ended December 31, 截至12月31日止年度	
		Note *附註*	**2021** **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Profit for the year	**年內利潤**		**149,721**	48,388
Other comprehensive income for the year (after tax adjustments)	**年內其他全面收益（稅項調整後）**	*10*		
Item that will not be reclassified to profit or loss:	*將不會重新分類至損益的項目：*			
Remeasurement of net defined benefit liability, net of tax	界定福利負債淨額（扣除稅項）重新計量		**46**	(39)
Item that may be reclassified subsequently to profit or loss:	*隨後可能重新分類至損益的項目：*			
Exchange difference on translation of financial statements of subsidiaries with functional currencies other than US dollar ("USD")	以功能貨幣（而非美元）換算附屬公司財務報表的匯兑差額		**8,131**	17,451
Other comprehensive income for the year	**年內其他全面收益**		**8,177**	17,412
Total comprehensive income for the year	**年內全面收益總額**		**157,898**	65,800
Attributable to:	**以下人士應佔：**			
Equity shareholders of the Company	本公司權益股東		**152,675**	60,221
Non-controlling interests	非控股權益		**5,223**	5,579
Total comprehensive income for the year	**年內全面收益總額**		**157,898**	65,800

The notes on pages 186 to 324 form part of these financial statements.

第186至324頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At December 31, 2021 *(Expressed in US dollar ("USD"))*
於2021年12月31日 *（以美元（「美元」）列示）*

		Note 附註	As at December 31, 於12月31日 2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Non-current assets	**非流動資產**			
Properties, plants and equipment	物業、廠房及設備	*12*	**193,464**	143,020
Right-of-use assets	使用權資產	*13*	**48,919**	42,629
Investment properties	投資物業	*14*	**–**	1,262
Intangible assets	無形資產	*15*	**1,459**	1,754
Interest in associates	於聯營公司的權益	*17*	**66,492**	57,201
Prepayments, deposits and other receivables	預付款項、保證金及其他應收款項	*22*	**12,091**	4,455
Financial assets at fair value through profit or loss ("FVPL")	以公允價值計量且其變動計入當期損益（「以公允價值計量且其變動計入當期損益」）的金融資產	*18*	**6,011**	5,849
Deferred tax assets	遞延稅項資產	*28(b)*	**26,878**	24,178
			355,314	280,348
Current assets	**流動資產**			
Financial assets at FVPL	以公允價值計量且其變動計入當期損益的金融資產	*18*	**38,031**	5,372
Derivative financial instruments	衍生金融工具	*19*	**4,744**	5,827
Inventories	存貨	*20*	**592,024**	288,680
Right to returned goods asset	退回貨物資產的權利		**3,073**	5,618
Trade and bills receivables	貿易應收款項及應收票據	*21*	**298,379**	254,368
Prepayments, deposits and other receivables	預付款項、保證金及其他應收款項	*22*	**43,303**	40,170
Taxation recoverable	可收回稅項	*28(a)*	**7,958**	21,975
Pledged deposits	抵押存款	*23(b)*	**48,340**	22,172
Cash and cash equivalents	現金及現金等價物	*23(a)*	**664,990**	166,937
			1,700,842	811,119
Current liabilities	**流動負債**			
Bank loans	銀行貸款	*24*	**424,948**	290,459
Derivative financial instruments	衍生金融工具	*19*	**155**	289
Lease liabilities	租賃負債	*25*	**6,114**	3,161
Trade and bills payables	貿易應付款項及應付票據	*26*	**513,252**	247,529
Other payables and accruals	其他應付款項及應計費用	*27*	**205,404**	130,137
Taxation payable	應付稅項	*28(a)*	**8,251**	6,628
Warranty provision	保修撥備	*29*	**19,655**	15,175
Refund liabilities from right of return	退回權利的退款負債	*30*	**4,252**	8,218
			1,182,031	701,596
Net current assets	**流動資產淨值**		**518,811**	109,523
Total assets less current liabilities	**總資產減流動負債**		**874,125**	389,871

The notes on pages 186 to 324 form part of these financial statements.

第186至324頁的附註構成該等財務報表的一部分。

At December 31, 2021 *(Expressed in US dollar ("USD"))*
於2021年12月31日 *（以美元（「美元」）列示）*

			As at December 31, 於12月31日	
		Note *附註*	**2021** **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Non-current liabilities	**非流動負債**			
Bank loans	銀行貸款	*24*	**8,698**	47,402
Lease liabilities	租賃負債	*25*	**17,121**	13,517
Warranty provision	保修撥備	*29*	**32,291**	30,775
Deferred income	遞延收益	*31*	**4,150**	4,152
Defined benefit retirement plans obligation	界定福利退休計劃義務	*32*	**771**	972
Deferred tax liabilities	遞延稅項負債	*28(b)*	**14,077**	9,029
			77,108	105,847
NET ASSETS	**資產淨值**		**797,017**	284,024
CAPITAL AND RESERVES	**資本及儲備**			
Share capital	股本	*34*	**444,621**	50,279
Reserves	儲備	*34*	**352,396**	209,459
Total equity attributable to equity shareholders of the Company	**本公司權益股東應佔權益總額**		**797,017**	259,738
Non-controlling interests	**非控股權益**		**–**	24,286
TOTAL EQUITY	**權益總額**		**797,017**	284,024

Approved and authorised for issue by the board of directors on March 30, 2022.

已於2022年3月30日獲董事會批准及授權刊發。

Pan Longquan
潘龍泉
Directors
董事

Zhang Tong
張彤
Directors
董事

The notes on pages 186 to 324 form part of these financial statements.

第186至324頁的附註構成該等財務報表的一部分。

			Attributable to equity shareholders of the Company 本公司權益股東應佔								
		Note *附註*	Share capital 股本 USD'000 千美元	Other reserve 其他儲備 USD'000 千美元	PRC statutory reserve 中國法定儲備 USD'000 千美元	Exchange reserve 匯兌儲備 USD'000 千美元	Fair value reserve (non-recycling) 公允價值儲備（不可回撥） USD'000 千美元	Retained profits 保留利潤 USD'000 千美元	Total 總計 USD'000 千美元	Non-controlling interests 非控股權益 USD'000 千美元	Total equity 權益總額 USD'000 千美元
Balance at January 1, 2020	**於2020年1月1日的結餘**		50,279	–	24,498	(2,651)	(287)	110,292	182,131	18,707	200,838
Changes in equity for 2020:	**2020年的權益變動：**										
Profit for the year	年內利潤		–	–	–	–	–	44,359	44,359	4,029	48,388
Other comprehensive income	其他全面收益	*10*	–	–	–	15,901	(39)	–	15,862	1,550	17,412
Total comprehensive income	全面收益總額		–	–	–	15,901	(39)	44,359	60,221	5,579	65,800
Appropriation of reserve	撥付儲備	*34(d)(ii)*	–	–	3,929	–	–	(3,929)	–	–	–
Appropriation of dividends	撥付股息	*34(b)*	–	–	–	–	–	(3,691)	(3,691)	–	(3,691)
Equity settled share-based transactions	以權益結算以股份為基礎的交易	*33*	–	21,077	–	–	–	–	21,077	–	21,077
Balance at December 31, 2020	**於2020年12月31日的結餘**		50,279	21,077	28,427	13,250	(326)	147,031	259,738	24,286	284,024

The notes on pages 186 to 324 form part of these financial statements.

第186至324頁的附註構成該等財務報表的一部分。

			Attributable to equity shareholders of the Company 本公司權益股東應佔								
		Note *附註*	Share capital 股本 USD'000 千美元	Other reserve 其他儲備 USD'000 千美元	PRC statutory reserve 中國法定儲備 USD'000 千美元	Exchange reserve 匯兌儲備 USD'000 千美元	Fair value reserve (non-recycling) 公允價值儲備（不可回撥） USD'000 千美元	Retained profits 保留利潤 USD'000 千美元	Total 總計 USD'000 千美元	Non-controlling interests 非控股權益 USD'000 千美元	Total equity 權益總額 USD'000 千美元
Balance at January 1, 2021	**於2021年1月1日的結餘**		50,279	21,077	28,427	13,250	(326)	147,031	259,738	24,286	284,024
Changes in equity for 2021:	**2021年的權益變動：**										
Profit for the year	年內利潤		–	–	–	–	–	144,544	144,544	5,177	149,721
Other comprehensive income	其他全面收益	*10*	–	–	–	8,085	46	–	8,131	46	8,177
Total comprehensive income	全面收益總額		–	–	–	8,085	46	144,544	152,675	5,223	157,898
Appropriation of reserve	撥付儲備	*34(d)(ii)*	–	–	7,316	–	–	(7,316)	–	–	–
Appropriation of dividends	撥付股息	*34(b)*	–	–	–	–	–	(15,000)	(15,000)	–	(15,000)
Issuance of ordinary shares under right issues	根據供股發行普通股	*34(c)(i)*	749	–	–	–	–	–	749	–	749
Issuance of ordinary shares under the Share Incentive Scheme	根據股權激勵計劃發行普通股	*33*	7,107	–	–	–	–	–	7,107	–	7,107
Issuance of ordinary shares by initial public offering, net of issuance costs	以首次公開發售方式發行普通股（扣除發行成本）	*34(c)(ii)*	386,486	–	–	–	–	–	386,486	–	386,486
Acquisition of non-controlling interests	收購非控股權益		–	(481)	–	–	–	–	(481)	(27,945)	(28,426)
Disposal of a subsidiary	出售一家附屬公司	*23(f)*	–	–	–	–	–	–	–	(1,564)	(1,564)
Shares of other reserve of associates	應佔聯營公司的其他儲備		–	5,743	–	–	–	–	5,743	–	5,743
Balance at December 31, 2021	**於2021年12月31日的結餘**		444,621	26,339	35,743	21,335	(280)	269,259	797,017	–	797,017

The notes on pages 186 to 324 form part of these financial statements.

第186至324頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

For The Year Ended December 31, 2021 *(Expressed in US dollar ("USD"))*
截至2021年12月31日止年度 *（以美元（「美元」）列示）*

			Year ended December 31, 截至12月31日止年度	
			2021	2020
			2021年	2020年
		Note	**USD'000**	USD'000
		附註	**千美元**	千美元
Operating activities	**經營活動**			
Cash generated from operations	經營所得現金	*23(c)*	**166,605**	144,846
Tax paid	已付稅項	*28(a)*	**(23,583)**	(11,117)
Tax refund	已退稅項	*28(a)*	**15,179**	–
Net cash generated from operating activities	**經營活動所得現金淨額**		**158,201**	133,729
Payment for the acquisition of properties, plants and equipment	收購物業、廠房及設備的付款		**(81,153)**	(31,557)
Proceeds from disposal of properties, plants and equipment	出售物業、廠房及設備的所得款項		**94**	542
Proceeds from disposal of financial assets measured at fair value through profit or loss	出售以公允價值計量且其變動計入當期損益的金融資產的所得款項		**250,567**	144,091
Payment for acquisition of financial assets measured at fair value through profit or loss	收購以公允價值計量且其變動計入當期損益的金融資產的付款		**(264,015)**	(133,541)
Disposal of subsidiaries, net	出售附屬公司，淨額	*23(f)*	**32,740**	–
Disposal of associate, net	出售聯營公司，淨額		**1,287**	–
Dividends received	已收股息		**540**	4,167
Interest received	已收利息		**1,051**	638
Net cash used in investing activities	**投資活動所用現金淨額**		**(58,889)**	(15,660)

The notes on pages 186 to 324 form part of these financial statements.

第186至324頁的附註構成該等財務報表的一部分。

			Year ended December 31, 截至12月31日止年度	
			2021	2020
			2021年	2020年
		Note	**USD'000**	USD'000
		附註	**千美元**	千美元
Financing activities	**融資活動**			
Capital element of lease rental paid	已付租賃租金資本部分	*23(d)*	**(5,454)**	(2,517)
Interest element of lease rental paid	已付租賃租金利息部分	*23(d)*	**(878)**	(603)
Proceeds from new bank loans	新銀行貸款的所得款項	*23(d)*	**643,132**	604,400
Repayment of bank loans	償還銀行貸款	*23(d)*	**(552,355)**	(638,445)
Interest paid	已付利息	*23(d)*	**(19,702)**	(15,552)
(Increase)/decrease in pledged deposits for banking facilities	銀行融資抵押存款（增加）／減少		**(16,111)**	2,284
Acquisition of non-controlling interests	收購非控股權益		**(28,426)**	–
Proceeds from issuance of ordinary shares	發行普通股所得款項	*34(c)*	**7,856**	–
Proceeds from issue of ordinary shares by initial public offering	以首次公開發售方式發行普通股的所得款項	*34(c)*	**401,992**	–
Share issuance costs paid	已付股份發行成本	*34(c)*	**(15,506)**	–
Dividends paid to equity shareholders of the Company	已付本公司權益股東的股息	*34(b)*	**(15,000)**	–
Net cash generated from/(used in) financing activities	**融資活動所得／（所用）現金淨額**		**399,548**	(50,433)
Net increase in cash and cash equivalents	**現金及現金等價物增加淨額**		**498,860**	67,636
Cash and cash equivalents at the beginning of the year	**年初現金及現金等價物**	*23(a)*	**166,937**	94,064
Effect of foreign exchange rate changes	**外匯匯率波動的影響**		**(807)**	5,237
Cash and cash equivalents at the end of the year	**年末現金及現金等價物**	*23(a)*	**664,990**	166,937

The notes on pages 186 to 324 form part of these financial statements.

第186至324頁的附註構成該等財務報表的一部分。

1 GENERAL INFORMATION

Chervon Holdings Limited (the "Company") was incorporated in Hong Kong on February 19, 1999 as a limited liability company with its registered office at Unit 04, 22/F, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kln, Hong Kong. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on December 30, 2021.

The Company is an investment holding company. The Company and its subsidiaries (together, "the Group") are principally engaged in researching, developing, manufacturing, testing, sales, and after-sale services for power tools, outdoor power equipment and related products. The information of the principal subsidiaries is set out in Note 16.

1 一般資料

泉峰控股有限公司(「本公司」)是於1999年2月19日於香港註冊成立的有限公司，註冊辦事處位於香港九龍荔枝角長順街7號西頓中心22樓04室。本公司股份於2021年12月30日於香港聯合交易所有限公司主板上市。

本公司是一家投資控股公司。本公司及其附屬公司(合稱「本集團」)主要從事電動工具、戶外動力設備及相關產品的研究、開發、製造、測試、銷售及售後服務。主要附屬公司的資料載於附註16。

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

2 重大會計政策

(a) 合規聲明

該等財務報表乃根據所有適用的香港財務報告準則(「香港財務報告準則」)編製，該統稱詞語包括香港會計師公會(「香港會計師公會」)發佈的所有適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港公認會計原則及香港公司條例的規定。該等財務報表亦遵守香港聯合交易所有限公司證券上市規則的適用披露條文。本集團採納的重大會計政策披露於下文。

香港會計師公會已發佈首次生效或可於本集團的當前會計期間提早採納的香港財務報告準則之若干修訂。開始應用該等與本集團有關的新訂及經修訂財務報告準則所引致現時會計期間的會計政策變動已於該等財務報表內反映，有關資料載列於附註2(c)。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements

The consolidated financial statements of the Group for the year ended December 31, 2021 comprise the Company and its subsidiaries and the Group's interest in associates and a joint venture.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies as set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

2 重大會計政策（續）

(b) 財務報表編製基準

本集團截至2021年12月31日止年度的綜合財務報表包括本公司及其附屬公司以及本集團於聯營公司及合營企業的權益。

編製綜合財務報表時使用的計量基準為歷史成本法，但以下資產及負債按下文會計政策中解釋的公允價值列示。

編製符合香港財務報告準則之財務報表要求管理層須作出判斷、估計及假設，而該等判斷、估計及假設會影響政策應用以及所呈報之資產、負債、收入及開支金額。此等估計及相關假設乃基於過往經驗及在有關情況下被認為屬合理之各項其他因素，而所得結果乃用作判斷顯然無法輕易透過其他來源獲得有關資產與負債賬面值之依據。實際結果或有別於此等估計。

此等估計及相關假設會持續審核。若會計估計的修訂僅影響作出修訂的期間，將會於該期間確認，若修訂影響當期及未來期間，則會於作出修訂及其後期間確認。

附註3討論了管理層在應用香港財務報告準則時作出的對財務報表有重大影響的判斷以及估計不確定性的主要來源。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies

The group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform – phase 2

- Amendment to HKFRS 16, Covid-19-related rent concessions beyond 30 June 2021

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

2 重大會計政策(續)

(c) 會計政策變動

本集團已於本會計期間對此等財務報表應用下列由香港會計師公會頒佈之香港財務報告準則修訂本：

- 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號修訂本「利率基準改革 — 第二階段」

- 香港財務報告準則第16號修訂本「2021年6月30日後之2019冠狀病毒病相關租金優惠」

該等發展概無對如何編製或呈列本集團於當前或過往期間的業績及財務狀況造成任何重大影響。本集團尚未應用於本會計期間尚未生效的任何新準則或詮釋。

(d) 附屬公司及非控股權益

附屬公司乃由本集團所控制的實體。當本集團能透過其參與承擔或享有實體可變回報的風險或權利，並能夠向實體使用其權力影響回報金額，即對該實體擁有控制權。評估本集團是否擁有權力時僅考慮本集團及其他人士所持有的實質權利。

於附屬公司的投資自控制開始日直至控制終止日併入綜合財務報表。集團內部往來的結餘、交易及現金流量及由內部交易產生的未變現利潤，均在編製綜合財務報表時全數抵銷。集團內部交易所產生的未變現虧損的抵銷方法與未變現收益相同，但只限於沒有減值證據的情況下。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2 重大會計政策（續）

(d) Subsidiaries and non-controlling interests (continued)

(d) 附屬公司及非控股權益（續）

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

非控股權益是指並非由本公司直接或間接於附屬公司應佔的權益，及本集團並未與該等權益的持有人達成任何額外條款，從而令本集團在總體上對該等權益產生符合金融負債的定義的合約性責任。就各業務合併而言，本集團可選擇按公允價值或按其於附屬公司可識別資產淨值之非控股權益分佔比例計量任何非控股權益。

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(q) or (r) depending on the nature of the liability.

非控股權益於綜合財務狀況表之權益呈列，與本公司權益股東應佔權益分開呈列。於本集團業績內，非控股權益於綜合損益表以及綜合損益及其他全面收益表呈列為非控股權益與本公司權益股東於年內損益總額及全面收益總額中作出的分配。來自非控股權益持有人的貸款及該等持有人的其他合約責任根據附註2(q)或(r)於綜合財務狀況表呈列為金融負債，視乎負債的性質而定。

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognized.

本集團將不導致喪失控股權的附屬公司權益的變動按權益交易方式入賬，即只調整在綜合權益內的控制性及非控股權益的金額以反映其相關權益的變動，但不調整商譽亦不確認盈虧。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(l)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Associates

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Note 2(l)(ii)). Any the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognized in the consolidated statements of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognized in the consolidated statements of profit or loss and other comprehensive income.

2 重大會計政策(續)

(d) 附屬公司及非控股權益(續)

當本集團喪失對一附屬公司的控股權，將按出售該附屬公司的所有權益入賬，而所產生的盈虧於損益中確認。任何在喪失控股權日仍保留於該前度附屬公司的權益按公允價值確認，而此金額被視為金融資產於初始確認時的公允價值，或(如適用)初始確認於聯營公司或合資企業的投資的成本。

於本公司財務狀況表中，除非投資被列為持作出售(或計入列為持作出售的出售集團內)，於附屬公司的投資按成本減減值虧損列賬(見附註2(l)(ii))。

(e) 聯營公司

聯營公司為本集團對其有重大影響力但對其管理並無控制權或聯合控制權(包括參與財務及經營政策決定)的實體。

於聯營公司的投資按權益法於綜合財務報表中列賬，除非其分類為持作出售(或列入分類為持作出售的出售組別)。根據權益法，最初按成本記錄的投資就本集團分佔被投資方可識別資產淨值於收購日期的公允價值超過投資成本的任何部分(如有)作出調整。投資成本包括購買價、直接歸屬於收購投資的其他成本以及構成本集團股權投資一部分的任何於聯營公司的直接投資。其後，投資就本集團分佔被投資方資產淨值於收購後的變動及與投資有關的任何減值虧損作出調整(見附註2(l)(ii))。於收購日期，本集團分佔被投資方的收購後、除稅後業績以及年內的任何減值虧損乃於綜合損益表內確認，而本集團分佔被投資方其他全面收益的收購後除稅後項目於綜合損益及其他全面收益表內確認。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Associates (continued)

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate.

Unrealized profits and losses resulting from transactions between the Group and the associates are eliminated to the extent of the Group's interest in the investee, except where unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognized immediately in profit or loss.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(f)).

In the company's statement of financial position, investments in associates are stated at cost less impairment losses (see Note 2(l)(ii)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

2 重大會計政策（續）

(e) 聯營公司（續）

當本集團分佔虧損超過其於聯營公司的權益時，本集團的權益減少至零且終止確認進一步的虧損，惟本集團已產生法定或推定責任或代表被投資方作出付款則除外。就此而言，本集團的權益為根據權益法計量的投資的賬面值連同實質上構成本集團於聯營公司的投資淨額的一部分的任何其他長期權益。

本集團與聯營公司之間的交易所產生的未變現損益的對銷限於本集團於被投資方的權益，惟未變現虧損提供轉讓資產發生減值的憑據則除外，在此情況下，未變現虧損立即於損益中確認。

當本集團不再對聯營公司擁有重大影響力時，其作為出售於被投資方的全部權益列賬，所產生的收益或虧損於損益中確認。於失去重大影響力之日保留於前被投資方的任何權益按公允價值確認，且該金額被視為最初確認金融資產的公允價值（見附註2(f)）。

在公司的財務狀況表中，對聯營公司的投資按成本減去減值虧損列示（見附註2(l)(ii)），除非分類為持作待售（或計入分類為持作待售的出售組別中）。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and a joint venture, are set out below.

Investments in debt and equity securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 35(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see Note 2(v)(iii)).

- fair value at profit or loss (FVPL) if the investment does not meet the criteria for being measured at amortized cost or fair value through other comprehensive income (FVOCI) (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

2 重大會計政策(續)

(f) 於債務及股本證券的其他投資

除對附屬公司、聯營公司及合資企業的投資外，本集團的債務及股本證券投資政策如下所示。

債務及股本證券投資於本集團承諾購買該等投資之日予以確認或於目標集團承諾出售該等投資之日終止確認。該等投資初步按公允價值加直接應佔交易成本列賬，惟以公允價值計量且其變動計入當期損益(以公允價值計量且其變動計入當期損益)之投資除外，有關投資之交易成本直接於損益確認。有關本集團如何確定金融工具公允價值的解釋，請參閱附註35(e)。該等投資其後根據其分類按如下方式入賬。

(i) 股本投資以外的投資

本集團持有的非股本投資歸入以下其中一個計量類別：

- 按攤銷成本，倘持有投資的目的為收取合約現金流量，即純粹為獲得本金及利息付款。投資所得利息收益乃使用實際利率法計算(見附註2(v)(iii))。

- 以公允價值計量且其變動計入當期損益(以公允價值計量且其變動計入當期損益)，倘投資不符合按攤銷成本計量或以公允價值計量且其變動計入其他全面收益(以公允價值計量且其變動計入其他全面收益)(可劃轉)的標準。投資的公允價值變動(包括利息)於損益確認。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Other investments in debt and equity securities (continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income. Such elections are made on an instrument-by-instrument basis but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income in accordance with the policy set out in Note 2(v)(v).

(g) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

2 重大會計政策（續）

(f) 於債務及股本證券的其他投資（續）

(ii) 股本投資

於股本證券的投資分類為以公允價值計量且其變動計入當期損益，除非股本投資並非持作買賣用途，且於初次確認投資時，本集團不可撤回地選擇指定投資為以公允價值計量且其變動計入其他全面收益（不可劃轉），以致公允價值的後續變動於其他全面收益確認。該等選擇乃按工具逐個作出，惟僅當發行人認為投資符合權益定義時方可作出。於作出有關選擇後，於其他全面收益累計的金額繼續保留於公允價值儲備（不可劃轉），直至投資被出售為止。出售時，於公允價值儲備（不可劃轉）累計的金額轉撥至保留盈利，而非透過損益賬劃轉。來自股本證券（不論分類為以公允價值計量且其變動計入當期損益或以公允價值計量且其變動計入其他全面收益）投資的股息，均根據附註2(v)(v)所載的政策於損益確認為其他收益。

(g) 衍生金融工具

衍生金融工具按公允價值確認。於各報告期結束時，重新計量公允價值。重新計量為公允價值的盈虧乃直接於損益中確認，惟倘衍生工具合資格作現金流量對沖會計或對沖於海外業務之投資淨額，於此情況下，任何因此產生收益或虧損之確認取決於被對沖項目之性質。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Investment property

Investment properties are buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

Investment properties are stated at cost less accumulated depreciation and impairment losses. Any gain or loss arising from the retirement or disposal of an investment property is recognized in profit or loss. Rental income from investment properties is accounted for as described in Note 2(v)(ii).

Transfers to investment properties shall be made when there is a change in use, evidenced by end of owner-occupation, for a transfer from owner-occupied property to investment property. Since the Group uses the cost model, transfers between investment properties and owner-occupied properties do not change the carrying amount of the property transferred and they do not change the cost of that properties for measurement or disclosure purposes.

Depreciation is calculated to write off the cost of investment property, less their estimated residual value, if any, using the straight-line method over their estimated useful lives.

2 重大會計政策(續)

(h) 投資物業

投資物業是指根據租賃權益擁有或持有的樓宇，以賺取租金收入及／或資本增值。

投資物業按成本減去累計折舊及減值虧損列報。因投資物業的報廢或處置而產生的任何收益或虧損於損益確認。投資物業的租金收入如附註2(v)(ii)所述入賬。

當業主自用物業轉為投資物業而致用途發生變化並以業主自用結束為證明時，應向投資物業進行轉撥。由於本集團採用成本模型，投資物業及業主自用物業之間的轉撥不會改變所轉撥物業的賬面價值，就計量或披露而言也不會改變該物業的成本。

折舊的計算方法是在投資物業的估計使用年期內，採用直線法，撇銷其成本，減去估計殘值(如有)。

		Estimated useful life 估計可使用年期
Plant and buildings	廠房及樓宇	20 years 20年
Leasehold land	租賃土地	over the period of leases 租期

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment

Property, plant and equipment are stated at cost (which is, in the case of assets acquired in a business combination, the acquisition date fair value). Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(l)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of overheads and borrowing costs (see Note 2(y)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

2 重大會計政策（續）

(i) 物業、廠房及設備

物業、廠房及設備按成本（就業務合併中購入資產而言，為收購日期公允價值）列賬。物業、廠房及設備項目按成本減去累計折舊及減值虧損列賬（見附註2(l)(ii)）。

自建物業、廠房及設備項目成本包括材料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌成本初步估計（倘相關）以及適當比例經常費用及借款成本（見附註2(y)）。

報廢或出售物業、廠房及設備所產生的收入或虧損乃以估計出售所得款項淨額與項目賬面金額之間的差額釐定，並於報廢或出售之日在損益中確認。

折舊乃採用直線法按物業、廠房及設備的估計可使用年期計算，以撇銷其成本並扣除其估計剩餘價值（如有），詳情如下：

		Estimated useful life **估計可使用年期**
Leasehold land (see Note 2(k))	租賃土地（見附註2(k)）	over the period of leases 租期
Plant and buildings	廠房及樓宇	20 years or remaining lease terms 20年或剩餘租期
Machinery and equipment	機器及設備	5 -10 years 5至10年
Furniture, fixtures and office equipment	傢俱、裝置及辦公設備	3 -5 years 3至5年
Motor vehicles	汽車	5 -10 years 5至10年

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress represents properties under construction and machinery and equipment pending installation and is stated at cost (which is, in the case of assets acquired in a business combination, the acquisition date fair value) less impairment losses (see Note 2(l)(ii)). Cost comprises the purchase costs of the asset and the related construction and installation costs.

Construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use and depreciation will be provided at the appropriate rates in accordance with the depreciation polices specified above.

No depreciation is provided in respect of construction in progress.

(j) Intangible assets (other than goodwill)

Expenditure on research activities is recognized as an expense in the period in which it is incurred. Expenditure on development activities is capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalized includes the costs of materials, direct labour, and an appropriate proportion of overheads. Other development expenditure is recognized as an expense in the period in which it is incurred.

Intangible assets that are acquired through business combination are stated at cost (the acquisition date fair value) less accumulated amortization (where the estimated useful life is finite) and impairment losses (see Note 2(l)(ii)).

2 重大會計政策(續)

(i) 物業、廠房及設備(續)

倘物業、廠房及設備項目不同部分可使用年期不同，則將該成本合理分配至各部分，並獨立計算減值。資產的可使用年期及其剩餘價值(如有)會每年審核。

在建工程指在建物業及待安裝的機器設備，且按成本(若為業務合併中所收購的資產，則為收購日期的公允價值)減減值虧損列賬(見附註2(l)(ii))。成本包括資產購買成本以及相關建設及安裝成本。

在建工程於資產大致可用作其擬定用途時轉為物業、廠房及設備，且折舊將根據上述折舊政策按適用比率進行計提。

並無就在建工程計提折舊。

(j) 無形資產(商譽除外)

研究活動的支出在其產生的期間內確認為開支。如果產品或工序在技術上及商業上屬可行，並且本集團資源充足並有意願完成開發，則開發活動的支出予以資本化。資本化支出包括材料成本、直接人工，以及適當比例的經常費用。其他開發支出在其產生的期間內確認為開支。

透過業務合併取得的無形資產按成本(收購日期的公允價值)減累計攤銷(倘估計可使用年期屬有限)及減值虧損列賬(見附註2(l)(ii))。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2 重大會計政策（續）

(j) Intangible assets (other than goodwill) (continued)

(j) 無形資產（商譽除外）（續）

Amortization of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortized from the date they are available for use and their estimated useful lives are as follows:

具備有限可使用年期的無形資產攤銷按直線法在資產估計可使用年期內自損益中扣除。下列具備有限可使用年期的無形資產由其可供使用日期起攤銷，而其估計可使用年期如下：

		Estimated useful life **估計可使用年期**
Patents	專利	10 years 10年
Trademarks	商標	10 years 10年

The patents and trademark of the Group is associated with different products arising from the combination and acquisition from a third party. The useful lives of patents and trademark are estimated based on the remaining period of economic benefits to be derived from the respective products to be produced relying on the acquired patents and product trademark.

本集團的專利及商標與合併和向第三方收購產生的不同產品相關。專利及商標的使用年期根據依賴於所獲得的專利及產品商標生產的各產品所產生的剩餘經濟利益期限估算。

The Group estimates the period of economic benefits to be derived from the respective products based on the expected time period required from its discovery to commercialization and other factors, including the patent protection period, the historical life of similar products, the characteristics of such technologies, their update frequency and market requirement and competition. Based on such assessment, the Group considers that the expected economic useful lives of the patents and trademark held by the Group are 10 years.

本集團根據自發現到商業化所需的預期時間以及其他因素（包括專利保護期限、類似產品的歷史壽命、有關技術的特徵、其更新頻率及市場需求與競爭）估計將自各產品產生經濟利益的期間。根據該評估，本集團認為本集團持有的專利及商標的預期經濟可使用年期為10年。

Both the period and method of amortization are reviewed annually.

攤銷的期間及方法每年均要審查。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2 重大會計政策(續)

(k) 租賃資產

本集團於合約初始評估有關合約是否屬租賃或包含租賃。倘合約為換取代價而給予在一段時間內控制使用可識別資產的權利，則該合約屬於租賃或包含租賃。當客戶既有權直接使用已識別資產，又有權從該使用中獲得幾乎所有的經濟利益時，即擁有控制權。

(i) 作為承租人

倘合約包含租賃部分及非租賃部分，本集團選擇不區分非租賃部分及將各租賃部分及任何關聯非租賃部分入賬列為所有租賃的單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債(租賃期為12個月或更短的短期租賃以及低價值資產租賃除外)。當本集團就低價值資產訂立租賃時，本集團按每項租賃情況決定是否將租賃資本化。與未資本化租賃相關的租賃付款於租賃期內按系統基準確認為開支。

當租賃已資本化，租賃負債初步按租期應付租賃付款現值確認，並按租賃中所隱含的利率貼現，或倘該利率無法即時釐定，則以相關增量借款利率貼現。於初步確認後，租賃負債按攤銷成本計量，而利息開支則採用實際利率法計量。租賃負債的計量並不包括不依賴指數或利率的可變租賃付款，因此可變租賃付款於其產生的會計期間在損益中扣除。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leased assets (continued)

(i) As a lessee (continued)

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(i) and 2(l)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents "right-of-use assets" and presents "lease liabilities" separately in the consolidated statement of financial position.

2 重大會計政策（續）

(k) 租賃資產（續）

(i) 作為承租人（續）

於租賃資本化時確認的使用權資產初步按成本計量，其中包括租賃負債的初始金額，加上於開始日期或之前作出的任何租賃付款以及任何所產生的初始直接成本。倘適用，使用權資產的成本亦包括拆卸及移除相關資產或恢復相關資產或其所在地原貌的估計成本，按其現值貼現並扣減任何所收的租賃優惠。使用權資產隨後按成本減去累計折舊及減值虧損列賬（見附註2(i)及2(l)(ii)）。

當未來租賃付款因某一指數或比率變動而變更，或當本集團預期根據殘值擔保估計預期應付的金額有變，或因重新評估本集團是否合理地確定將行使購買、續租或終止選擇權而產生變動，則會重新計量租賃負債。按此方式重新計量租賃負債時，使用權資產的賬面值將作相應調整，或倘使用權資產的賬面值已減至零，則於損益內列賬。

本集團於綜合財務狀況表分別呈列「使用權資產」及「租賃負債」。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leased assets (continued)

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognized in accordance with Note 2(v)(ii).

(l) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash and cash equivalents and trade and other receivables).

Financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

2 重大會計政策(續)

(k) 租賃資產(續)

(ii) 作為出租人

本集團作為出租人時，其在租賃開始時將每項租賃釐定為融資租賃或經營租賃。倘其將相關資產所有權附帶的絕大部分風險及回報轉移至承租人，則租賃分類為融資租賃。如不屬此情況，則租賃分類為經營租賃。

當合約包含租賃及非租賃部分，本集團按相對獨立的銷售價格將合約中代價分配到各部分。經營租賃的租金收入根據附註2(v)(ii)確認。

(l) 信貸虧損及資產減值

(i) 來自金融工具的信貸虧損

本集團就按攤銷成本計量之金融資產(包括現金及現金等價物、貿易及其他應收款項)的預期信貸虧損(預期信貸虧損)確認虧損撥備。

按公允價值計量的金融資產無須進行預期信貸虧損評估。

計量預期信貸虧損

預期信貸虧損為按概率加權估計的信貸虧損。信貸虧損按所有預期現金差額(即本集團按合約應收現金流量與本集團預期可收取現金流量之間的差額)的現值計量。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

2 重大會計政策（續）

(I) 信貸虧損及資產減值（續）

(i) 來自金融工具的信貸虧損（續）

計量預期信貸虧損（續）

倘貼現的影響重大，預期現金差額將使用以下貼現率貼現：

- 固定利率金融資產和貿易及其他應收款項：初步確認時釐定的實際利率或其近似值；及
- 浮動利率金融資產：當前的實際利率。

於估計預期信貸虧損時考慮的最長期間為本集團承受信用風險的最長合約期間。

於計量預期信貸虧損時，本集團考慮合理及有理據而無須付出不必要的成本或努力獲得的資料，包括過去事件、當前狀況及未來經濟狀況預測等資料。

預期信貸虧損基於下列其中一項基準計量：

- 12個月的預期信貸虧損：預計在報告日期後12個月內可能發生的違約事件而導致的虧損；及
- 整個存續期的預期信貸虧損：預計該等採用預期信貸虧損模型的項目在預計的整個存續期內所有可能發生的違約事件而導致的虧損。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognizes a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or (ii) the financial asset is twelve months past due. 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.

2 重大會計政策(續)

(I) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

計量預期信貸虧損(續)

貿易及其他應收款項之虧損撥備一般乃按等同於整個存續期預期信貸虧損之金額計量。該等金融資產之預期信貸虧損是利用基於本集團過往信貸虧損經驗之撥備矩陣進行估算，並按於報告日期債務人之個別因素及對當前及預測整體經濟狀況之評估進行調整。

對於所有其他金融工具，本集團確認相等於12個月的預期信貸虧損的虧損撥備，除非金融工具的信用風險自初步確認以來顯著增加，在此情況下，虧損撥備按相等於整個存續期的預期信貸虧損的金額計量。

信用風險顯著增加

為評估金融工具的信用風險自初步確認以來有否顯著增加，本集團將報告日期評估的金融工具違約風險與初步確認日期所作評估進行比較。進行該項重新評估時，本集團認為以下情況將導致違約事件：(i)債務人不大可能在本集團無追索權(例如變現擔保(如持有))的情況下向本集團悉數支付其信貸承擔；或(ii)金融資產逾期12個月。本集團考慮合理可靠的定量及定性資料，包括過往經驗及毋須付出過多成本或努力即可獲得的前瞻性資料。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2 重大會計政策（續）

(I) 信貸虧損及資產減值（續）

(i) 來自金融工具的信貸虧損（續）

信用風險顯著增加（續）

評估信用風險自初步確認以來有否顯著增加時，尤其考慮以下資料：

- 未能在合約到期日支付本金或利息；
- 金融工具的外部或內部信貸評級（如有）實際或預期顯著惡化；
- 債務人的經營業績實際或預期顯著惡化；及
- 技術、市場、經濟或法律環境的現有或預測變化對債務人向本集團履行責任的能力構成重大不利影響。

根據金融工具的性質，對信用風險顯著增加的評估乃按個別或共同基準開展。按共同基準開展評估時，金融工具根據共有的信用風險特徵（如逾期狀況及信用風險評級）進行分組。

本集團於各個報告日期重新計量預期信貸虧損，以反映自初步確認後金融工具信用風險的變動。預期信貸虧損金額的任何變動均於損益中確認為減值收益或虧損。本集團確認所有金融工具的減值收益或虧損，並通過虧損撥備賬戶對其賬面值進行相應調整。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Basis of calculation of interest income

Interest income recognized in accordance with Note 2(v)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

2 重大會計政策(續)

(l) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

利息收入計算基準

根據附註2(v)(iii)確認的利息收入按金融資產的賬面總值計算，除非金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本(即賬面總值減虧損撥備)計算。

於各報告日期，本集團評估金融資產有否出現信貸減值。當發生一項或多項對金融資產估計未來現金流量產生不利影響的事件時，金融資產即被視為出現信貸減值。

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人面對重大財務困難；
- 違反合約，如利息或本金付款違約或拖欠；
- 借款人有可能申請破產或需要進行其他財務重組安排；
- 環境的重大變動(包括技術、市場、經濟或法律)對債務人構成不利影響；或
- 發行人陷入財困導致證券失去活躍市場。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognized no longer exists or may have decreased:

- properties, plants and equipment, including right-of-use assets;
- investment properties;
- intangible assets;
- interest in associates; and
- interest in subsidiaries in the Company's statement of financial position.

2 重大會計政策（續）

(l) 信貸虧損及資產減值（續）

(i) 來自金融工具的信貸虧損（續）

撇銷政策

若日後回收不可實現時，金融資產的賬面總值將（部分或全部）撇銷。該情況通常出現在本集團確定債務人並無資產或收入來源可產生足夠現金流量以償還撇銷金額。

過往撇銷資產的後續回收於回收期間於損益確認為減值撥回。

(ii) 其他非流動資產減值

於各呈報期末，均須審閱內外資訊來源以確定下列資產可能減值之跡象或（商譽除外）過往確認之減值虧損不再存在或可能已減少之跡象：

- 物業、廠房及設備，包括使用權資產；
- 投資物業；
- 無形資產；
- 於聯營公司的權益；及
- 本公司財務狀況表內於附屬公司的權益。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment:

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognized in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use (if determinable).

2 重大會計政策(續)

(I) 信貸虧損及資產減值(續)

(ii) 其他非流動資產減值(續)

如出現任何有關跡象，則會估計資產的可收回金額。此外，就商譽而言，不論有否任何減值跡象，可收回金額仍於每年估計：

– 計算可收回金額

資產的可收回金額以其公允價值扣除出售成本與使用價值兩者的較高者為準。於評估使用價值時，估計未來現金流量乃使用反映目前市場對貨幣時間價值的評估及該項資產的特有風險的稅前貼現率貼現至其現值。倘資產所產生的現金流入大致上並非獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別(即現金產生單位)釐定可收回金額。

– 確認減值虧損

倘一項資產或其所屬現金產生單位的賬面值超過其可收回金額，則會於損益內確認減值虧損。就現金產生單位確認的減值虧損會被分配，以按比例首先減低分配至現金產生單位(或一組單位)任何商譽的賬面值，隨後減低單位(或一組單位)其他資產的賬面值，惟該資產的賬面值將不會減至低於其個別公允價值減出售成本或使用價值(如可釐定)。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognized.

(m) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realizable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work in progress, costs include direct labour and appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2 重大會計政策（續）

(l) 信貸虧損及資產減值（續）

(ii) 其他非流動資產減值（續）

– 撥回減值虧損

就除商譽外的資產而言，倘用於釐定可收回金額的估計出現有利變動，則會撥回減值虧損。有關商譽之減值虧損將不予撥回。

減值虧損撥回限於資產在過往年度並無確認減值虧損的情況下所釐定的賬面值。減值虧損撥回在確認撥回年度計入損益。

(m) 存貨

存貨為在日常業務過程中持作銷售、處於為這些銷售的生產過程中，或在生產過程中或提供服務時所耗用材料或物料形式持有的資產。

存貨按成本與可變現淨值中的較低者入賬。

成本按加權平均成本法計算，包括所有採購成本、加工成本及將存貨運至現時地點及達致現狀產生的其他成本。就在製品而言，成本包括直接勞工以及適當比例的間接成本（根據正常運營能力計算）。

可變現淨值按日常業務過程中的估計售價減完成生產及銷售所需估計成本計算。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Inventories (continued)

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

(n) Contract liabilities

A contract liability is recognized when the customer pays consideration before the Group recognizes the related revenue (see Note 2(v)). A contract liability would also be recognized if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized (see Note 2(o)).

(o) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses (see Note 2(l)(i)).

2 重大會計政策(續)

(m) 存貨(續)

存貨出售時，其賬面值於相關收入的確認期間確認為支出。

任何撇減至可變現淨值的存貨數額及所有存貨虧損分別於進行撇減或產生虧損的期間確認為支出。存貨的任何撇減撥回於撥回期間確認為列作支出的存貨額減少。

(n) 合約負債

合約負債於本集團確認相關收入前客戶支付代價時確認(見附註2(v))。倘本集團在其確認相關收入前有權無條件收取代價，亦會確認合約負債。於該等情況下亦會確認相應的應收款項(見附註2(o))。

(o) 貿易及其他應收款項

應收款項於本集團具無條件收取代價的權利時予以確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。

應收款項包含重要的融資成分和其他應收款項最初按公允價值加交易成本確認。所有應收款項使用實際利息法按攤銷成本，減信貸虧損撥備列賬(見附註2(l)(i))。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(l)(i).

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with the Group's accounting policy for borrowing costs (see Note 2(y)).

(r) Trade and other payables

Trade and other payables are initially recognized at fair value and are subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(s) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2 重大會計政策（續）

(p) 現金及現金等價物

現金及現金等值物包括銀行存款及手頭現金、銀行及其他金融機構的活期存款以及可隨時兑換為已知數額現金的短期高流動性投資（該等投資所面對的價值變動風險並不重大，並於購入起計三個月內到期）。現金及現金等價物根據附註2(l)(i)所載政策就預期信貸虧損（預期信貸虧損）進行評估。

(q) 計息借款

計息借款初步按公允價值減交易成本計量。初步確認後，計息借款使用實際利率法按攤銷成本列賬。利息開支根據本集團的借款成本會計政策確認（見附註2(y)）。

(r) 貿易及其他應付款項

貿易及其他應付款項初始按公允價值確認，其後按攤銷成本列賬，除貼現影響微少則作別論，在此情況下，則按發票金額列賬。

(s) 僱員福利

(i) 短期僱員福利及向界定供款退休計劃供款

薪金、年度花紅、有薪年假、向界定供款退休計劃供款及非貨幣福利的成本乃於僱員提供相關服務的年度內累計。倘延期付款或結算且影響屬重大，則該等金額乃按其現值列賬。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits (continued)

(i) Short-term employee benefits and contributions to defined contribution retirement plans (continued)

Contributions to local retirement schemes pursuant to the relevant labour rules and regulations in the jurisdictions in which the Group's subsidiaries located are recognized as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognized as an expense.

(ii) Termination benefits

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

(iii) Defined benefit retirement plans obligation

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

2 重大會計政策（續）

(s) 僱員福利（續）

(i) 短期僱員福利及向界定供款退休計劃供款（續）

除已計入尚未確認為開支的存貨成本外，根據本集團附屬公司所在司法管轄區有關勞工規則及法規向當地退休計劃作出的供款於產生期間在損益確認為開支。

(ii) 終止福利

終止福利只會在本集團有正式的具體辭退計劃且沒有撤回該計劃的實質可能性，並且明確表示會終止僱用或於自願遣散而提供福利時確認。

(iii) 界定福利退休計劃義務

本集團就界定福利退休計劃承擔的負債淨值通過估算僱員在當前及以往期限因其服務所賺取的未來利益總額分別對每個計劃進行計算；在釐定現值時該項利益須予以折讓。由合格的精算師使用預計單位信貸法進行計算。一旦計算導致為集團帶來利益，認可資產應僅限於來自計劃任何未來退款或未來出資減少的方式獲得的經濟利益的現值。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits (continued)

(iii) Defined benefit retirement plans obligation (continued)

Service cost and net interest expense (income) on the net defined benefit liability (asset) are recognised in profit or loss and allocated by function as part of "cost of sales", "selling and distribution expenses" or "administrative expenses". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

When the benefits of a plan are changed, or when a plan is curtailed, current service cost for the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised.

Remeasurements arising from defined benefit retirement plans are recognised in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

2 重大會計政策(續)

(s) 僱員福利(續)

(iii) 界定福利退休計劃義務(續)

界定福利負債淨值(資產)中的服務費用和利息費用淨值(收入)應計入利潤或虧損中，通過履行作為「銷售成本」、「銷售及分銷開支」或「行政開支」的部分職責的方式進行分配。當前服務費用在由於僱員服務在當前期限產生的界定福利債務現值增加時計算。相應期限的利息費用(收入)淨值應通過使用報告期初時用來測量界定福利債務的折讓利率與界定福利負債(資產)淨值進行計算。貼現率為優質公司債券(到期日與本集團履行義務的期限相近)在報告期末的收益率。

當計劃的利益被改變或計劃被縮減時，與僱員過去的服務有關的改變的利益部分的當期服務成本或減少的損益被確認為損益中的支出。在發生計劃修訂或縮減時以及在確認相關的重組費用或終止利益時，以較早者為準。

由於界定福利退休計劃產生的重新測量金額計入其他綜合收入並立即體現於保留盈餘中。重新測量金額包括精算收益及虧損、計劃資產收益(不包括計入界定福利負債(資產)淨值利息淨值的金額)以及資產上限影響的任何變更(不包括計入界定福利負債(資產)淨值利息淨值的金額)。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits (continued)

(iv) Share-based payments

The fair value of share-based payment awards granted to employees is recognized as an employee cost with a corresponding increase in a reserve within equity. The fair value is measured at grant date by reference to the market price or the valuer's valuation of the underlying shares. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total estimated fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest.

During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number that vest (with a corresponding adjustment to the reserve).

(t) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of each reporting period, and any adjustment to tax payable in respect of previous years.

2 重大會計政策(續)

(s) 僱員福利(續)

(iv) 以股份為基礎的支付

向僱員授出的以股份為基礎的支付獎勵的公允價值確認為僱員成本，權益內儲備作相應增加。公允價值乃於授出日期參考相關股份的市價或估值師估值計量。倘僱員須符合歸屬條件方能無條件地有權獲授股份，於計及股份會否歸屬的可能性後，便會將股份的估計公允價值總額於歸屬期內攤分。

預期歸屬的股份數目於歸屬期內審閱。已於過往年度確認的累計公允價值的任何所需調整，會於審閱年度的損益中扣除／計入，除非原有員工開支符合資格確認為資產，並對資本儲備進行相應調整。已確認為開支的數額會於歸屬日作出調整，以反映該項歸屬的實際數目(同時對儲備作出相應的調整)。

(t) 所得稅

年度所得稅包括當期稅項以及遞延稅項資產及負債的變動。當期稅項以及遞延稅項資產及負債的變動乃於損益確認，惟與於其他綜合收益確認或直接於權益確認的項目有關者則除外，而在該等情況下，有關稅額分別於其他綜合收益確認或直接於權益確認。

當期稅項乃就年度應課稅收入的預期應付稅項(使用於各報告期末已頒佈或實質頒佈的稅率)，及就之前年度應付稅項作出的任何調整。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Income tax (continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognized. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilized.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2 重大會計政策（續）

(t) 所得稅（續）

遞延稅項資產及負債分別源自可扣稅及應課稅暫時差額，即用作財務申報目的之資產及負債的賬面值與其稅基之間的差額。遞延稅項資產亦源自未動用稅項損失及未動用稅項抵免。

除若干少數例外情況外，將確認所有遞延稅項負債，以及於可能有日後應課稅利潤供抵銷可動用資產時確認所有遞延稅項資產。可引證確認源自可扣稅暫時差額的遞延稅項資產的日後應課稅利潤，包括撥回現有應課稅暫時差額將產生者，惟該等差額須與相同稅務機關及相同應課稅實體有關，並預期在可扣稅暫時差額預計撥回的同一期間或遞延稅項資產所產生稅項損失可撥回或結轉的期間撥回。倘該等差額與相同稅務機關及相同應課稅實體有關，並預期可於動用稅項損失或抵免的一個或多個期間撥回，則釐定現有應課稅暫時差額是否足以支持確認源自未動用稅項損失及抵免的遞延稅項資產時，亦採納相同準則。

確認遞延稅項資產及負債的有限例外情況為該等產生自不影響會計或應課稅利潤的資產或負債的初步確認（前提是其並非業務合併的一部分）的暫時性差異，以及有關投資附屬公司的暫時性差異，就應課稅差異而言，以本集團可控制撥回時間且在可預見將來不大可能撥回該等差異為限，或就可扣稅差異而言，則除非有可能在將來撥回。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Income tax (continued)

The amount of deferred tax recognized is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividends is recognized.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or

2 重大會計政策(續)

(t) 所得稅(續)

已確認的遞延稅項金額乃按照資產及負債賬面值的預期變現或清償方式，根據於各報告期末已頒佈或實質頒佈的稅率計算。遞延稅項資產及負債不予貼現。

遞延稅項資產的賬面值會於各報告期末進行檢討，並在不再可能產生足夠的應課稅利潤以使用有關的稅務利益時作出調減。倘可能存在足夠的應課稅利潤供使用，則任何有關扣減將被撥回。

因分派股息而產生的額外所得稅於確認支付相關股息的責任時獲確認。

當期稅項結餘及遞延稅項結餘與其變動乃分開呈列，且不會抵銷。倘本集團有可依法強制執行的權利以當期稅項資產抵銷當期稅項負債，且符合下列額外條件，則當期稅項資產及遞延稅項資產可分別抵銷當期稅項負債及遞延稅項負債：

– 倘為當期稅項資產及負債，本公司或本集團擬按淨額結算或同時變現資產及清償負債；或

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Income tax (continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the current tax assets and settle the current tax liabilities on a net basis or realize and settle simultaneously.

(u) Provisions and contingent liabilities

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

2 重大會計政策（續）

(t) 所得稅（續）

- 倘為遞延稅項資產及負債，則該等資產及負債須與相同稅務機關就以下其中一項徵收的所得稅有關：
  - 同一應課稅實體；或
  - 不同應課稅實體，而此等實體計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回之期間內，按淨額基準變現當期稅項資產及清償當期稅項負債，或同時變現該等資產及清償該等負債。

(u) 撥備及或有負債

當本集團須就過往事件承擔法律或推定責任，而履行該責任很有可能導致經濟利益流出，且有關金額能夠可靠地估計時，則須確認撥備。對於貨幣時間價值影響重大的，撥備以預計履行該責任的開支現值列賬。

如果經濟利益不大可能流出，或無法對有關數額作出可靠估計，則會將該責任披露為或有負債，除非經濟利益流出的可能性極微。其存在僅能以一宗或多宗未來事件的發生與否來確定的潛在責任，除非經濟利益流出的可能性極微，否則亦披露為或有負債。

倘負債計提準備的部分或全部支出預計將由另一方償還，則針對幾乎確定的預期償還確認一項單獨的資產。確認的報帳金額僅限於負債計提準備的賬面金額。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognized when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognized under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

2 重大會計政策(續)

(v) 收入及其他收益

當本集團於其日常業務過程中銷售商品、提供服務或他人根據租約使用本集團資產而產生收入時，本集團將該項收入分類為收益。

當產品或服務控制權轉移予客戶或承租人有權使用資產，則收入按本集團預期獲得的承諾代價金額(不包括代表第三方收取的金額)確認。收入不包括增值稅或其他銷售稅，並為扣減任何貿易折扣後的金額。

如果合同中包含的融資部分為客戶提供了超過12個月的重大融資收入，則收入按應收金額的現值計量，並使用反映於與有關客戶的個別融資交易之貼現率貼現，並應計利息收益分別按實際利率法計算。如果合同包含為本集團提供重大融資利益的融資部分，則根據該合同確認的收入包括根據實際利率法計入合約負債的利息支出。本集團利用香港財務報告準則第15號第63段中的實務處理方法，在融資期為12個月或以下的情況下，不調整對重大融資部分任何影響的代價。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income (continued)

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

Revenue is recognized when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods, then the amount of revenue recognized is an appropriate proportion of the total transaction price under the contract, allocated between all the goods promised under the contract on a relative stand-alone selling price basis.

For a sale of goods with a right of return/exchange for dissimilar products, the Group recognizes all of the following:

(a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognized for the products expected to be returned/exchanged);

(b) a refund liability (see Note 2(w)); and

(c) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and are presented as right to returned goods asset.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognized in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognized in profit or loss as an integral part of the aggregate net lease payments receivable.

2 重大會計政策（續）

(v) 收入及其他收益（續）

有關本集團的收入及其他收益確認政策的進一步詳情如下：

(i) 銷售貨品

當客戶接管並接收產品時確認收入。倘產品屬履行涉及其他貨品的合約的一部分，則按合約規定的總交易價格的適當比例確認收入金額，並由合約承諾的所有貨品按相對個別售價攤分。

對於具有不同產品退貨／換貨權利的商品銷售，本集團確認以下所有事項：

(a) 以本集團預期有權取得的代價金額確認轉讓產品的收入（因此，預期退貨／換貨的產品不會確認收入）；

(b) 退款負債（見附註2(w)）；及

(c) 有從客戶處收回產品的權利的一項資產（以及相應的銷售成本調整），並作為退回貨物資產的權利列報。

(ii) 經營租賃的租金收益

經營租賃項下的應收租金收益於租期涵蓋的期間分期等額於損益確認，惟倘有其他方法能更清晰地反映使用租賃資產所得利益的形式則除外。授出的租金優惠於損益確認為應收淨租賃付款總額的組成部分。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income (continued)

(iii) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(iv) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are presented in the consolidated statements of financial position by setting up the grant as deferred income and consequently are effectively recognized in profit or loss on a systematic basis over the useful life of the asset.

(v) Dividends

Dividend income is recognized when the shareholder's right to receive payment is established.

2 重大會計政策(續)

(v) 收入及其他收益(續)

(iii) 利息收益

利息收益按實際利率法累計時予以確認，使用的利率將金融資產預期壽命內的估計未來現金收入準確貼現為金融資產的總賬面值。就按攤銷成本或透過其他全面收益按公允價值(轉入損益)計量且並非信貸減值的金融資產而言，有關資產的總賬面值乃按實際利率計算。就信貸減值金融資產而言，有關資產的攤銷成本(即總賬面值扣除虧損撥備)按實際利率計算。

(iv) 政府補助

倘有合理保證將收取政府補助且本集團符合補助所附條件，則政府補助初步於財務狀況表確認。補償本集團所產生開支的補助於開支產生的相同期間有系統地於損益確認為收益。補償本集團資產成本的補助通過將補助設定為遞延收益，在綜合財務狀況表中列示，因此實際上在資產使用年期內系統地於損益確認。

(v) 股息

股息收益在股東獲得付款的權利確立時確認。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(x) Translation of foreign currencies

Foreign currency transactions are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognized in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognizes such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into USD at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. The resulting exchange differences are recognized in other comprehensive income and accumulated separately in equity in the exchange reserve.

2 重大會計政策（續）

(w) 退款負債

退款負債為退回部分或所有來自客戶的已收（或應收）代價的責任，乃按本集團最終預期其將必須退回客戶的金額計量。本集團於各報告期末更新其估計退款負債（及交易價的相應變動）。

(x) 外幣換算

相關期間外幣交易按交易日期之外幣匯率換算。以外幣為單位之貨幣性資產及負債則按報告期末之外幣匯率換算。匯兑損益將於損益內確認。

以外幣計算歷史成本的非貨幣資產及負債，利用交易日之外匯匯率換算。交易日為本公司最初確認該等非貨幣性資產或負債的日期。以外幣計算公允價值的非貨幣資產及負債，使用公允價值計量當日的外匯匯率換算。

海外業務之業績乃按與交易日之適用匯率相若之匯率換算為美元。所產生外匯波動差額於其他全面收益確認，並在匯兑儲備內權益中獨立累計。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Borrowing costs

Borrowing costs that directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalization of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(z) Related parties

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

2 重大會計政策(續)

(y) 借貸成本

購置、興建或生產資產(須經過頗長時間籌備以作擬定用途或出售)直接應佔借貸成本撥充為該資產的部分成本。其他借貸成本於產生期間支銷。

當資產產生開支、借貸成本產生以及籌備資產作擬定用途或出售所需工作正在進行時，開始將借貸成本撥作合資格資產的部分成本。當籌備合資格資產作擬定用途或出售所需工作絕大部分中斷或完成時，將暫停或終止將借貸成本撥充成本。

(z) 關聯方

(a) 倘屬以下情況，則某人士或該人士的近親與本集團有關聯：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響力；或

(iii) 為本集團或本集團母公司的主要管理成員。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Related parties (continued)

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

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

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

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

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 重大會計政策（續）

(z) 關聯方（續）

(b) 倘符合下列任何條件，即實體與本集團有關聯：

(i) 該實體與本集團屬同一集團的成員公司（即各母公司、附屬公司及同系附屬公司互相關聯）。

(ii) 一家實體為另一實體的聯營公司或合營企業（或另一實體所屬集團的成員公司的聯營公司或合營企業）。

(iii) 兩家實體均為同一第三方的合營企業。

(iv) 一家實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。

(v) 該實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃。

(vi) 該實體受(a)所識別人士控制或受共同控制。

(vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體（或該實體的母公司）主要管理人員。

(viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

任何人士的近親是指預期在與該實體交易時可影響該人士或受該人士影響的家庭成員。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Segment reporting

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

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

2 重大會計政策(續)

(aa) 分部報告

營運分部及財務報表所呈列各分部項目的金額，乃從為向本集團各項業務及地理位置進行資源分配及評估其業績而定期向本集團最高行政管理層提供的財務資料當中識別出來。

個別重大營運分部不予合併以作財務報告用途，但當各分部具有類似經濟性質，以及產品及服務性質、生產工序性質、客戶類型或類別、用於分銷產品或提供服務的方法及監管環境的本質均屬類似時，則作別論。倘個別不重大的營運分部符合以上大部分條件，則可能合併。

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Key sources of estimation uncertainty

Notes 18, 19, 21 and 35(e) contains information about the assumptions and their risk factors relating to fair value of financial assets and fair value of shares granted. Other key sources of estimation uncertainty are as follows:

(a) Net realizable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group's net assets value. The Group reassesses these estimates annually.

3 重大會計判斷及估計

估計不確定因素的主要來源

附註18、19、21及35(e)包含與金融資產公允價值及已授出股份的公允價值有關的假設及其風險因素的資料。估計不確定因素的其他主要來源如下：

(a) 存貨的可變現淨值

存貨的可變現淨值乃於日常業務過程中的估計售價減完成的估計成本及進行銷售所需的估計成本。該等估計乃基於目前市況及銷售同類產品的過往經驗作出。假設的任何變動將導致過往年度存貨撇減的金額或相關的撇減撥回增加或減少，並影響本集團的資產淨值。本集團每年重新評估該等估計。

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(b) Impairment of trade and other receivables

The Group estimates the amount of loss allowance for ECLs on trade and other receivables that are measured at amortized cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

(c) Warranty provisions

The Group makes provisions under the warranties it gives on sale of its power tools and outdoor power equipment taking into account the Group's recent claim experience. As the Group is continually upgrading its product designs and launching new models it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

(d) Equity settled share-based transactions

The determination of the fair values of ordinary shares granted under Share Incentive Scheme to the qualified employees of the Group involve the use of judgment and estimates. The fair values of share options have been estimated using key judgmental assumptions set out in Note 33.

3 重大會計判斷及估計（續）

估計不確定因素的主要來源（續）

(b) 貿易及其他應收款項減值

本集團按照相關金融工具的信用風險估計按攤銷成本計量的貿易及其他應收款項的預期信貸虧損的虧損撥備金額。虧損撥備金額乃按資產賬面值及估計未來現金流量現值計量，並經考慮相關金融工具的預期未來信貸虧損。相關金融工具的信用風險評估涉及高度估計及不確定性。當實際未來現金流量少於預期或多於預期，可能因此出現重大減值虧損或重大減值虧損撥回。

(c) 保修撥備

考慮到本集團最近的申索經驗，本集團在其電動工具及戶外動力設備的銷售保修項下作出撥備。由於本集團不斷升級其產品設計並推出新型號，最近的申索經驗可能並不表示其未來將遇到與過去銷售有關的申索。撥備的任何增加或減少均會影響未來數年的損益。

(d) 以權益結算以股份為基礎的交易

根據股權激勵計劃授予本集團合資格員工的普通股公允價值的確定涉及判斷及估計。已使用附註33所載的關鍵判斷假設對股票期權的公允價值進行了估計。

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are researching, developing, manufacturing, testing, sales, and after-sale services for power tools, outdoor power equipment and related products. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by business lines is as follows:

4 收入及分部報告

(a) 收入

本集團的主要業務是電動工具、戶外動力設備及相關產品的研發、製造、測試、銷售及售後服務。附註4(b)披露了本集團主要業務的進一步詳情。

(i) 收入分類

與客戶所訂合約的收入按業務線分類如下：

		Year ended December 31, 截至12月31日止年度	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Revenue from contracts with customers within the scope of HKFRS 15	**香港財務報告準則第15號範圍內與客戶所訂合約的收入**		
Disaggregated by major products	按主要產品分類		
– Sales of power tools	– 銷售電動工具	**885,207**	661,081
– Sales of outdoor power equipment	– 銷售戶外動力設備	**864,631**	533,691
– Others	– 其他	**7,946**	6,130
		1,757,784	1,200,902

The Group's revenue from contracts with customers were recognized at point in time.

本集團與客戶所訂合約的收入按時間點確認。

The Group's customer base is diversified and 1 (2020: 2) customers with whom transactions have exceeded 10% of the Group's revenues for the year ended December 31, 2021. The total revenue from the sales of power tools, outdoor power equipment and others to these customers amounted to US$718 million (2020: US$537 million) and arose in all three geographical regions. Details of concentrations of credit risk arising from the customers are set out in Note 35(a).

本集團的客戶群是多元化的，截至2021年12月31日止年度，與之交易額超過本集團收入10%的客戶為1名(2020年：2名)客戶。向該等客戶銷售電動工具、戶外動力設備及其他所得收入總額為718百萬美元(2020年：537百萬美元)且產生自三個地理區域。由客戶引起的信貸集中風險的詳細情況載於附註35(a)。

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

(ii) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts for goods such that information about revenue expected to be recognized in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of goods that had an expected duration of one year or less.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. 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, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Power tools: sales of power tools and power tool accessories for consumer, professional and industrial users. The products are available under the FLEX, DEVON, SKIL and X-TRON brands plus original design manufacturer ("ODM") customers.
- Outdoor power equipment: sales of outdoor tools and outdoor tool accessories for premium or professional and mass-market users. The products are available under the EGO, SKIL brands and some ODM private labels.
- Others: sales of parts and components to a home appliances business.

4 收入及分部報告（續）

(a) 收入（續）

(ii) 預計於報告日期與現有客戶簽訂的合約所產生未來確認的收入

本集團已將香港財務報告準則第15號第121段中的實際權宜之計應用於其貨物銷售合約，由此，當本集團履行貨物銷售合約項下的剩餘履約義務時（預期期限為一年或更短），不會就與本集團將有權獲得的收入披露有關與未來確認的收入的資料。

(b) 分部報告

本集團按分部管理其業務，分部按業務線（產品及服務）及地區兩方面劃分。本集團已呈列如下報告分部，方式與向本集團最高行政管理人員內部呈報資料以分配資源及評估表現的方式一致。概無合併經營分部以組成下列可報告分部。

- 電動工具：對消費者、專業人士及工業用戶銷售電動工具及電動工具配件。產品由FLEX、大有、SKIL及小強品牌以及原設計製造商（「ODM」）客戶提供。
- 戶外動力設備：對優質或專業及大眾市場用戶銷售戶外工具及戶外工具配件。於EGO、SKIL品牌及若干ODM自有品牌項下提供有關產品。
- 其他：向一間家電公司銷售零部件。

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Information about reportable segments

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitor the results attributable to each reportable segment on the following bases:

Revenue are allocated to the reportable segments with reference to sales generated by those segments.

The measure used for reporting segment profit is gross profit. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue generated by the segments in their operations.

Segment assets and liabilities are not regularly reported to the Group's executive directors and therefore information of reportable segment assets and liabilities are not presented in the consolidated financial statements.

4 收入及分部報告(續)

(b) 分部報告(續)

(i) 報告分部資料

為了評估分部表現並在分部之間分配資源，本集團高級行政管理人員根據以下基準監控每個報告分部的業績：

收入根據報告分部產生的銷售額分配至報告分部。

用於報告分部利潤的計量指標是毛利潤。分部利潤用於計量表現，因為管理層認為此類資料與評估各分部業績(相對於在同一行業中運營的其他實體)最相關。

除了接獲有關分部業績的分部資料，還向管理層提供有關分部在其運營中產生的收入的分部資料。

分部資產及負債並無定期向本集團執行董事報告，因此綜合財務報表中並無列報報告分部資產及負債的資料。

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

4 收入及分部報告（續）

(b) Segment reporting (continued)

(b) 分部報告（續）

(i) Information about reportable segments (continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance is set out below.

(i) 報告分部資料（續）

根據收入確認時間對與客戶簽訂的契約收入的分類，以及為資源分配及分部業績評估而向本集團高級行政管理人員提供的有關本集團報告分部的資料如下所示。

		Reportable segments 報告分部			
		Power tools 電動工具 USD'000 千美元	Outdoor power equipment 戶外電動設備 USD'000 千美元	Others 其他 USD'000 千美元	Total reportable segments 報告分部總計 USD'000 千美元
2021	**2021年**				
Revenue from external customers	**來自外部客戶的收入**				
Point in time	於時間點	885,207	864,631	7,946	1,757,784
Gross profit from external customers and reportable segment profit	來自外部客戶的毛利及報告分部利潤	236,042	257,716	750	494,508

		Reportable segments 報告分部			
		Power tools 電動工具 USD'000 千美元	Outdoor power equipment 戶外電動設備 USD'000 千美元	Others 其他 USD'000 千美元	Total reportable segments 報告分部總計 USD'000 千美元
2020	2020年				
Revenue from external customers	**來自外部客戶的收入**				
Point in time	於時間點	661,081	533,691	6,130	1,200,902
Gross profit from external customers and reportable segment profit	來自外部客戶的毛利及報告分部利潤	192,030	175,503	1,179	368,712

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

4 收入及分部報告(續)

(b) Segment reporting (continued)

(b) 分部報告(續)

(ii) Reconciliations of reportable segment gross profit

(ii) 報告分部毛利對賬

		Year ended December 31, 截至12月31日止年度	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Reportable segment gross profit	報告分部毛利	**494,508**	368,712
Other revenue	其他收入	**5,180**	5,801
Other net gain/(loss)	其他收益／(虧損)淨額	**37,887**	(3,140)
Selling and distribution expenses	銷售及分銷開支	**(195,507)**	(179,447)
Administrative and other operating expenses	行政及其他經營開支	**(103,610)**	(82,843)
Research and development costs	研發成本	**(50,151)**	(38,939)
Net finance costs	財務成本淨額	**(16,617)**	(17,357)
Share of profits of associates	應佔聯營公司利潤	**4,408**	6,724
Consolidated profit before taxation	除稅前綜合利潤	**176,098**	59,511

(iii) Geographic information

The following table sets out the geographic information analyses of the Group's revenue and specified non-current assets including investment property, property, plant and equipment, right-of-use assets and intangible assets ("specified non-current assets"). In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets have been based on the geographic location of the assets.

(iii) 地理資料

下表載列本集團收入及特定非流動資產的地理資料分析，包括投資物業、物業、廠房及設備、使用權資產及無形資產(「特定非流動資產」)。在呈列地理資料時，分部收入基於客戶的地理位置，分部資產基於資產的地理位置。

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

4 收入及分部報告（續）

(b) Segment reporting (continued)

(b) 分部報告（續）

(iii) Geographic information (continued)

(iii) 地理資料（續）

Revenue from external customers

來自外部客戶的收入

		Year ended December 31, 截至12月31日止年度	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
North Americans	北美	**1,187,353**	798,913
Europe	歐洲	**404,210**	297,260
China	中國	**105,537**	69,295
Rest of the World	世界其他地區	**60,684**	35,434
		1,757,784	1,200,902

Specified non-current assets

特定非流動資產

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
North Americans	北美	**17,754**	10,296
Europe	歐洲	**24,753**	19,790
China	中國	**201,335**	158,579
		243,842	188,665

5 OTHER REVENUE AND OTHER NET GAIN/(LOSS)

5 其他收入及其他收益／(虧損)淨額

(a) Other revenue

(a) 其他收入

		Year ended December 31, 截至12月31日止年度	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Government grants *(Note i)*	政府補助*(附註i)*	**2,831**	3,650
Sale of scrap materials	廢料銷售	**2,089**	1,058
Rental income	租金收益	**260**	1,093
		5,180	5,801

Note:

(i) During the year ended December 31, 2021, the Group received unconditional government grants of USD2,831,000 (2020:USD3,650,000), as rewards of the Group's contribution to technology innovation and regional economic development.

附註：

(i) 截至2021年12月31日止年度，本集團獲得2,831,000美元(2020年：3,650,000美元)的無條件政府補助，作為本集團對科技創新及區域經濟發展貢獻的獎勵。

5 OTHER REVENUE AND OTHER NET GAIN/(LOSS) (CONTINUED)

5 其他收入及其他收益／（虧損）淨額（續）

(b) Other net gain/(loss)

(b) 其他收益／（虧損）淨額

		Year ended December 31, 截至12月31日止年度	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Net foreign exchange loss	外匯虧損淨額	**(14,126)**	(11,497)
Net loss on disposal of properties, plants and equipment	出售物業、廠房及設備的虧損淨額	**(238)**	(43)
Net unrealized gains on convertible bonds	可換股債券未變現收益淨額	**19,230**	–
Net realized and unrealized gains on financial assets at FVPL other than convertible bonds	以公允價值計量且其變動計入當期損益的金融資產的已變現及未變現收益淨額（可換股債券除外）	**1,190**	165
Net realized and unrealized gains on derivative financial instruments	衍生金融工具的已變現及未變現收益淨額	**10,129**	8,209
Loss on disposal of associates	出售聯營公司的虧損	**(677)**	(131)
Gain on disposal of a subsidiary *(Note 23(f))*	出售一家附屬公司的收益*（附註23(f)）*	**21,969**	–
Others	其他	**410**	157
		37,887	(3,140)

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

6 除稅前利潤

除稅前利潤乃經扣除／(計入)以下各項後得出：

(a) Net finance costs

(a) 財務成本淨額

		Year ended December 31, 截至12月31日止年度	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Interest income from bank deposits	銀行存款利息收入	**(1,051)**	(638)
Finance income	財務收入	**(1,051)**	(638)
Interest on bank loans	銀行貸款利息	**16,790**	17,392
Interest on lease liabilities	租賃負債利息	**878**	603
Finance costs	財務成本	**17,668**	17,995
Net finance costs	財務成本淨額	**16,617**	17,357

(b) Staff costs

(b) 員工成本

		Year ended December 31, 截至12月31日止年度	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Salaries, wages and other benefits	薪金、工資及其他利益	**164,907**	130,788
Contributions to defined contribution retirement plans	界定供款退休計劃供款	**24,541**	21,782
Equity settled share-based payment expenses *(Note 33)*	以權益結算以股份為基礎的付款開支*(附註33)*	**–**	21,077
Expenses recognized in respect of defined benefit retirement plans obligation *(Note 32(a))*	所確認關於界定福利退休計劃義務的開支*(附註32(a))*	**9**	9
		189,457	173,656

6 PROFIT BEFORE TAXATION (CONTINUED) 6 除稅前利潤（續）

(c) Other items (c) 其他項目

		Year ended December 31, 截至12月31日止年度	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Depreciation charge	折舊費用		
– owned properties, plants and equipment	– 自有物業、廠房及設備	**23,211**	17,858
– right-of-use assets	– 使用權資產	**6,330**	3,302
– investment property	– 投資物業	**37**	206
Amortization of intangible assets	無形資產攤銷	**296**	296
Research and development costs *(Note i)*	研發成本*（附註i）*	**50,151**	38,939
Provision for impairment loss on trade and other receivables	貿易及其他應收款項減值虧損的撥備	**278**	450
Provision for write-down of inventories	存貨撇減撥備	**4,803**	696
Auditors' remuneration	核數師薪酬		
– audit services	– 審計服務	**1,332**	388
– non-audit services	– 非審計服務	**182**	174
Listing expenses	上市開支	**7,873**	272
Cost of inventories sold *(Note ii)*	所售存貨的成本*（附註ii）*	**1,265,063**	832,230

Notes:

(i) Research and development costs include amounts relating to staff costs, depreciation and amortization expenses, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

(ii) Cost of inventories recognized as expenses includes amounts relating to staff costs, depreciation and amortization expenses, provision for write-down of inventories, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

附註：

(i) 研發成本包括與員工成本、折舊及攤銷開支有關的金額，這些開支也計入上述單獨披露的總額中或附註6(b)中（就各類開支而言）。

(ii) 確認為開支的存貨成本包括與員工成本、折舊及攤銷開支、存貨撇減撥備相關的金額，這些金額也計入上述單獨披露的總額或附註6(b)中（就各類開支而言）。

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

7 綜合損益表內所得稅

(a) Taxation in the consolidated statements of profit or loss represents:

(a) 綜合損益表內稅項指：

		Year ended December 31, 截至12月31日止年度	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Current tax	**即期稅項**		
PRC Corporate Income Tax	*中國企業所得稅*		
Provision for the year	年內撥備	**5,547**	1,101
(Over)/under-provision in respect of prior years	過往年度撥備(超額)／不足	**(56)**	152
		5,491	1,253
Hong Kong Profits Tax	*香港利得稅*		
Provision for the year	年內撥備	**12,627**	2,916
Tax jurisdictions outside PRC and Hong Kong	*中國及香港境外稅務司法管轄區*		
Provision for the year	年內撥備	**6,696**	5,869
Deferred tax	**遞延稅項**		
Origination and reversal of temporary differences *(Note 28(b))*	暫時差額的產生與回撥 *(附註28(b))*	**1,563**	1,085
Total income tax expense	**所得稅開支總額**	**26,377**	11,123

Notes:

(i) Pursuant to the income tax rules and regulations of Hong Kong, the Company and the subsidiary in Hong Kong were liable to the Hong Kong Profits Tax at a rate of 16.5% during the years ended December 31, 2020 and 2021.

附註：

(i) 根據香港的所得稅條例及法規，截至2020年及2021年12月31日止年度，本公司及香港附屬公司應按16.5%的稅率繳納香港利得稅。

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONTINUED)

7 綜合損益表內所得稅（續）

(a) Taxation in the consolidated statements of profit or loss represents: (continued)

(a) 綜合損益表內稅項指：（續）

Notes: (continued)

(ii) The PRC subsidiaries of the Group are subject to PRC Corporate Income Tax ("CIT") at a statutory rate of 25%, except for the following specified subsidiary:

According to the Administrative Measures for Determination of High-Tech Enterprises (Guokefahuo [2016] No.32), Nanjing Chervon Industry Co., Ltd. obtained the qualification as a high-tech enterprise and was entitled to a preferential income tax rate of 15% for the years from 2016 to 2019. Nanjing Chervon Industry Co., Ltd. renewed the qualification in 2019 and was entitled to a preferential income tax rate of 15% from 2019 to 2021.

According to the prevailing PRC CIT law and its relevant regulations, non-PRC tax resident enterprises are levied withholding tax on dividends from their PRC resident investees for intra-group earnings accumulated beginning on January 1, 2008, at 10% (unless reduced by tax treaties or similar arrangements), respectively. Undistributed earnings generated prior to 2008 are exempt from such withholding tax.

Under the arrangement between the Mainland China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and its relevant regulations, dividends paid by a PRC resident enterprise to its direct holding company in Hong Kong will be subject to withholding tax at a reduced rate of 5% (if the Hong Kong investor is the "beneficial owner" and owns directly at least 25% of the equity interest of the PRC resident enterprise for the past twelve months before the dividends distribution). The Group met the beneficial owner requirements in 2020 and 2021 and were entitled to a preferential rate of 5% since 2015.

附註：（續）

(ii) 本集團的中國附屬公司須按25%的法定稅率繳納中國企業所得稅（「企業所得稅」），但以下所指附屬公司除外：

根據《高新技術企業認定管理辦法》（國科發火[2016]32號），南京泉峰科技有限公司取得高新技術企業資格，2016年至2019年享受15%的所得稅優惠稅率。南京泉峰科技有限公司於2019年更新資格，並有權在2019年至2021年期間享受15%的所得稅優惠稅率。

根據現行《中國企業所得稅法》及其相關法規，非中國稅務居民企業對自2008年1月1日起累計的集團內部收益從其中國居民被投資方獲得的股息分別徵收10%的預扣稅（除非按稅收協定或類似安排降低）。2008年之前產生的未分配收益免徵此類預扣稅。

根據《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》及其相關法規，倘香港投資者為「受益所有人」及於股息分派前過去十二個月直接擁有中國居民企業最少25%的股權，中國居民企業支付予其香港直接控股公司的股息將按5%的寬減稅率繳納預扣稅。本集團於2020年及2021年符合受益所有人規定並自2015年起有權享有5%的優惠稅率。

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONTINUED)

(a) Taxation in the consolidated statements of profit or loss represents: (continued)

Notes: (continued)

(iii) Pursuant to the income tax rules and regulations of the United States, the Group's subsidiaries in the United States was liable to United States federal income tax at a rate of 21% and state income tax at a rate ranging from 0.75% to 9.99% during the during the year ended December 31, 2020 and 2021.

(iv) Pursuant to the income tax rules and regulations of the United Kingdom, the Group's subsidiary in the United Kingdom was liable to the United Kingdom corporation tax at a rate of 20% during the year ended December 31, 2020 and 2021.

(v) Pursuant to the income tax rules and regulations of Germany, Chervon GmbH, Flex Geschaftsfuhrungs GmbH, Flex Verwaltungs GmbH & Co.KG, Flex-Elektrowerkzeuge Gmb and EGO Europe GmbH were liable to German corporate tax at a rate between 22.825% and 26.825% determined by municipalities during the year ended December 31, 2020 and 2021.

(vi) Pursuant to the rules and regulations of the Australia, the Group's subsidiary in the Australia was liable to the Australia corporation tax at a rate of 27.5% during the year ended December 31, 2020 and 2021.

(vii) Pursuant to the rules and regulations of the Canada, the Group's subsidiary in the Canada was liable to the Canada corporation tax at a rate of 26.5% during the year ended December 31, 2020 and 2021.

(viii) Pursuant to the rules and regulations of the Netherlands, the Group's subsidiaries in the Netherlands was liable to the Netherlands corporation tax at a rate of 25% during the year ended December 31, 2020 and 2021.

7 綜合損益表內所得稅(續)

(a) 綜合損益表內稅項指：(續)

附註：(續)

(iii) 根據美國所得稅條例及法規，本集團在美國的附屬公司在截至2020年及2021年12月31日止年度應按21%的美國聯邦所得稅稅率和0.75%至9.99%的州所得稅稅率納稅。

(iv) 根據英國的所得稅條例及法規，本集團在英國的附屬公司在截至2020年及2021年12月31日止年度應按20%的稅率繳納英國公司稅。

(v) 根據德國的所得稅條例及法規，Chervon GmbH、Flex Geschaftsfuhrungs GmbH、Flex Verwaltungs GmbH & Co.KG、Flex-Elektrowerkzeuge Gmb及EGO Europe GmbH在截至2020年及2021年12月31日止年度應繳納德國公司稅，稅率為22.825%至26.825%，由市政當局確定。

(vi) 根據澳大利亞的條例及法規，本集團在澳大利亞的附屬公司在截至2020年及2021年12月31日止年度應按27.5%的稅率繳納澳大利亞公司稅。

(vii) 根據加拿大的條例及法規，本集團在加拿大的附屬公司在截至2020年及2021年12月31日止年度應按26.5%的稅率繳納加拿大公司稅。

(viii) 根據荷蘭的條例及法規，本集團在荷蘭的附屬公司在截至2020年及2021年12月31日止年度應按25%的稅率繳納荷蘭公司稅。

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONTINUED)

(a) Taxation in the consolidated statements of profit or loss represents: (continued)

Notes: (continued)

(ix) Pursuant to the rules and regulations of the Czech, the Group's subsidiary in the Czech was liable to the Czech corporation tax at a rate of 19% during the year ended December 31, 2020 and 2021.

(x) Pursuant to the rules and regulations of the Belgium, the Group's subsidiary in the Belgium was liable to the Belgium corporation tax at a rate of 25% during the year ended December 31, 2020 and 2021.

(xi) Pursuant to the rules and regulations of the Italia, the Group's subsidiary in the Italia was liable to the Italia corporation tax at a rate of 24% during the year ended December 31, 2020 and 2021.

(xii) Pursuant to the rules and regulations of the France, the Group's subsidiary in the France was liable to the France corporation tax at a rate of 28% during the year ended December 31, 2020 and 2021.

(xiii) Pursuant to the Vietnam Investment Law and the approval of Industry Zone Committee of Tinh Binh Duong, the Group's subsidiary in the Vietnam was entitled to a tax exemption for 2020 and 2021 and a preferential income tax rate of 10% from 2022 to 2025.

(xiv) Pursuant to the rules and regulations of the New Zealand, the Group's subsidiary in the New Zealand was liable to the New Zealand corporation tax at a rate of 28% during the year ended December 31, 2020 and 2021.

7 綜合損益表內所得稅（續）

(a) 綜合損益表內稅項指：（續）

附註：（續）

(ix) 根據捷克的條例及法規，本集團在捷克的附屬公司在截至2020年及2021年12月31日止年度應按19%的稅率繳納捷克公司稅。

(x) 根據比利時的條例及法規，本集團在比利時的附屬公司在截至2020年及2021年12月31日止年度應按25%的稅率繳納比利時公司稅。

(xi) 根據意大利的條例及法規，本集團在意大利的附屬公司在截至2020年及2021年12月31日止年度應按24%的稅率繳納意大利公司稅。

(xii) 根據法國的條例及法規，本集團在法國的附屬公司在截至2020年及2021年12月31日止年度應按28%的稅率繳納法國公司稅。

(xiii) 根據《越南投資法》及平陽省工業區委員會的批文，本集團在越南的附屬公司於2020年及2021年享有免稅待遇及於2022年至2025年按10%的所得稅優惠稅率納稅。

(xiv) 根據新西蘭的條例及法規，本集團在新西蘭的附屬公司在截至2020年及2021年12月31日止年度應按28%的稅率繳納新西蘭公司稅。

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONTINUED)

7 綜合損益表內所得稅(續)

(b) Reconciliation between profit before taxation and tax expense and at applicable tax rates:

(b) 除稅前利潤與稅項開支以及適用稅率之間的對賬：

		Year ended December 31, 截至12月31日止年度	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Profit before taxation	除稅前利潤	**176,098**	59,511
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	除稅前利潤名義稅，按適用於相關司法管轄區利潤的稅率計算	**29,641**	12,834
Effect of PRC tax concessions obtained	獲得中國稅收減免的影響	**(3,234)**	(729)
Tax effect of non-deductible expenses *(Note)*	不可扣稅開支的稅務影響*(附註)*	**56**	3,098
Tax effect of non-taxable income	非應稅收益的稅務影響	**(1,831)**	(4,231)
Tax effect of tax losses not recognized	未確認稅項虧損的稅務影響	**2,928**	1,916
Tax effect of bonus deduction for research and development costs	研發成本獎金扣除的稅務影響	**(3,765)**	(3,420)
Provision of withholding tax on undistributed profits	未分配利潤的預扣稅撥備	**2,638**	1,503
(Over)/under-provision in prior years	過往年度撥備(超額)／不足	**(56)**	152
Income tax expense	所得稅開支	**26,377**	11,123

Note:

Tax effect of non-deductible expenses mainly represented tax effect of equity settled share-based payment expenses, expenses incurred by entities without assessable profits and other non-deductible expenses.

附註：

不可扣稅開支的稅務影響主要指以權益結算以股份支付的付款開支、實體產生的無應課稅利潤的開支及其他不可扣稅開支的稅務影響。

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8 董事薪酬

根據香港公司條例第383(1)條及公司（披露董事利益資料）規例第二部分披露的董事酬金如下：

		Directors' fees 董事袍金 USD'000 千美元	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 USD'000 千美元	Discretionary bonuses 酌情花紅 USD'000 千美元	Retirement scheme contributions 退休計劃供款 USD'000 千美元	Sub-Total 小計 USD'000 千美元	Share-based payments 以股份為基礎的付款 USD'000 千美元	2021 Total 2021年總計 USD'000 千美元
Chairman	**董事長**							
Pan Longquan	潘龍泉	16	171	445	–	632	–	632
Executive directors	**執行董事**							
Zhang Tong	張彤	16	178	445	–	639	–	639
Ke Zuqian	柯祖謙	16	171	445	–	632	–	632
Xiao Jun (resigned on August 4, 2021)	肖鈞（於2021年8月4日辭任）	–	96	–	9	105	–	105
Cheng Hong Kei (resigned on August 4, 2021)	鄭康棋（於2021年8月4日辭任）	–	–	–	–	–	–	–
Michael John Clancy (appointed on August 4, 2021)	Michael John Clancy（於2021年8月4日獲委任）	16	405	409	38	868	–	868
Independent non-executive directors	**獨立非執行董事**							
Tian Ming (appointed on December 8, 2021)	田明（於2021年12月8日獲委任）	16	–	–	–	16	–	16
Li Minghui (appointed on December 8, 2021)	李明輝（於2021年12月8日獲委任）	16	–	–	–	16	–	16
Jiang Li (appointed on December 8, 2021)	蔣立（於2021年12月8日獲委任）	16	–	–	–	16	–	16
		112	1,021	1,744	47	2,924	–	2,924

8 DIRECTORS' EMOLUMENTS (CONTINUED) 8 董事薪酬（續）

		Directors' fees 董事袍金 USD'000 千美元	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 USD'000 千美元	Discretionary bonuses 酌情花紅 USD'000 千美元	Retirement scheme contributions 退休計劃供款 USD'000 千美元	Sub-Total 小計 USD'000 千美元	Share-based payments 以股份為基礎的付款 USD'000 千美元	2020 Total 2020年總計 USD'000 千美元
Chairman	**董事長**							
Pan Longquan	潘龍泉	12	152	316	–	480	–	480
Executive directors	**執行董事**							
Zhang Tong	張彤	12	196	382	–	590	–	590
Ke Zuqian	柯祖謙	12	170	295	1	478	–	478
Xiao Jun	肖鈞	12	221	139	8	380	–	380
Cheng Hong Kei	鄭康棋	12	–	–	–	12	–	12
		60	739	1,132	9	1,940	–	1,940

Note:

All the executive directors are key management personnel of the Group during the year ended December 31, 2020 and 2021 and their remuneration disclosed above include those for services rendered by them as key management personnel. There was no arrangement under which a director waived or agreed to waive any remuneration for the year ended 31 December 2021.

附註：

所有執行董事在截至2020年及2021年12月31日止年度均為本集團的主要管理人員，上述披露彼等的薪酬包括其作為主要管理人員提供服務的薪酬。截至2021年12月31日止年度，概有關無董事放棄或同意放棄任何薪酬的安排。

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, nil and four is director during the years ended December 31, 2020 and 2021, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

9 最高薪酬人士

在最高薪酬的五名個人中，零名及四名截至2020年及2021年12月31日止年度分別有擔任董事，其薪酬在附註8中披露。其餘個人的薪酬總額如下：

		Year ended December 31, 截至12月31日止年度	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	**1,302**	1,109
Discretionary bonuses	酌情花紅	**1,975**	898
Retirement scheme contributions	退休計劃供款	**71**	75
Share-based payments	以股份為基礎的付款	**–**	2,833
		3,348	4,915

The emoluments of the five and five individuals with the highest emoluments during the years ended December 31, 2020 and 2021, respectively, are within the following bands:

截至2020年及2021年12月31日止年度，最高薪酬的五名及五名個人的薪酬分別在以下範圍內：

		Year ended December 31, 截至12月31日止年度	
		2021 2021年 Number of individuals 個人數目	2020 2020年 Number of individuals 個人數目
USD nil to USD500,000	零美元至500,000美元	**–**	–
USD500,001 to USD1,000,000	500,001美元至1,000,000美元	**5**	2
USD1,000,001 to USD1,500,000	1,000,001美元至1,500,000美元	**–**	3

None of the Directors of the Company has waived any emoluments for the year ended 31 December 2021.

截至2021年12月31日止年度，概無本公司董事放棄任何薪酬。

No emoluments were paid by the Group to the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensating for loss of office during both years.

於兩個年度內，本集團概無向董事或五名最高薪酬人士(包括董事及僱員)支付酬金，作為加入本集團或加入本集團後的獎勵或作為離職補償。

10 OTHER COMPREHENSIVE INCOME

10 其他全面收益

Tax effects relating to each component of other comprehensive income

與其他全面收益各組成部分相關的稅務影響

		Exchange differences on translation of financial statements 換算財務報表的匯兑差額 USD'000 千美元	Remeasurement of net defined benefit liability 界定福利負債淨額重新計量 USD'000 千美元	Total 總計 USD'000 千美元
For the year ended December 31, 2020	截至2020年12月31日止年度			
Before-tax amount	稅前金額	17,451	(43)	17,408
Tax benefit	稅項利益	–	4	4
Net-of-tax amount	扣除稅項之金額	17,451	(39)	17,412
For the year ended December 31, 2021	截至2021年12月31日止年度			
Before-tax amount	稅前金額	**8,131**	**33**	**8,164**
Tax expense	稅項開支	**–**	**13**	**13**
Net-of-tax amount	扣除稅項之金額	**8,131**	**46**	**8,177**

11 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to equity shareholders of the Company of USD144,544,000 (2020: USD44,359,000) and the weighted average of ordinary shares calculated as follows:

11 每股盈利

(a) 每股基本盈利

每股基本及攤薄盈利的計算基於本公司權益股東應佔利潤144,544,000美元（2020年：44,359,000美元），普通股的加權平均數計算如下：

Weighted average number of ordinary shares

普通股加權平均數

		Year ended December 31, 截至12月31日止年度	
		2021 2021年	2020 2020年
Ordinary shares at the beginning of the year	於年初的普通股	**390,000,000**	390,000,000
Effect of right issues *(Note)*	供股的影響*（附註）*	**5,781,540**	5,536,504
Effect of issuance of ordinary shares under the Share Incentive Scheme *(Note 33)*	根據股權激勵計劃發行普通股的影響*（附註33）*	**9,016,660**	–
Effect of shares issued by initial public offering *(Note 34)*	以首次公開發售方式發行股份的影響*（附註34）*	**197,030**	–
Weighted average number of ordinary shares at the end of the year	於年末的普通股加權平均數	**404,995,230**	395,536,504

Note:

Pursuant to the resolution passed by the board of directors of the Company on March 17, 2021, the Company issued and allotted a total of 5,844,911 shares by way of rights issue at the subscription price of HKD1.00 to the shareholders. The calculations of the basic earnings per share were adjusted retrospectively to include the effect of the number of shares issues as if such shares were issued and outstanding for all periods presented.

附註：

根據本公司董事會於2021年3月17日通過的決議，本公司以供股方式向股東以1.00港元的認購價格發行及配發總計5,844,911股股份。對每股基本收益的計算進行了追溯性調整，以包括股票發行數量的影響，就如同該等股票在列報的所有期間均已發行及流通一樣。

11 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of USD144,544,000 (2020: USD44,359,000), and the weighted average number of ordinary shares calculated as follows:

11 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利的計算基於本公司權益股東應佔利潤144,544,000美元(2020年：44,359,000美元)，普通股的加權平均數計算如下：

Weighted average number of ordinary shares (diluted)

普通股加權平均數(攤薄)

		Year ended December 31, 截至12月31日止年度	
		2021 2021年	2020 2020年
Weighted average number of ordinary shares at the end of the year	於年末的普通股加權平均數	**404,995,230**	395,536,504
Effect of equity settled share-based transactions *(Note 33)*	以權益結算以股份為基礎的交易的影響*(附註33)*	**1,800,977**	24,072
Weighted average number of ordinary shares(diluted) at the end of the year	於年末的普通股加權平均數(攤薄)	**406,796,207**	395,560,576

12 PROPERTIES, PLANTS AND EQUIPMENT 12 物業、廠房及設備

(a) Reconciliation of carrying amount (a) 賬面值對賬

		Plant and buildings 廠房及樓宇 USD'000 千美元	Machinery and equipment 機器及設備 USD'000 千美元	Furniture, fixtures and office equipment 傢俱、裝置及辦公設備 USD'000 千美元	Motor vehicles 汽車 USD'000 千美元	Construction in progress 在建工程 USD'000 千美元	Total 總計 USD'000 千美元
Cost:	**成本：**						
At January 1, 2020	於2020年1月1日	105,395	97,904	30,618	2,500	1,958	238,375
Additions	添置	389	14,327	6,041	263	10,028	31,048
Transfers	轉讓	247	346	1,133	–	(1,726)	–
Disposals	出售	–	(4,947)	(2,225)	(33)	–	(7,205)
Exchange adjustment	匯兑調整	8,433	8,595	2,099	181	587	19,895
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	**114,464**	**116,225**	**37,666**	**2,911**	**10,847**	**282,113**
Additions	添置	**826**	**33,866**	**10,861**	**1,625**	**25,042**	**72,220**
Transfers	轉讓	**1,753**	**–**	**1,136**	**–**	**(2,889)**	**–**
Disposals	出售	**(151)**	**(5,309)**	**(1,670)**	**(185)**	**–**	**(7,315)**
Disposal of a subsidiaries	出售附屬公司	**(373)**	**–**	**(35)**	**–**	**–**	**(408)**
Exchange adjustment	匯兑調整	**1,150**	**(358)**	**(447)**	**194**	**456**	**995**
At December 31, 2021	於2021年12月31日	**117,669**	**144,424**	**47,511**	**4,545**	**33,456**	**347,605**
Accumulated depreciation:	**累計折舊：**						
At January 1, 2020	於2020年1月1日	(39,646)	(59,307)	(17,819)	(1,583)	–	(118,355)
Charge for the year	年度費用	(4,558)	(9,891)	(3,181)	(228)	–	(17,858)
Written back on disposals	出售時撥回	–	4,606	1,982	32	–	6,620
Exchange adjustment	匯兑調整	(3,292)	(4,958)	(1,130)	(120)	–	(9,500)
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	**(47,496)**	**(69,550)**	**(20,148)**	**(1,899)**	**–**	**(139,093)**
Charge for the year	年度費用	**(5,285)**	**(13,047)**	**(4,420)**	**(459)**	**–**	**(23,211)**
Written back on disposals	出售時撥回	**–**	**5,294**	**1,640**	**167**	**–**	**7,101**
Disposal of a subsidiaries	出售附屬公司	**258**	**–**	**32**	**–**	**–**	**290**
Exchange adjustment	匯兑調整	**(111)**	**782**	**140**	**(39)**	**–**	**772**
At December 31, 2021	於2021年12月31日	**(52,634)**	**(76,521)**	**(22,756)**	**(2,230)**	**–**	**(154,141)**
Net book value:	**賬面淨值：**						
At December 31, 2020	於2020年12月31日	66,968	46,675	17,518	1,012	10,847	143,020
At December 31, 2021	於2021年12月31日	**65,035**	**67,903**	**24,755**	**2,315**	**33,456**	**193,464**

12 PROPERTIES, PLANTS AND EQUIPMENT (CONTINUED)

12 物業、廠房及設備(續)

(a) Reconciliation of carrying amount (continued)

(a) 賬面值對賬(續)

Note:

Certain properties, plants and equipment of the Group were pledged as security for bank loans (see Note 24). Details are set out as follows:

附註：

本集團的若干物業、廠房及設備已作為銀行貸款抵押物抵押(見附註24)。詳情如下：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Plant and buildings	廠房及樓宇	**44,226**	44,724

13 RIGHT-OF-USE ASSETS

13 使用權資產

The analysis of the net book value of right-of-use assets by class of underlying asset is presented below:

按相關資產類別劃分的使用權資產賬面淨值分析如下：

		Plant and buildings 廠房及樓宇 USD'000 千美元	Leasehold Land 租賃土地 USD'000 千美元	Total 總計 USD'000 千美元
Cost:	成本：			
At January 1, 2020	於2020年1月1日	21,746	29,399	51,145
Additions	添置	3,028	–	3,028
Disposals	出售	(798)	–	(798)
Exchange adjustment	匯兑調整	465	2,033	2,498
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	**24,441**	**31,432**	**55,873**
Additions	添置	**11,971**	**–**	**11,971**
Disposals	出售	**(1,528)**	**–**	**(1,528)**
Exchange adjustment	匯兑調整	**(12)**	**726**	**714**
At December 31, 2021	於2021年12月31日	**34,872**	**32,158**	**67,030**
Accumulated depreciation:	累計折舊：			
At January 1, 2020	於2020年1月1日	(6,419)	(3,897)	(10,316)
Charge for the year	年度費用	(2,707)	(595)	(3,302)
Written back on disposals	出售時撥回	798	–	798
Exchange adjustment	匯兑調整	(121)	(303)	(424)
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	**(8,449)**	**(4,795)**	**(13,244)**
Charge for the year	年度費用	**(5,694)**	**(636)**	**(6,330)**
Written back on disposals	出售時撥回	**1,528**	**–**	**1,528**
Exchange adjustment	匯兑調整	**54**	**(119)**	**(65)**
At December 31, 2021	於2021年12月31日	**(12,561)**	**(5,550)**	**(18,111)**

13 RIGHT-OF-USE ASSETS (CONTINUED)

The analysis of the net book value of right-of-use assets by class of underlying asset is presented below:

13 使用權資產（續）

按相關資產類別劃分的使用權資產賬面淨值分析如下：

		Plant and buildings 廠房及樓宇 USD'000 千美元	Leasehold Land 租賃土地 USD'000 千美元	Total 總計 USD'000 千美元
Net book value:	**賬面淨值：**			
At December 31, 2020	於2020年12月31日	15,992	26,637	42,629
At December 31, 2021	於2021年12月31日	**22,311**	**26,608**	**48,919**

Notes:

(i) The Group obtains the right-of-use certain land in the PRC under several operating lease agreements of 50 years. As at December 31, 2021, the carrying amounts of leasehold land held for own use were USD26,608,000 (2020: USD26,637,000).

(ii) The Group has obtained the right to use certain office and warehouse properties through tenancy agreements during the years ended December 31, 2021 and 2020. The leases typically run for a period of 1 to 13 years.

附註：

(i) 本集團在中國根據若干50年的經營租賃協議取得若干土地的使用權。於2021年12月31日，持作自用租賃土地的賬面值為26,608,000美元（2020年：26,637,000美元）。

(ii) 本集團於2021年及2020年12月31日止年度通過租賃協議獲得若干辦公室及倉庫物業的使用權。租賃的租期通常為1至13年。

13 RIGHT-OF-USE ASSETS (CONTINUED)

13 使用權資產(續)

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

與於損益確認的租賃相關的開支項目分析如下：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Depreciation charge of right-of-use assets by class of underlying asset:	按相關資產類別劃分的使用權資產折舊費用：		
– Leasehold land	– 租賃土地	**636**	595
– Plant and buildings	– 廠房及樓宇	**5,694**	2,707
		6,330	3,302
Interest on lease liabilities *(Note 6(a))*	租賃負債利息*(附註6(a))*	**878**	603
Expense relating to short-term leases	與短期租賃有關的開支	**2,326**	1,022

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 23(e) and 25, respectively.

租賃總現金流出及租賃負債到期分析的詳情分別載於附註23(e)及25。

Certain right-of-use assets of the Group were pledged as security for bank loans (see Note 24). Details are set out as follows:

本集團的若干使用權資產已作為銀行貸款抵押物抵押(見附註24)。詳情如下：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Leasehold land	租賃土地	**25,487**	25,503

14 INVESTMENT PROPERTIES 14 投資物業

		Plant and buildings 廠房及樓宇 USD'000 千美元	Leasehold Land 租賃土地 USD'000 千美元	Total 總計 USD'000 千美元
Cost:	**成本：**			
At January 1, 2020	於2020年1月1日	4,308	492	4,800
Exchange adjustment	匯兑調整	298	34	332
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	**4,606**	**526**	**5,132**
Disposal of a subsidiary	出售一家附屬公司	**(4,622)**	**(529)**	**(5,151)**
Exchange adjustment	匯兑調整	**16**	**3**	**19**
At December 31, 2021	於2021年12月31日	**–**	**–**	**–**
Accumulated amortization:	**累計攤銷：**			
At January 1, 2020	於2020年1月1日	(3,217)	(199)	(3,416)
Charge for the year	年度費用	(196)	(10)	(206)
Exchange adjustment	匯兑調整	(234)	(14)	(248)
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	**(3,647)**	**(223)**	**(3,870)**
Charge for the year	年度費用	**(35)**	**(2)**	**(37)**
Disposal of a subsidiary	出售一家附屬公司	**3,694**	**226**	**3,920**
Exchange adjustment	匯兑調整	**(12)**	**(1)**	**(13)**
At December 31, 2021	於2021年12月31日	**–**	**–**	**–**
Net book value:	**賬面淨值：**			
At December 31, 2020	於2020年12月31日	959	303	1,262
At December 31, 2021	於2021年12月31日	**–**	**–**	**–**

The Group's investment property is located in the PRC.

本集團的投資物業位於中國。

The Group leases out investment property under operating lease. The lease runs for an initial period of 10 years, with an option to renew the lease after that date at which time all terms are renegotiated.

本集團根據經營租賃出租投資物業。租賃的初始期限為10年，可選擇在該日期後續約，屆時所有條款均將重新協商。

14 INVESTMENT PROPERTIES (CONTINUED)

As at December 31, 2021, certain investment properties of USD nil (2020: USD959,000) were pledged as securities for bank loans of the Group (see Note 24).

14 投資物業(續)

於2021年12月31日，零美元(2020年：959,000美元)的若干投資物業已作為本集團銀行貸款抵押物抵押(見附註24)。

15 INTANGIBLE ASSETS

15 無形資產

		Patents 專利 USD'000 千美元	Trademarks 商標 USD'000 千美元	Total 總計 USD'000 千美元
Cost:	**成本：**			
At January 1, 2020	於2020年1月1日	894	2,172	3,066
Exchange adjustment	匯兑調整	8	–	8
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	902	2,172	3,074
Exchange adjustment	匯兑調整	(3)	–	(3)
At December 31, 2021	於2021年12月31日	**899**	**2,172**	**3,071**
Accumulated amortization:	**累計攤銷：**			
At January 1, 2020	於2020年1月1日	(345)	(671)	(1,016)
Charge for the year	年度費用	(79)	(217)	(296)
Exchange adjustment	匯兑調整	(8)	–	(8)
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	(432)	(888)	(1,320)
Charge for the year	年度費用	(79)	(217)	(296)
Exchange adjustment	匯兑調整	4	–	4
At December 31, 2021	於2021年12月31日	**(507)**	**(1,105)**	**(1,612)**
Net book value:	**賬面淨值：**			
At December 31, 2020	於2020年12月31日	470	1,284	1,754
At December 31, 2021	於2021年12月31日	**392**	**1,067**	**1,459**

15 INTANGIBLE ASSETS (CONTINUED)

Note:

Certain intangible assets of the Group were pledged as security for bank loans (see Note 24). Details are set out as follows:

15 無形資產(續)

附註：

本集團的若干無形資產已作為銀行貸款抵押物抵押(見附註24)。詳情如下：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Intangible assets	無形資產	**1,459**	1,754

16 INVESTMENTS IN SUBSIDIARIES

The following list contains the particulars of subsidiaries of the Company which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

16 於附屬公司的投資

下表載列本公司旗下主要影響本集團業績、資產或負債的附屬公司詳情。所持股份類型為普通，除非另有説明。

Company name 公司名稱	Place and date of establishment 成立地點及日期	Particulars of issued and paid-in capital 已發行及實繳資本詳情	Proportion of ownership interest 所有權權益比例		Principal activities 主要業務
			Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Chervon (China) Investment Co., Ltd. (泉峰(中國)投資有限公司) *(Notes (a))*	The PRC August 2, 2016	USD100,000,000	100%	–	Investment holding
泉峰(中國)投資有限公司*(附註(a))*	中國 2016年8月2日	100,000,000美元	100%	–	投資控股
Nanjing Chervon Industry Co., Ltd. (南京泉峰科技有限公司) *(Notes (a) and (b))*	The PRC September 26, 1997	USD144,073,464	100%	–	Production of tools, research and development, sales
南京泉峰科技有限公司*(附註(a)及(b))*	中國 1997年9月26日	144,073,464美元	100%	–	生產工具、研發、銷售
Chervon (China) Trading Co., Ltd. (泉峰(中國)貿易有限公司) *(Notes (a))*	The PRC March 29, 2006	USD6,200,000	–	100%	Sales of power tools and outdoor power equipment
泉峰(中國)貿易有限公司*(附註(a))*	中國 2006年3月29日	6,200,000美元	–	100%	銷售電動工具及戶外動力設備

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED) 16 於附屬公司的投資（續）

Company name 公司名稱	Place and date of establishment 成立地點及日期	Particulars of issued and paid-in capital 已發行及實繳資本詳情	Proportion of ownership interest 所有權權益比例 Held by the Company 本公司持有	 Held by a subsidiary 附屬公司持有	Principal activities 主要業務
Chervon (China) Tools Sales Co., Ltd. (泉峰（中國）工具銷售有限公司) *(Notes (a))*	The PRC June 28, 2010	Renminbi ("RMB") 66,506,700	–	100%	Sales of power tools in the PRC
泉峰（中國）工具銷售有限公司*(附註(a))*	中國 2010年6月28日	人民幣（「人民幣」） 66,506,700元	–	100%	於中國銷售電動工具
Nanjing Bovon Power Tools Co., Ltd. (南京搏峰電動工具有限公司) *(Notes (a) and (c))*	The PRC January 30, 2007	USD10,000,000	–	–	Manufacturing, Research and development and sales of power tools and outdoor power equipment
南京搏峰電動工具有限公司*(附註(a)及(c))*	中國 2007年1月30日	10,000,000美元	–	–	製造、研發及銷售電動工具及戶外動力設備
Chervon (HK) Ltd.	Hong Kong November 8, 2010	Hong Kong Dollar ("HKD") 5,000,000	100%	–	Trading and financial management
泉峰（香港）有限公司	香港 2010年11月8日	5,000,000港元 （「港元」）	100%	–	貿易及財務管理
Chervon Overseas Holdings Co., Ltd.	Hong Kong August 6, 2013	USD7,148,520	100%	–	Investment holding
Chervon Overseas Holdings Co., Ltd.	香港 2013年8月6日	7,148,520美元	100%	–	投資控股
Chervon Industry (Vietnam) Company Limited	Vietnam January 21, 2020	Vietnamese Dongs ("VND") 46,600,000,000	–	100%	Production of gardening tools
泉峰實業（越南）有限公司	越南 2020年1月21日	46,600,000,000 越南盾（「越南盾」）	–	100%	生產園藝工具
Chervon Canada Inc.	Canada October 31, 2016	CAD1,500,001	–	100%	Sales of power tools and outdoor power equipment
Chervon Canada Inc.	加拿大 2016年10月31日	1,500,001加拿大元	–	100%	銷售電動工具及戶外動力設備

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED) 16 於附屬公司的投資（續）

Company name 公司名稱	Place and date of establishment 成立地點及日期	Particulars of issued and paid-in capital 已發行及實繳資本詳情	Proportion of ownership interest 所有權權益比例 Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	Principal activities 主要業務
Chervon Australia PTY Limited	Australia July 31, 2016	AUD1,500,000	–	100%	Sales of power tools and outdoor power equipment
Chervon Australia PTY Limited	澳大利亞 2016年7月31日	1,500,000澳元	–	100%	銷售電動工具及戶外動力設備
Chervon North America Inc.	United States February 25, 2005	USD300,000	–	100%	Research in the North American market, product design, sales and services
Chervon North America Inc.	美國 2005年2月25日	300,000美元	–	100%	北美市場研究、產品設計、銷售及服務
Flex North America Inc.	United States December 19, 2005	USD1	–	100%	Sales of power tools and outdoor power equipment
Flex North America Inc.	美國 2005年12月19日	1美元	–	100%	銷售電動工具及戶外動力設備
Flex Geschaftsfuhrungs GmbH	Germany May 3, 2013	Euro("EUR") 25,000	–	100%	Investment holding
Flex Geschaftsfuhrungs GmbH	德國 2013年5月3日	25,000歐元 （「歐元」）	–	100%	投資控股
Flex Verwaltungs GmbH & Co., KG	Germany May 22, 2013	EUR19,000,500	–	100%	Production of FLEX brand, design, sales and services
Flex Verwaltungs GmbH & Co., KG	德國 2013年5月22日	19,000,500歐元	–	100%	生產FLEX品牌、設計、銷售及服務
Flex-Elektrowerkzeuge GmbH	Germany November 27, 1980	EUR3,580,100	–	100%	Production of FLEX brand, design, sales and services
Flex-Elektrowerkzeuge GmbH	德國 1980年11月27日	3,580,100歐元	–	100%	生產FLEX品牌、設計、銷售及服務

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED) 16 於附屬公司的投資（續）

Company name 公司名稱	Place and date of establishment 成立地點及日期	Particulars of issued and paid-in capital 已發行及實繳資本詳情	Proportion of ownership interest 所有權權益比例 Held by the Company 本公司持有	 Held by a subsidiary 附屬公司持有	Principal activities 主要業務
Chervon GmbH	Germany July 1, 2016	EUR25,000	–	100%	Sales of power tools and outdoor power equipment
Chervon GmbH	德國 2016年7月1日	25,000歐元	–	100%	銷售電動工具及戶外動力設備
EGO Europe GmbH	Germany November 20, 2015	EUR50,000	–	100%	Operation of EGO brand, sales, and services
EGO Europe GmbH	德國 2015年11月20日	50,000歐元	–	100%	經營EGO品牌、銷售及服務
Flex Elektronáradí, s.r.o	Czech June 18, 2008	CZK500,000	–	100%	Sales of power tools and outdoor power equipment
Flex Elektronáradí, s.r.o	捷克 2008年6月18日	500,000捷克克朗	–	100%	銷售電動工具及戶外動力設備
Flex Italia S.r.l.	Italy July 11, 2012	EUR50,000	–	100%	Sales of power tools and outdoor power equipment
Flex Italia S.r.l.	意大利 2012年7月11日	50,000歐元	–	100%	銷售電動工具及戶外動力設備
Flex Electroportatif Machines ET Accessoires	France July 11, 2012	EUR10,000	–	100%	Sales of power tools and outdoor power equipment
Flex Electroportatif Machines ET Accessoires	法國 2012年7月11日	10,000歐元	–	100%	銷售電動工具及戶外動力設備
Flex Power Tools BVBA	Belgium May 15, 2005	EUR95,167,585	–	100%	Sales of power tools and outdoor power equipment
Flex Power Tools BVBA	比利時 2005年5月15日	95,167,585歐元	–	100%	銷售電動工具及戶外動力設備

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED) 16 於附屬公司的投資（續）

Company name 公司名稱	Place and date of establishment 成立地點及日期	Particulars of issued and paid-in capital 已發行及實繳資本詳情	Proportion of ownership interest 所有權權益比例		Principal activities 主要業務
			Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Flex Power Tools B. V.	Netherlands January 24, 2012	EUR31,800	–	100%	Sales of power tools and outdoor power equipment
Flex Power Tools B. V.	荷蘭 2012年1月24日	31,800歐元	–	100%	銷售電動工具及戶外動力設備
Skil B.V	Netherlands August 12, 2016	EUR50,000	–	100%	Do-It-Yourself business design in Europe, operations and sales
Skil B.V	荷蘭 2016年8月12日	50,000歐元	–	100%	歐洲自助式業務設計、營運及銷售
Flex Power Tools Ltd	United Kingdom November 9, 2020	GBP1	–	100%	Sales of power tools and outdoor power equipment
Flex Power Tools Ltd	英國 2020年11月9日	1英鎊	–	100%	銷售電動工具及戶外動力設備
Chervon Europe Limited	United Kingdom June 7, 2007	GBP1	–	100%	Sales of power tools and outdoor power equipment
Chervon Europe Limited	英國 2007年6月7日	1英鎊	–	100%	銷售電動工具及戶外動力設備
Chervon NZ Subsidiary Limited	New Zealand May 3, 2021	New Zealand Dollar ("NZD") 1,500,100	–	100%	Sales of power tools and outdoor power equipment
Chervon NZ Subsidiary Limited	新西蘭 2021年5月3日	1,500,100新西蘭元（「紐幣」）	–	100%	銷售電動工具及戶外動力設備

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes:

(a) These entities are limited liability companies established in the PRC. The official names of these entities are in Chinese. The English translation of the Company names is for identification purpose only.

(b) On January 4, 2022, Nanjing Chervon Industry Co., Ltd. (南京德朔實業有限公司), a subsidiary of the Company, completed the renaming process and made its official name as Nanjing Chervon Industry Co., Ltd. (南京泉峰科技有限公司).

(c) The entity cancelled its registration on September 22, 2021. Before the cancellation of the entity, the entity was held by the Company and Nanjing Chervon Industry Co., Ltd. with the proportion of ownership interest 50% and 50%, respectively.

During the year ended December 31, 2021 and 2020, the Group's non-controlling interests are diverse among the subsidiaries. None of the Group's subsidiaries has a material non-controlling interest.

16 於附屬公司的投資（續）

附註：

(a) 該等實體為在中國成立的有限責任公司。該等實體的官方名稱為中文名稱。公司名稱的英文翻譯僅供識別之用。

(b) 於2022年1月4日，本公司的附屬公司南京德朔實業有限公司完成了更名手續，正式更名為南京泉峰科技有限公司。

(c) 該實體於2021年9月22日註銷註冊。於該實體註銷前，該實體由本公司及南京泉峰科技有限公司分別持有50%及50%所有權權益比例。

截至2021年及2020年12月31日止年度，本集團的非控股權益在各附屬公司之間存在差異。本集團所有附屬公司均無重大非控股權益。

17 INTEREST IN ASSOCIATES

The following list contains the particulars of the Group's associates, except Nanjing Chervon Auto Precision Technology Co., Ltd., all of which are unlisted corporate entities whose quoted market price is not available:

17 於聯營公司的權益

以下列表包含本集團聯營公司的詳情，除南京泉峰汽車精密技術股份有限公司外，該等公司均為未上市公司實體，其市場報價不可用：

Name of associate 聯營公司名稱	Form of business structure 業務架構形式	Place of incorporation and business 註冊成立及業務地點	Particulars of issued and paid-up capital 已發行及實繳資本詳情	Proportion of ownership interest as At December 31,2021 於2021年12月31日所有權權益比例			Principal activities 主要業務
				Group's effective interest 本集團實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Nanjing Chervon Auto Precision Technology Co., Ltd. (南京泉峰汽車精密技術股份有限公司) ("Chervon Auto Precision Technology") *(Note i)*	Incorporated	The PRC	Renminbi ("RMB") 201,415,700	23.12%	–	23.12%	Manufacturing, Research and development and sales of auto parts
南京泉峰汽車精密技術股份有限公司(「泉峰汽車精密技術」) *(附註i)*	註冊成立	中國	人民幣(「人民幣」) 201,415,700元	23.12%	–	23.12%	製造、研發及銷售汽車零配件
Nanjing Jiangning Lianshang Investment Co., Ltd. (南京江寧聯商股權投資有限公司) *(Note ii)*	Incorporated	The PRC	RMB120,000,000	–	–	–	Investment
南京江寧聯商股權投資有限公司 *(附註ii)*	註冊成立	中國	人民幣120,000,000元	–	–	–	投資
Nanjing Suquan Investment Co., Ltd. (南京蘇泉投資管理有限公司) *(Note iii)*	Incorporated	The PRC	RMB58,000,000	–	–	–	Investment
南京蘇泉投資管理有限公司 *(附註iii)*	註冊成立	中國	人民幣58,000,000元	–	–	–	投資

17 INTEREST IN ASSOCIATES (CONTINUED)

Notes:

(i) Nanjing Chervon Auto Precision Technology Co., Ltd. was established in the PRC with limited liability on March 19, 2012 and is principally engaged in the production, sales and research and development of automotive power systems and relevant components. Its shares are currently listed on the Shanghai Stock Exchange (stock code: 603982.SH).

In September 2016, the Group acquired 38.8% of the equity interest in Chervon Auto Precision Technology from Nanjing Chervon Industry Co., Ltd. of USD19,400,000 (RMB129,776,300 equivalent). In November 2016, Chervon Auto Precision Technology reduced its registered capital and the Group reduced its investment to RMB46,560,000 on a pro rata basis. In March 2017, the proportion of the Group's interest in Chervon Auto Precision Technology has been diluted to 31.04% due to the new financing obtained by Chervon Auto Precision Technology and further diluted to 23.28% in April 2019 due to the listing of Chervon Auto Precision Technology on Shanghai Stock Exchange. In June 2020, the proportion of the Group's interest in Chervon Auto Precision Technology has been diluted to 23.10% due to the new issuance of shares and increased to 23.12% due to the repurchase of the shares by Chervon Auto Precision Technology in 2021.

(ii) Nanjing Jiangning Lianshang Investment Co., Ltd. (南京江寧聯商股權投資有限公司) was established in the PRC with limited liability on March 31, 2014 with a registered capital of RMB120 million for the purpose of a proposed investment project in Nanjing.

The Group acquired 31.25% of the equity interest in Nanjing Jiangning Lianshang Investment Co., Ltd. in 2014 through capital injection of RMB50,000,000 and the proportion of the Group's interest increased to 41.67% in 2019 due to the withdrawal share capital of a shareholder. On July 13, 2020, the board of Nanjing Jiangning Lianshang Investment Co., Ltd. approved a plan to liquidate of itself. On October 31, 2020, the Group derecognized the associate after the completion of deregistration.

17 於聯營公司的權益（續）

附註：

(i) 南京泉峰汽車精密技術股份有限公司於2012年3月19日在中國成立為有限公司，主要從事汽車動力系統及相關零部件的生產、銷售及研發。其股份目前於上海證券交易所上市（股票代碼：603982.SH.）。

於2016年9月，本集團以19,400,000美元（相當於人民幣129,776,300元）自南京泉峰科技有限公司收購泉峰汽車精密技術的38.8%股權。於2016年11月，泉峰汽車精密技術削減其註冊資本，而本集團按比例削減其投資至人民幣46,560,000元。於2017年3月，由於泉峰汽車精密技術取得新融資，本集團於泉峰汽車精密技術的權益比例已攤薄至31.04%，並於2019年4月因泉峰汽車精密技術於上海證券交易所上市進一步攤薄至23.28%。於2020年6月，本集團於泉峰汽車精密技術的權益比例因發行新股而攤薄至23.10%，並因泉峰汽車精密技術於2021年購回股份而增加至23.12%。

(ii) 南京江寧聯商股權投資有限公司於2014年3月31日在中國成立為有限公司，註冊資本為人民幣120百萬元，用於南京的建議投資項目。

本集團於2014年透過注資人民幣50,000,000元收購南京江寧聯商股權投資有限公司的31.25%股權，而本集團的權益比例於2019年因一名股東撤回股本而增加至41.67%。於2020年7月13日，南京江寧聯商股權投資有限公司董事會批准清算本身的計劃。於2020年10月31日，本集團於註銷完成後當日終止確認該聯營公司。

17 INTEREST IN ASSOCIATES (CONTINUED)

Notes: (continued)

(iii) Nanjing Suquan Investment Co., Ltd. was established in the PRC with limited liability on February 5, 2008 with a registered capital of RMB58 million. It is an investment holding company and does not have its own business operations. Nanjing Yaoquan Investment Management Co., Ltd. which was a wholly owned subsidiary of Nanjing Suquan Investment Co., Ltd., was established in the PRC with limited liability on August 12, 2008 with a registered capital of RMB10 million and is engaged in private equity fund management businesses.

Nanjing Suquan Investment Co., Ltd. was the subsidiary of the Company before December 28, 2018. On December 28, 2018, the Group entered into an agreement with Mr. Xiao Jun, a minority shareholder of Nanjing Suquan Investment Co., Ltd. Pursuant to the agreement, the Group agreed to dispose its 61% equity interest in Nanjing Suquan Investment Co., Ltd. to Mr. Xiao Jun at a cash consideration of RMB10,921,300. Upon the completion of the Group's disposal on March 12, 2019, the Group's interest in Nanjing Suquan Investment Co., Ltd. and Nanjing Yaoquan Investment Management Co., Ltd. has been reduced to 24.88% and the aforementioned entities ceased to be subsidiaries of the Group but became associates of the Group.

On February 24, 2021, the Group entered into an agreement with Chervon (Nanjing) Management Services Co., Ltd. (泉峰(南京)管理服務有限公司) ("Chervon Management Services"), which is a related party wholly owned by Mr. Pan Longquan. Pursuant to the agreement, the Group agreed to transferred 19.02% equity interest in Nanjing Suquan Investment Co., Ltd. to Chervon Management Services for a cash consideration of RMB8,373,300 (USD1,287,000). The consideration was determined with reference to the valuation of Nanjing Suquan Investment Co., Ltd. performed by independent valuation firm. The remaining 5.86% equity interest in Nanjing Suquan Investment Co., Ltd., which was held by Nanjing Chervon International Trading Co., Ltd., was also disposed along with the disposal of Nanjing Chervon International Trading Co., Ltd. on the same date (see Note 23(f)).

17 於聯營公司的權益(續)

附註：(續)

(iii) 南京蘇泉投資管理有限公司於2008年2月5日在中國成立為有限公司，註冊資本為人民幣58百萬元。該公司為投資控股公司且並無自有業務運營。南京耀泉投資管理有限公司(為南京蘇泉投資管理有限公司的全資附屬公司)於2008年8月12日在中國成立為有限公司，註冊資本為人民幣10百萬元，且從事私募股本基金管理業務。

南京蘇泉投資管理有限公司於2018年12月28日之前為本公司的附屬公司。於2018年12月28日，本集團與南京蘇泉投資管理有限公司的少數權益股東肖鈞先生訂立一份協議。根據該協議，本集團同意將其於南京蘇泉投資管理有限公司61%的股權出售予肖鈞先生，現金代價為人民幣10,921,300元。本集團於2019年3月12日完成該項出售後，本集團於南京蘇泉投資管理有限公司及南京耀泉投資管理有限公司的權益已減至24.88%，上述實體不再是本集團的附屬公司，但成為本集團的聯營公司。

2021年2月24日，本集團與潘龍泉先生全資擁有的關聯方泉峰(南京)管理服務有限公司(「泉峰管理服務」)簽訂協議。根據協議，本集團同意向泉峰管理服務轉讓於南京蘇泉投資管理有限公司的19.02%股權，現金代價人民幣8,373,300元(折合1,287,000美元)。該代價乃參考獨立估值公司對南京蘇泉投資管理有限公司的估值而釐定。於南京蘇泉投資管理有限公司的餘下5.86%股權(由南京泉峰國際貿易有限公司持有)亦於同日與南京泉峰國際貿易有限公司的出售一併出售(見附註23(f))。

17 INTEREST IN ASSOCIATES (CONTINUED)

All of the above associates are accounted for using the equity method in the consolidated financial statements.

Summarized financial information of the material associate, Chervon Auto Precision Technology, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements are disclosed below:

17 於聯營公司的權益（續）

上述所有聯營公司在綜合財務報表中均採用權益法核算。

重要聯營公司泉峰汽車精密技術的財務資料概要根據會計政策差異進行了調整，並與綜合財務報表中賬面金額進行對賬，披露如下：

		December 31, 2021 2021年 12月31日 USD'000 千美元	December 31, 2020 2020年 12月31日 USD'000 千美元
Gross amounts of Chervon Auto Precision Technology's	**泉峰汽車精密技術總金額**		
Current assets	流動資產	**252,668**	177,239
Non-current assets	非流動資產	**294,726**	164,743
Current liabilities	流動負債	**(182,628)**	(99,448)
Non-current liabilities	非流動負債	**(77,171)**	(3,488)
Equity	權益	**(287,595)**	(239,046)
Revenue	收入	**250,472**	201,006
Profit from continuing operations	持續經營業務利潤	**18,912**	17,544
Other comprehensive income	其他全面收益	**101**	(66)
Total comprehensive income	全面收益總額	**19,013**	17,478
Dividend received	已收股息	**540**	1,005
Reconciled to the Group's interest in Chervon Auto Precision Technology	**與本集團於泉峰汽車精密技術權益對賬**		
Gross amounts of net assets of Chervon Auto Precision Technology	泉峰汽車精密技術資產淨值總金額	**287,595**	239,046
Group's effective interest	本集團實際權益	**23.12%**	23.10%
Group's share of net assets of Chervon Auto Precision Technology	本集團應佔泉峰汽車精密技術資產淨值	**66,492**	55,220
Carrying amount of in the consolidated financial statements	綜合財務報表內賬面金額	**66,492**	55,220
Market value	市場報價	**343,228**	143,643
Group's share of Chervon Auto Precision Technology's	本集團應佔泉峰汽車精密技術		
Profit from continuing operations	持續經營業務利潤	**4,373**	4,053
Other comprehensive income	其他全面收益	**23**	(15)
Total comprehensive income	全面收益總額	**4,396**	4,038

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

18 以公允價值計量且其變動計入當期損益的金融資產

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Financial assets at FVPL – non-current	**以公允價值計量且其變動計入當期損益的金融資產 – 非即期**		
– Insurance product	– 保險產品	**6,011**	5,844
– Unlisted units in investment funds	– 投資基金中的未上市單位	**–**	5
		6,011	5,849
Financial assets at FVPL – current	**以公允價值計量且其變動計入當期損益的金融資產 – 即期**		
– Structured deposits and wealth management products	– 結構性存款及理財產品	**–**	5,372
– Convertible bonds	– 可換股債券	**38,031**	–
		38,031	5,372
		44,042	11,221

The Group's non-current balances of financial assets at FVPL represent a life insurance product issued by an independent third-party insurance company and units in investment funds incorporated in the PRC which are primarily invested in the manufacturing, healthcare and new energy sectors.

本集團以公允價值計量且其變動計入當期損益的金融資產的非即期結餘指獨立第三方保險公司推出的人壽保險產品以及於中國註冊成立的投資基金中的單位(其主要投資於製造、醫療保健及新能源行業)。

The Group's current balances of financial assets at FVPL as at December 31, 2020 represent structured deposits and wealth management products issued by various financial institutions in the PRC with a floating return which will be paid together with the principal on the maturity date. The Group's current balances of financial assets at FVPL as at December 31, 2021 represent convertible bonds issued by Chervon Auto Precision Technology trading securities which are held by the Group for trading purposes.

本集團於2020年12月31日以公允價值計量且其變動計入當期損益的金融資產的即期結餘指多家中國金融機構所發行的結構性存款及理財產品，其浮動收益將於到期日與本金一併支付。本集團於2021年12月31日以公允價值計量且其變動計入當期損益的金融資產的即期結餘指泉峰汽車精密技術發行的可換股債券，由本集團持有作交易目的。

The analysis on the fair value measurement of the Group's above financial assets is disclosed in Note 35(e).

有關本集團上述金融資產的公允價值計量分析披露於附註35(e)。

19 DERIVATIVE FINANCIAL INSTRUMENTS 19 衍生金融工具

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Assets	**資產**		
– Foreign currency forward contracts *(Note i)*	– 外匯遠期合約*(附註i)*	**4,583**	5,697
– Foreign currency option contracts *(Note i)*	– 外幣期權合約*(附註i)*	**161**	130
		4,744	5,827
Liabilities	**負債**		
– Foreign currency forward contracts *(Note i)*	– 外匯遠期合約*(附註i)*	**86**	192
– Foreign currency option contracts *(Note i)*	– 外幣期權合約*(附註i)*	**63**	97
– Interest rate swap contract *(Note ii)*	– 利率掉期合約*(附註ii)*	**6**	–
		155	289

Notes:

(i) The Group entered into several foreign currency forward contracts and foreign currency option contracts with certain banks to mitigate the currency risk arising from certain of its bank loans and receivables denominated in USD and EUR.

(ii) The Group entered into an interest rate swaps contracts with bank to mitigate the risk of interest rate fluctuation arising from certain bank loans at floating interest rate.

The fair value changes of above derivative financial instruments were recognised in other net gains and losses.

The analysis on the fair value measurement of the above financial assets is disclosed in Note 35(e).

附註：

(i) 本集團與若干銀行訂立了若干外匯遠期合約及外幣期權合約，以降低其若干以美元及歐元計值的銀行貸款及應收款項產生的貨幣風險。

(ii) 本集團與銀行訂立了利率掉期合約，以減低若干按浮動利率計息的銀行貸款產生的利率波動風險。

上述衍生金融工具的公允價值變動於其他淨收益及虧損中確認。

有關上述金融資產的公允價值計量分析披露於附註35(e)。

20 INVENTORIES

20 存貨

(a) Inventories in the consolidated statements of financial position comprise:

(a) 綜合財務狀況表中的存貨包括：

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Raw materials	原材料	**140,451**	56,085
Consumables	消耗品	**6,565**	3,729
Semi-finished goods	半成品	**53,354**	32,997
Finished goods	成品	**399,088**	201,516
		599,458	294,327
Write down of inventories	存貨撇減	**(7,434)**	(5,647)
		592,024	288,680

(b) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

(b) 確認為開支及計入損益的存貨金額分析如下：

		Year ended December 31, 截至12月31日止年度	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Carrying amount of inventories sold	已售存貨賬面值	**1,263,276**	832,190
Written-off of inventories	存貨撇減	**(3,016)**	(656)
Provision for write-down of inventories	存貨撇減撥備	**4,803**	696
		1,265,063	832,230

All inventories are expected to be recovered within one year.

所有存貨預計將於一年內收回。

20 INVENTORIES (CONTINUED)

20 存貨（續）

(c) Certain inventories of the Group were pledged as security for bank loans (see Note 24). Details are set out as follows:

(c) 本集團的若干存貨已作為銀行貸款抵押物抵押（見附註24）。詳情載列如下：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Inventories	存貨	**124,040**	98,519

21 TRADE AND BILLS RECEIVABLES

21 貿易應收款項及應收票據

			As at December 31, 於12月31日	
			2021	2020
			2021年	2020年
		Note	**USD'000**	USD'000
		附註	**千美元**	千美元
Trade debtors and bills receivable, net of loss allowance	**貿易應收款項及應收票據，扣除虧損撥備**			
– measured at amortised cost	– 按攤銷成本計量	*(i)*		
Trade receivables	貿易應收款項		**168,880**	164,475
Bills receivables	應收票據		**10,945**	4,746
– measured at FVOCI	– 以公允價值計量且其變動計入其他全面收益計量	*(ii)*		
Trade receivables	貿易應收款項		**118,554**	85,147
			298,379	254,368

All of the trade and bills receivables are expected to be recovered within one year.

所有貿易應收款項及應收票據預計將於一年內收回。

Bills receivable primarily represent short-term bank acceptance notes receivable that entitle the Group to receive the full face amount from the banks at maturity, which generally ranges from 3 to 12 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivable.

應收票據主要指賦予本集團權利以於到期時自銀行收回到期的全部面值的應收短期銀行承兑票據，該等票據通常自發行日期起為期3至12個月。過往，本集團未遇到應收票據出現信貸虧損的情況。

21 TRADE AND BILLS RECEIVABLES (CONTINUED)

(i) As at December 31, 2021, certain trade debtors of USD81,562,000 (2020: USD92,175,000) were pledged as securities for bank loans of the Group (see Note 24).

(ii) Certain amounts of the Group's trade debtors and bill receivables measured at FVOCI are trade debtors factored to banks in accordance with receivables purchase agreements. These factored trade debtors were held for both collection of contractual cash flows and sales. The contractual cash flows of the trade debtors comprised solely payments of principal and interest. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECLs.

Aging analysis

As of the end of the reporting period, the aging analysis of trade and bills receivables, based on the invoice date and net of loss allowance, is as follows:

21 貿易應收款項及應收票據(續)

(i) 於2021年12月31日，81,562,000美元(2020年：92,175,000美元)的若干貿易應收款項已分別被質押作為本集團銀行貸款的抵押(見附註24)。

(ii) 本集團以公允價值計量且其變動計入其他全面收益的貿易應收款項及應收票據的若干金額為根據應收款項購買協議向銀行保理的貿易應收款項。就收回合約現金流及銷售持有該等獲保理的貿易應收款項。貿易應收款項的合約現金流僅包括本息付款。公允價值變動於其他全面收益內確認，惟預期信貸虧損於損益內確認。

賬齡分析

截至報告期末，基於發票日期及扣除虧損撥備的貿易應收款項及應收票據的賬齡分析如下：

		As at December 31, 於12月31日	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Within 6 months	6個月內	**175,598**	165,140
Over 6 months but within 12 months	6個月以上但於12個月內	**3,731**	3,153
Over 12 months	12個月以上	**496**	928
		179,825	169,221

Trade and bills receivables are due within 30 -180 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade and bills receivables are set out in Note 35(a).

貿易應收款項及應收票據自開票日期起計30至180日內到期。有關本集團信貸政策及貿易應收款項及應收票據產生的信貸風險的進一步詳情載於附註35(a)。

22 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

22 預付款項、保證金及其他應收款項

		As at December 31, 於12月31日	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Current	**即期**		
Amounts due from related parties	應收關聯方款項	**–**	21,487
Value added tax recoverable	可收回增值稅	**34,358**	10,633
Other tax recoverable	其他可收回稅項	**495**	478
Prepayments for materials and expenses	材料預付款項及開支	**5,445**	3,193
Advances to employee	向僱員作出的墊款	**865**	1,011
Other deposits and receivables	其他保證金及應收款項	**2,140**	4,616
		43,303	41,418
Less: loss allowance	減：虧損撥備	**–**	(1,248)
		43,303	40,170
Non-current	**非即期**		
Prepayments for properties, plants and equipment	物業、廠房及設備預付款項	**9,709**	1,944
Advances to staff	向僱員作出的墊款	**2,382**	2,511
		12,091	4,455

All of prepayments, deposits and other receivables current balances are expected to be recovered or recognized as expense within one year.

預付款項、保證金及其他應收款項的所有即期結餘預計將於一年內收回或確認為開支。

23 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

23 現金及現金等價物及已抵押存款

(a) Cash and cash equivalents comprise:

(a) 現金及現金等價物包括：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Cash at bank	銀行現金	**664,926**	166,862
Cash in hand	手頭現金	**64**	75
		664,990	166,937

(b) Pledged deposits comprise:

(b) 抵押存款包括：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Pledged deposits for	抵押存款		
– issuance of bills payable	– 發行應付票據	**21,816**	11,759
– issuance of banking facilities	– 發放銀行融資	**26,524**	10,413
		48,340	22,172

The pledged deposits will be released upon the settlement of letters of credit and bills payable and by the Group or the expiry of relevant banking facilities.

抵押存款將於本集團結算信用證及應付票據或相關銀行融資到期後解除。

23 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED)

23 現金及現金等價物及已抵押存款（續）

(c) Reconciliation of profits before taxation to cash generated from operations

(c) 除稅前利潤與經營所得現金的對賬

		Notes 附註	Year ended December 31, 截至12月31日止年度 2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Profit before taxation	除稅前利潤		176,098	59,511
Adjustments for:	調整：			
Depreciation of properties, plants and equipment	物業、廠房及設備折舊	6(c)	23,211	17,858
Depreciation of right-of-use assets	使用權資產折舊	6(c)	6,330	3,302
Depreciation of investment property	投資物業折舊	6(c)	37	206
Amortization of intangible assets	無形資產攤銷	6(c)	296	296
Net finance costs	財務成本淨額	6(a)	16,617	17,357
Share of profits of associates	應佔聯營公司利潤	17	(4,408)	(6,724)
Net losses on disposal of properties, plants and equipment	出售物業、廠房及設備的虧損淨額	5(b)	238	43
Net unrealized gains on convertible bonds	可換股債券未變現收益淨額		(19,230)	–
Net realized and unrealized gains on financial assets at FVPL other than convertible bonds	以公允價值計量且其變動計入當期損益的金融資產的已變現及未變現收益淨額（可換股債券除外）		(1,190)	(165)
Net realized and unrealized gains on derivative financial instruments	衍生金融工具的已變現及未變現收益淨額	5(b)	(10,129)	(8,209)
Loss on disposal of an associate	出售一間聯營公司的虧損	5(b)	677	131
Gain on disposal of a subsidiary	出售一間附屬公司的收益	5(b)	(21,969)	–
Equity settled share-based payment expenses	以權益結算以股份為基礎的付款開支	33	–	21,077
(Reversal)/provision for impairment loss on trade and other receivables	貿易及其他應收款項的減值虧損（撥回）／撥備	6(c)	278	450
Provision for write-down of inventories	存貨撇減撥備	6(c)	4,803	696
Amortization of deferred income	遞延收益攤銷		99	91
Foreign exchange loss	匯兌虧損		11,838	11,497
Operating profit before changes in working capital	**營運資金變動前的經營利潤**		183,596	117,417
Increase in pledged deposits	抵押存款增加		(10,057)	(1,263)
(Increase)/decrease in inventories	存貨（增加）／減少		(305,131)	8,318
Increase in trade and bills receivables	貿易應收款項及應收票據增加		(44,289)	(118,954)
Increase in prepayments, deposits and other receivables	預付款項、保證金及其他應收款項增加		(3,003)	(8,616)
Decrease/(increase) in right to returned goods asset	被退貨資產的權利減少／（增加）		2,545	(3,541)
Increase in trade payables	貿易應付款項增加		265,723	83,720
Increase in other payables and accruals	其他應付款項及應計費用增加		75,267	40,456
Increase in warranty provision	保修撥備增加		5,996	22,244
(Decrease)/increase in refund liabilities from right of return	退回權利的退款負債（減少）／增加		(3,966)	5,141
Decrease in defined benefit retirement plans obligation	界定福利退休計劃責任減少		(76)	(76)
Cash generated from operations	經營所得現金		166,605	144,846

23 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED)

23 現金及現金等價物及已抵押存款（續）

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

(d) 融資活動產生的負債對賬

下表詳述了本集團自融資活動產生的負債的變動（包括現金及非現金變動）。融資活動產生的負債為其現金流量或未來現金流量於本集團綜合現金流量表內已分類或將分類為來自融資活動的現金流量的負債。

		Bank loans 銀行貸款 USD'000 千美元 *(Note 24)* *（附註24）*	Interest payable 應付利息 USD'000 千美元 *(Note 27)* *（附註27）*	Lease liabilities 租賃負債 USD'000 千美元 *(Note 25)* *（附註25）*	Total 總計 USD'000 千美元
At January 1, 2020	**於2020年1月1日**	356,725	1,130	15,815	373,670
Changes from financing cash flows:	**融資現金流量變動：**				
Proceeds from bank loans	銀行貸款所得款項	604,400	–	–	604,400
Repayment of bank loans	償還銀行貸款	(638,445)	–	–	(638,445)
Capital element of lease rentals paid	已付租賃租金的資本部分	–	–	(2,517)	(2,517)
Interest element of lease rentals paid	已付租賃租金的利息部分	–	–	(603)	(603)
Interest paid	已付利息	–	(15,552)	–	(15,552)
Total changes from financing cash flows	融資現金流量變動總額	(34,045)	(15,552)	(3,120)	(52,717)
Exchange adjustments	**匯兌調整**	15,181	92	352	15,625
Other changes:	**其他變動：**				
Increase in lease liabilities from entering into new leases during the year	年內訂立新租賃產生的租賃負債增加	–	–	3,028	3,028
Interest expenses *(Note 6(a))*	利息開支*（附註6(a)）*	–	17,392	603	17,995
Total other changes	其他變動總額	–	17,392	3,631	21,023

23 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED)

23 現金及現金等價物及已抵押存款（續）

(d) Reconciliation of liabilities arising from financing activities (continued)

(d) 融資活動產生的負債對賬（續）

		Bank loans 銀行貸款 USD'000 千美元 *(Note 24)* *（附註24）*	Interest payable 應付利息 USD'000 千美元 *(Note 27)* *（附註27）*	Lease liabilities 租賃負債 USD'000 千美元 *(Note 25)* *（附註25）*	Total 總計 USD'000 千美元
At December 31, 2020 and January 1, 2021	**於2020年12月31日及2021年1月1日**	337,861	3,062	16,678	357,601
Changes from financing cash flows:	**融資現金流量變動：**				
Proceeds from bank loans	銀行貸款所得款項	643,132	–	–	643,132
Repayment of bank loans	償還銀行貸款	(552,355)	–	–	(552,355)
Capital element of lease rentals paid	已付租賃租金的資本部分	–	–	(5,454)	(5,454)
Interest element of lease rentals paid	已付租賃租金的利息部分	–	–	(878)	(878)
Interest paid	已付利息	–	(19,702)	–	(19,702)
Total changes from financing cash flows	融資現金流量變動總額	90,777	(19,702)	(6,332)	64,743
Exchange adjustments	**匯兌調整**	5,008	602	40	5,650
Other changes:	**其他變動：**				
Increase in lease liabilities from entering into new leases during the year	年內訂立新租賃產生的租賃負債增加	–	–	11,971	11,971
Interest expenses *(Note 6(a))*	利息開支*（附註6(a)）*	–	16,790	878	17,668
Total other changes	其他變動總額	–	16,790	12,849	29,639
At December 31, 2021	**於2021年12月31日**	433,646	752	23,235	457,633

23 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED)

23 現金及現金等價物及已抵押存款(續)

(e) Total cash flow for leases

Amounts included in the cash flow statement for leases comprise the following:

(e) 租賃現金流量總額

計入租賃現金流量表的金額包括以下各項：

		Year ended December 31, 截至12月31日止年度	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Within operating cash flows	於經營現金流量內	**2,326**	1,022
Within financing cash flows	於融資現金流量內	**6,332**	3,120
		8,658	4,142

These amounts relate to the following:

該等款項與下列各項有關：

		Year ended December 31, 截至12月31日止年度	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Lease rentals paid	已付租賃租金	**8,658**	4,142

23 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED)

23 現金及現金等價物及已抵押存款（續）

(f) Disposal of interests in subsidiaries

During the reporting periods, the Group disposed its interests in certain subsidiaries in the PRC.

Aggregate of assets and liabilities at the date of disposal over which control was lost:

(f) 出售於附屬公司的權益

於報告期間，本集團出售了其於中國的若干附屬公司的權益。

於出售日期已失去控制權的資產及負債總額：

		December 31, 2021 2021年12月31日 *(Notes i&ii)* *（附註i及ii）* USD'000 千美元
Properties, plants and equipment *(Note 12)*	物業、廠房及設備*（附註12）*	118
Investment property *(Note 14)*	投資物業*（附註14）*	1,231
Financial assets at FVPL	以公允價值計量且其變動計入當期損益的金融資產	444
Interest in a subsidiary	於一間附屬公司的權益	672
Cash	現金	925
Prepayments, deposits and other receivables	預付款項、保證金及其他應收款項	12,054
Other payables and accruals	其他應付款項及應計費用	(2,184)
Non-controlling interests	非控股權益	(1,564)
Net assets disposed	已出售資產淨值	11,696

Gains on disposal of interests in subsidiaries:

出售於附屬公司的權益的收益：

		December 31, 2021 2020年12月31日 USD'000 千美元
Consideration	代價	33,665
Net assets disposed of	已出售資產淨值	(11,696)
Gains on disposal of interests in subsidiaries *(Note 5(b))*	出售於附屬公司的權益的收益*（附註5(b)）*	21,969

23 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED)

23 現金及現金等價物及已抵押存款(續)

(f) Disposal of interests in subsidiaries (continued)

(f) 出售於附屬公司的權益(續)

Analysis of net cash in respect of the disposal of interests in subsidiaries is as follows:

有關出售於附屬公司的權益的淨現金分析如下：

		December 31, 2021 2021年12月31日 USD'000 千美元
Consideration	代價	33,665
Less: cash disposed of	減：已出售現金	(925)
Proceeds received for disposal of interests in subsidiaries	就出售於附屬公司的權益收到的所得款項	32,740

Notes:

(i) On February 24, 2021, the Group has entered into an agreement with Chervon Management Services, which is a related party wholly owned by Mr. Pan Longquan. Pursuant to the agreement, the Group agreed to transferred 85% equity interest in Nanjing Chervon International Trading Co., Ltd. to Chervon Management Services for a cash consideration of RMB47,813,800 (USD7,351,000 equivalent). The consideration was determined with reference to the valuation of Nanjing Chervon International Trading Co., Ltd. performed by independent valuation firm.

(ii) On February 25, 2021, the Group has entered into an agreement with Chervon Management Services, which is a related party wholly owned by Mr. Pan Longquan. Pursuant to the agreement, the Group agreed to transferred 100% equity interest in Nanjing Jiuhao Electromechanical Industry Co., Ltd. to Chervon Management Services for a cash consideration of RMB171,160,100 (USD26,314,000 equivalent). The consideration was determined with reference to the valuation of Nanjing Jiuhao Electromechanical Industry Co., Ltd. performed by independent valuation firm. The registration of the transfer was completed on March 8, 2021, upon which Nanjing Jiuhao Electromechanical Industry Co., Ltd. ceased to be the Group's subsidiary.

附註：

(i) 於2021年2月24日，本集團已與潘龍泉先生全資擁有的關聯方泉峰管理服務訂立一份協議。根據該協議，本集團同意將其於南京泉峰國際貿易有限公司的85%股權轉讓予泉峰管理服務，現金代價為人民幣47,813,800元(相當於7,351,000美元)。該代價參考獨立估值公司對南京泉峰國際貿易有限公司開展的估值釐定。

(ii) 於2021年2月25日，本集團已與潘龍泉先生全資擁有的關聯方泉峰管理服務訂立一份協議。根據該協議，本集團同意將其於南京玖浩機電實業有限公司的100%股權轉讓予泉峰管理服務，現金代價為人民幣171,160,100元(相當於26,314,000美元)。該代價參考獨立估值公司對南京玖浩機電實業有限公司開展的估值釐定。該轉讓登記已於2021年3月8日完成，此後南京玖浩機電實業有限公司不再為本集團的附屬公司。

24 BANK LOANS

24 銀行貸款

The maturity profile for the interest-bearing bank loans of the Group and the Company at the end of each reporting period is as follows:

本集團及本公司的計息銀行貸款於各報告期末的到期情況如下：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Short-term bank loans	短期銀行貸款	**367,856**	288,227
Current portion of long-term bank loans	長期銀行貸款的即期部分	**57,092**	2,232
Within 1 year or on demand	1年內或按要求	**424,948**	290,459
After 1 year but within 2 years	1年後但於2年內	**784**	47,402
After 2 years but within 5 years	2年後但於5年內	**5,880**	–
More than 5 years	超過5年	**2,034**	–
		8,698	47,402
		433,646	337,861

At the end of each reporting period, the bank loans were secured and guaranteed as follows:

於各報告期末，銀行貸款抵押及擔保如下：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Bank loans	銀行貸款		
– Secured	– 有抵押	**40,287**	25,076
– Secured and guaranteed	– 有抵押有擔保	**150,570**	123,477
– Guaranteed	– 有擔保	**241,931**	187,884
– Unsecured and unguaranteed	– 無抵押無擔保	**858**	1,424
		433,646	337,861

24 BANK LOANS (CONTINUED)

Notes:

(i) The Group's bank loans were secured by certain assets of the Group. An analysis of the carrying value of these assets is as follows:

24 銀行貸款(續)

附註：

(i) 本集團的銀行貸款以本集團的若干資產作抵押。該等資產的賬面值分析如下：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Plants and buildings *(Note 12)*	廠房及樓宇*(附註12)*	**44,226**	44,724
Leasehold land *(Note 13)*	租賃土地*(附註13)*	**25,487**	25,503
Investment properties *(Note 14)*	投資物業*(附註14)*	**–**	959
Intangible assets *(Note 15)*	無形資產*(附註15)*	**1,459**	1,754
Inventories *(Note 20)*	存貨*(附註20)*	**124,040**	98,519
Trade and bills receivables *(Note 21)*	貿易應收款項及應收票據*(附註21)*	**81,562**	92,175
Pledged deposits *(Note 23(b))*	已抵押存款*(附註23(b))*	**26,524**	10,413
Other assets	其他資產	**4,252**	6,801
		307,550	280,848

(ii) Certain bank facilities granted to the Group were guaranteed by Mr. Pan Longquan, the ultimate controlling shareholder of the Group, Chervon Global Holdings Limited and pledged with the shares of Chervon Auto Precision Technology held by Chervon Precision Technology Holdings Limited at December 31, 2020 and 2021.

(ii) 於2020年及2021年12月31日，授予本集團的若干銀行融資由本集團的最終控股股東潘龍泉先生、Chervon Global Holdings Limited擔保，並以泉峰精密技術控股有限公司所持有的泉峰汽車精密技術股份質押。

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Guarantees and pledges to banks for granting banking facilities	就授出銀行融資而提供予銀行的擔保及質押	**–**	151,557

Pursuant to the agreements on August 18, 2021 and September 9, 2021 with banks, guarantees provided by Mr. Pan Longquan and Chervon Global Holdings Limited have been released.

根據2021年8月18日及2021年9月9日與銀行訂立的協議，潘龍泉先生及Chervon Global Holdings Limited提供的擔保已解除。

24 BANK LOANS (CONTINUED)

Pursuant to the agreements on September 9, 2021 and November 23, 2021 with banks, pledged shares of Chervon Auto Precision Technology held by Chervon Precision Technology Holdings Limited have been released.

24 銀行貸款（續）

根據2021年9月9日及2021年11月23日與銀行訂立的協議，泉峰精密技術控股有限公司所持有的泉峰汽車精密技術的質押股份已解除。

25 LEASE LIABILITIES

At the end of the reporting periods, the lease liabilities were repayable as follows:

25 租賃負債

於報告期末，租賃負債應償還情況如下：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Within 1 year	1年內	**6,114**	3,161
After 1 year but within 2 years	1年後但於2年內	**5,564**	2,642
After 2 years but within 5 years	2年後但於5年內	**6,776**	4,704
After 5 years	5年後	**4,781**	6,171
		17,121	13,517
		23,235	16,678

26 TRADE AND BILLS PAYABLES

26 貿易應付款項及應付票據

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Trade payables	貿易應付款項	**468,073**	217,788
Bills payable	應付票據	**45,179**	29,741
		513,252	247,529

26 TRADE AND BILLS PAYABLES (CONTINUED)

As of the end of the reporting period, the aging analysis of trade and bills payables, based on the invoice date, is as follows:

26 貿易應付款項及應付票據(續)

截至報告期末，基於發票日期的貿易應付款項及應付票據的賬齡分析如下：

		As at December 31, 於12月31日	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Within 3 months	3個月內	**458,426**	216,913
3 to 12 months	3至12個月	**54,826**	30,616
		513,252	247,529

All of the trade and bills payables are expected to be settled within one year or repayable on demand.

所有貿易應付款項及應付票據預計將於一年內結算或須按要求償還。

27 OTHER PAYABLES AND ACCRUALS

27 其他應付款項及應計費用

		As at December 31, 於12月31日	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Amounts due to related parties	應付關聯方款項	**–**	8,251
Other payables and accrued charges *(Note)*	其他應付款項及應計支出*(附註)*	**165,628**	78,357
Salaries, wages, bonus and benefits payable	應付薪金、工資、花紅及福利	**28,976**	31,726
Payables for purchase of properties, plants and equipment	購置物業、廠房及設備的應付款項	**2,912**	2,849
Interest payables	應付利息	**752**	3,062
Other tax payables	其他應繳稅項	**7,136**	5,256
Receipt in advance – lease prepayment	預收款項 – 租賃預付款	**–**	636
		205,404	130,137

All of the other payables and accruals are expected to be settled within one year or repayable on demand.

所有其他應付款項及應計費用預計將於一年內結算或須按要求償還。

Note:

Other payables and accrued charges primarily comprise accruals for marketing and advertising fee, utility expenses, service fee and other expenses.

附註：

其他應付款項及應計支出主要包括營銷及廣告費用、公用事業開支、服務費及其他開支的應計費用。

28 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

28 綜合財務狀況表中的所得稅

(a) Current taxation in the consolidated statements of financial position represents:

(a) 綜合財務狀況表中的即期稅項指：

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
At the beginning of the year	於年初	**15,347**	13,855
Provision for the year:	年內撥備：		
– PRC Corporate Income Tax	– 中國企業所得稅	**(5,547)**	(1,101)
– Hong Kong Profits Tax	– 香港利得稅	**(12,627)**	(2,916)
– Income tax for tax jurisdictions outside PRC and Hong Kong	– 中國及香港境外稅務司法管轄區的所得稅	**(6,696)**	(5,869)
Effect of withholding tax on dividends	預扣稅對股息的影響	**–**	(1,275)
Over/(under)-provision in respect of prior years	有關過往年度的超額撥備／（撥備不足）	**56**	(152)
Tax paid:	已付稅項：		
– PRC Corporate Income Tax	– 中國企業所得稅	**12,351**	5,891
– Hong Kong Profits Tax	– 香港利得稅	**7,555**	200
– Income tax for tax jurisdictions outside PRC and Hong Kong	– 中國及香港境外稅務司法管轄區的所得稅	**3,677**	3,751
– Withholding tax	– 預扣稅	**–**	1,275
Tax refund	已退稅項	**(15,179)**	–
Exchange adjustment	匯兌調整	**770**	1,688
At the end of the year	於年末	**(293)**	15,347
Represented by:	指：		
Taxation recoverable	可收回稅項	**7,958**	21,975
Taxation payable	應付稅項	**(8,251)**	(6,628)
		(293)	15,347

28 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

28 綜合財務狀況表中的所得稅（續）

(b) Deferred tax assets and liabilities recognized represents:

(b) 已確認的遞延稅項資產及負債指：

(i) The components of deferred tax assets recognized in the consolidated statements of financial position and the movements are as follows:

(i) 於綜合財務狀況表內確認的遞延稅項資產的組成部分及有關變動如下：

		Provision for asset impairment 資產減值撥備 USD'000 千美元	Unrealized profits on inventories 未變現存貨利潤 USD'000 千美元	Deductible tax losses 可扣減稅項虧損 USD'000 千美元	Deferred income 遞延收入 USD'000 千美元	Accrued expenses 應計開支 USD'000 千美元	Defined benefit retirement plans obligation 界定福利退休計劃義務 USD'000 千美元	Leases 租賃 USD'000 千美元	Fair value change of financial assets at FVPL and derivative financial instruments 以公允價值計量且其變動計入當期損益的金融資產及衍生金融工具的公允價值變動 USD'000 千美元	Total 總計 USD'000 千美元
At January 1, 2020	於2020年1月1日	1,899	7,239	8,064	596	3,048	161	2	208	21,217
Recognized in profit or loss	於損益內確認	291	4,621	(3,070)	(14)	556	–	5	(167)	2,222
Recognized in other comprehensive income	於其他全面收益內確認	–	–	–	–	–	4	–	–	4
Exchange adjustment	匯兌調整	70	–	512	40	94	16	–	3	735
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	2,260	11,860	5,506	622	3,698	181	7	44	24,178
Recognized in profit or loss	於損益內確認	487	5,226	(2,153)	(15)	(288)	–	7	(63)	3,201
Recognized in other comprehensive income	於其他全面收益內確認	–	–	–	–	–	13	–	–	13
Exchange adjustment	匯兌調整	(265)	–	(237)	14	(29)	3	–	–	(514)
At December 31, 2021	於2021年12月31日	2,482	17,086	3,116	621	3,381	197	14	(19)	26,878

28 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

28 綜合財務狀況表中的所得稅（續）

(b) Deferred tax assets and liabilities recognized represents: (continued)

(b) 已確認的遞延稅項資產及負債指：（續）

(ii) The components of deferred tax liabilities recognized in the consolidated statements of financial position and the movements are as follows:

(ii) 於綜合財務狀況表內確認的遞延稅項負債的組成部分及有關變動如下：

		Depreciation of properties, plants, and equipment 物業、廠房及設備折舊 USD'000 千美元	Properties 物業 USD'000 千美元	Fair value change of financial assets at FVPL and derivative financial instruments 以公允價值計量且其變動計入當期損益的金融資產及衍生金融工具的公允價值變動 USD'000 千美元	Undistributed profits 未分配利潤 USD'000 千美元	Total 總計 USD'000 千美元
At January 1, 2020	於2020年1月1日	(1,258)	(138)	(1,302)	(2,587)	(5,285)
Recognized in profit or loss	於損益內確認	(580)	140	(1,364)	–	(1,804)
Effect of withholding tax on dividends	預扣稅對股息的影響	–	–	–	(1,503)	(1,503)
Exchange adjustment	匯兌調整	(120)	(2)	(52)	(263)	(437)
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	(1,958)	–	(2,718)	(4,353)	(9,029)
Recognized in profit or loss	於損益內確認	54	–	(2,180)	–	(2,126)
Effect of withholding tax on dividends	預扣稅對股息的影響	–	–	–	(2,638)	(2,638)
Exchange adjustment	匯兌調整	(45)	–	(68)	(171)	(284)
At December 31, 2021	於2021年12月31日	(1,949)	–	(4,966)	(7,162)	(14,077)

28 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

28 綜合財務狀況表中的所得稅(續)

(b) Deferred tax assets and liabilities recognized represents: (continued)

(b) 已確認的遞延稅項資產及負債指：(續)

(iii) Reconciliation to the consolidated statements of financial position:

(iii) 與綜合財務狀況表的對賬：

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Net deferred tax assets recognized in the consolidated statements of financial position	於綜合財務狀況表內確認的遞延稅項資產淨值	**26,878**	24,178
Net deferred tax liabilities recognized in the consolidated statements of financial position	於綜合財務狀況表內確認的遞延稅項負債淨額	**(14,077)**	(9,029)
		12,801	15,149

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in Note 2(t), the Group did not recognize deferred tax assets of USD8,239,000 as at December 31, 2021 (2020: USD5,311,000), in respect of cumulative tax losses USD36,436,000 as at December 31, 2021 (2020: USD21,427,000). It was not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entities.

(c) 尚未確認的遞延稅項資產

根據附註2(t)所載的會計政策，本集團並無就於2021年12月31日的累計稅項虧損36,436,000美元(2020年：21,427,000美元)確認於2021年12月31日的遞延稅項資產8,239,000美元(2020年：5,311,000美元)。於相關稅務司法管轄區及實體將有未來應課稅利潤可以抵銷有關虧損的可能性不大。

28 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

28 綜合財務狀況表中的所得稅(續)

(d) Deferred tax liabilities not recognized

At December 31, 2021, the Group did not recognize deferred tax liabilities of USD12,167,000 (2020: USD5,574,000), in respect of distributable profits of the Group's subsidiaries amounted to USD115,946,000 (2020: USD20,646,000), respectively. Although the Group expects to distribute profit after listing, the distributable profits will be principally contributed by the operation profits of its PRC and Hong Kong subsidiaries. As the Group controls the timing of the reversal of temporary differences associated with undistributed profits of its subsidiaries and it has been determined that it is probable that certain portion of the undistributed profits earned by the Group's subsidiaries will not be distributed in the foreseeable future, therefore no deferred tax liabilities arisen from above mentioned undistributed profits not probable to be distributed in the foreseeable future was recognized as at December 31, 2021.

(d) 尚未確認的遞延稅項負債

於2021年12月31日，本集團並無就本集團附屬公司的可分派利潤115,946,000美元(2020年：20,646,000美元)確認遞延稅項負債12,167,000美元(2020年：5,574,000美元)。儘管本集團預計於上市後分派利潤，但可分派利潤將主要來自其中國及香港附屬公司的經營利潤。由於本集團控制與該等附屬公司的未分派利潤有關的暫時差額撥回的時間，且其已被釐定於可預見未來不大可能分派本集團附屬公司所賺取的未分派利潤的若干部分，因此，於2021年12月31日，概無確認上述不大可能於可預見未來分派的未分派利潤產生的遞延稅項負債。

29 WARRANTY PROVISION

29 保修撥備

		Total 總計 USD'000 千美元
At January 1, 2020	於2020年1月1日	23,640
Provision in the year	年度撥備	38,624
Utilization of provision	動用撥備	(16,380)
Exchange adjustment	匯兑調整	66
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	**45,950**
Provision in the year	年度撥備	**24,514**
Utilization of provision	動用撥備	**(18,457)**
Exchange adjustment	匯兑調整	**(61)**
At December 31, 2021	於2021年12月31日	**51,946**

29 WARRANTY PROVISION (CONTINUED)

Reconciliation to the consolidated statements of financial position:

29 保修撥備(續)

與綜合財務狀況表的對賬：

		As at December 31, 於12月31日	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Warranty provision – current	保修撥備 – 即期	**19,655**	15,175
Warranty provision – non-current	保修撥備 – 非即期	**32,291**	30,775
		51,946	45,950

Under the terms of the Group's sales agreements, the Group will rectify any product defects arising within two or three years of the date of sale. The warranty provision represents management's best estimate of the Group's service commitments arising from products sold, based on past claims.

根據本集團的銷售協議條款，本集團將糾正銷售日期後兩或三年內產生的任何產品缺陷。保修撥備指管理層基於過往索賠對本集團因已售產品產生的服務承擔而作出的最佳估計。

30 REFUND LIABILITIES FROM RIGHT OF RETURN

30 退回權利的退款負債

		Total 總計 USD'000 千美元
At January 1, 2020	於2020年1月1日	3,077
Provision in the year	年度撥備	28,883
Utilization of provision	動用撥備	(23,742)
At December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	**8,218**
Provision in the year	年度撥備	**8,639**
Utilization of provision	動用撥備	**(12,605)**
At December 31, 2021	於2021年12月31日	**4,252**

30 REFUND LIABILITIES FROM RIGHT OF RETURN (CONTINUED)

Under the terms of the Group's sales agreements, the Group will rectify any product return arising within six months of the date of sale. The refund liabilities represent management's best estimate of the Group's service commitments arising from products sold, based on past experiences.

30 退回權利的退款負債（續）

根據本集團的銷售協議條款，本集團將糾正銷售日期後六個月內產生的任何產品缺陷。退款負債指管理層基於過往經驗對本集團因已售產品產生的服務承擔而作出的最佳估計。

31 DEFERRED INCOME

As at December 31, 2021, deferred income represented unamortized conditional government grants amounting to USD4,150,000 (2020: USD4,152,000), for land levelling compensation.

31 遞延收益

於2021年12月31日，遞延收益指有關土地平整補償的未攤銷有條件政府補助4,150,000美元（2020年：4,152,000美元）。

32 EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plans obligation

The Group has defined benefit retirement plans ("Plans") for its employees in the German subsidiaries.

The Group provides pension benefits for those employees who retire in the form of life-long annuities. These are in-line with usual German market practice and do not constitute any unusual or company-specific risks or require any specific regulatory framework to be taken into account. The costs of the Plans are solely funded by the Group.

The calculation is performed by qualified staff of Kern Mauch & Kollegen GmbH, an independent actuarial firm. The actuarial valuations of the defined benefit retirement obligation were performed in accordance with HKAS 19 "Employee Benefits" by actuaries using the projected unit credit method.

32 僱員退休福利

(a) 界定福利退休計劃義務

本集團就其於德國附屬公司的僱員制定界定福利退休計劃（「計劃」）。

本集團以終生年金的形式為退休僱員提供退休金福利。此與一般的德國市場做法一致，且不構成任何異常或公司特定風險或要求考慮任何特定的監管框架。計劃成本完全由本集團撥付。

計算乃由獨立精算公司Kern Mauch & Kollegen GmbH的合資格員工進行。界定福利退休義務的精算估值由精算師採用預測單位信貸法根據香港會計準則第19號「僱員福利」執行。

32 EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

32 僱員退休福利(續)

(a) Defined benefit retirement plans obligation (continued)

(a) 界定福利退休計劃義務(續)

(i) The amounts recognized in the consolidated statement of financial position are as follows:

(i) 於綜合財務狀況表中確認的金額如下：

		As at December 31, 於12月31日	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Present value of defined benefit retirement plans obligation	界定福利退休計劃義務的現值	**771**	972

(ii) Movements in the present value of the defined benefit retirement plans obligation:

(ii) 界定福利退休計劃義務的現值變動：

		As at December 31, 於12月31日	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
At the beginning of the year	於年初	**972**	921
Remeasurements effect recognized in other comprehensive income	於其他全面收益內確認的重新計量影響		
– Actuarial (gain)/loss	– 精算(收益)／虧損	**(46)**	39
– Exchange adjustment	– 匯兑調整	**(79)**	88
		847	1,048
Benefits paid by the plans	計劃支付的福利	**(85)**	(85)
Current service cost	即期服務成本	**1**	2
Interest cost	利息成本	**8**	7
At the end of the year	於年末	**771**	972

32 EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

32 僱員退休福利（續）

(a) Defined benefit retirement plans obligation (continued)

(a) 界定福利退休計劃義務（續）

(iii) Amounts recognized in the consolidated statement of profit or loss and other comprehensive income are as follows:

(iii) 於綜合損益及其他全面收益表中確認的金額如下：

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Current service cost	即期服務成本	**1**	2
Interest on defined benefit retirement plans obligation	界定福利退休計劃義務利息	**8**	7
Total amounts recognized in profit or loss *(Note 6(b))*	於損益內確認的總金額 *（附註6(b)）*	**9**	9
Actuarial (gain)/loss	精算（收益）／虧損	**(46)**	39
Exchange adjustment	匯兑調整	**(79)**	88
Total amounts recognized in other comprehensive income	於其他全面收益內確認的總金額	**(125)**	127
Total defined benefit costs	界定福利成本總額	**(116)**	136

(iv) The current service cost and the interest on defined retirement obligation are recognized in the following line items in the consolidated statement of profit or loss:

(iv) 即期服務成本及界定退休義務利息於綜合損益表的下列項目中確認：

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Cost of sales	銷售成本	**9**	9

32 EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

32 僱員退休福利(續)

(a) Defined benefit retirement plans obligation (continued)

(a) 界定福利退休計劃義務(續)

(v) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

(v) 重大的精算假設(以加權平均數表示)及敏感度分析如下：

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Discount rate	貼現率	**0.70%**	0.75%
Rate of pension increase	退休金增加率	**1%**	1%
Death rate	死亡率	**RT 2018 G**	RT 2018 G
Retirement age	退休年齡	**age 65**	65歲
Staff turnover	員工流失率	**0.00%**	0.00%

The below analysis shows how the defined benefit obligation would have increased/(decreased) as a result of 20% change in the discount rate:

下列分析顯示了界定福利義務如何因貼現率發生20%變動而增加／(減少)：

		As at December 31, 於12月31日			
		2021 2021年		2020 2020年	
		Increase in 20% 增加20% USD'000 千美元	**Decrease in 20% 減少20% USD'000 千美元**	Increase in 20% 增加20% USD'000 千美元	Decrease in 20% 減少20% USD'000 千美元
Discount rate	貼現率	**(17)**	**17**	(15)	16

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

上文敏感度分析乃假設精算假設變動無相關性及因此未計及精算假設之間的相關性。

32 EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

(b) Defined contribution retirement plans

Pursuant to the relevant labor rules and regulations in the PRC, the PRC subsidiaries of the Group participate in defined contribution retirement plans (the "Schemes") organized by the local authorities whereby the entities are required to make contributions to the Schemes based on a percentage of the eligible employees' salaries during the years ended December 31, 2020 and 2021. Contributions to the Schemes vest immediately. Under the Schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions. There is no forfeited contributions that may be used by the group to reduce the existing level of contribution.

The Group's subsidiaries in jurisdictions other than the PRC, make contributions to local retirement schemes pursuant to the relevant labor rules and regulations in the jurisdiction in which such subsidiary located.

32 僱員退休福利（續）

(b) 界定供款退休計劃

根據中國的相關勞動法規及條例，本集團的中國附屬公司參與地方機關組織的界定供款退休計劃（「計劃」），據此，截至2020年及2021年12月31日止年度，有關實體須基於合資格僱員薪金的某一個百分比向計劃作出供款。對計劃作出的供款即時歸屬。根據計劃，相關計劃管理人應支付現有及已退休僱員的退休福利，除年度供款外，本集團並無任何進一步責任。本集團並無可用以減低現有供款水平的沒收供款。

本集團於中國以外司法管轄區的附屬公司根據該附屬公司所在司法管轄區的相關勞動法規及條例向當地退休計劃作出供款。

33 EQUITY SETTLED SHARE-BASED TRANSACTIONS

Pursuant to a resolution of the board of directors of the Company passed on December 30, 2020, a Share Incentive Scheme ("Share Incentive Scheme") was adopted for purpose of providing incentives to the qualified employees of the Group. The Share Incentive Scheme granted to qualified employees of the Group for the right to subscribe a total of 11,670,500 ordinary shares of the Company (the "Share Awards"). As there is no service condition of the Share Incentive Scheme, the Share Awards were fully vested on December 30, 2020.

Under the Share Incentive Scheme, the Share Awards were granted to 429 employees of the Group through 12 shareholding platforms at a price of HKD4.7529 (equivalent to USD0.6093) per share.

33 以權益結算以股份為基礎的交易

根據本公司董事會於2020年12月30日通過的決議案，一項股權激勵計劃（「股權激勵計劃」）獲採納，旨在向本集團的合格僱員提供激勵。股權激勵計劃授予本集團合資格僱員認購合共11,670,500股本公司普通股（「股份獎勵」）的權利。由於股權激勵計劃並無服務條件，股份獎勵已於2020年12月30日悉數歸屬。

根據股權激勵計劃，股份獎勵已透過12個持股平台按每股4.7529港元（相等於0.6093美元）的價格授予本集團的429名僱員。

33 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

Fair value of shares granted

The fair value of the Share Awards granted was calculated based on the fair value of underlying ordinary shares as at the grant date. The directors have used the income approach to determine the fair value of the underlying shares of the Company.

33 以權益結算以股份為基礎的交易（續）

已授出股份的公允價值

已授出股份獎勵的公允價值基於授出日期相關普通股的公允價值計算。董事已使用收益法釐定本公司相關股份的公允價值。

Grant date 授出日期	Grant date fair value 授出日期的公允價值
December 30, 2020 2020年12月30日	RMB185,093,000 人民幣185,093,000元

Share-based payment expense of RMB138,358,000 (USD21,077,000 equivalent) is recognized as staff costs (Note 6(b)) in the consolidated statements of profit or loss for the year ended December 31, 2020.

以股份為基礎的付款開支人民幣138,358,000元（21,077,000美元等值）於截至2020年12月31日止年度的綜合損益表內確認為員工成本（附註6(b)）。

The discounted cash flow derived by management considered the Group's future business plan, specific business and financial risks, the stage of development of the Group's operations and economic and competitive elements affecting the Group's business, industry and market. The discount rates used for the grant date fair value were 13.56%.

管理層得出的貼現現金流量考慮了影響本集團業務、行業及市場的本集團未來業務計劃、特定業務及財務風險、本集團的經營發展階段及經濟和競爭要素。就授出日期的公允價值使用的貼現率為13.56%。

The directors estimated the risk-free interest rate based on the yield of Chinese government bonds with maturity of 30 years. Weighted average cost of capital was estimated based on selected comparable companies.

董事基於30年期的中國政府債券收益率估算無風險利率。加權資本平均成本基於選定的可資比較公司估算。

34 CAPITAL, RESERVES AND DIVIDENDS

34 資本、儲備及股息

(a) Movement in components of equity

(a) 股權組成部分的變動

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

本集團綜合權益的各組成部分的期初結餘與期末結餘之間的對賬載於綜合權益變動表。本公司的個別權益組成部分於年初與年末之間的變動詳情載列如下：

The Company *本公司*

		Note *附註*	Share capital 股本 USD'000 千美元	Reserves 儲備: Other reserve 其他儲備 USD'000 千美元	Reserves 儲備: Retained profits 保留利潤 USD'000 千美元	Total 總計 USD'000 千美元
At January 1, 2020	於2020年1月1日		50,279	–	159,053	209,332
Changes in equity for 2020:	2020年的權益變動：					
Profit and total comprehensive income for the year	年內利潤及全面收益總額		–	–	4,186	4,186
Equity settled share-based transactions	以權益結算以股份為基礎的交易	*33*	–	21,077	–	21,077
Appropriation of dividends	撥付股息	*34(b)*	–	–	(3,691)	(3,691)
Balance at December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日的結餘		**50,279**	**21,077**	**159,548**	**230,904**
Changes in equity for 2021	2021年的權益變動					
Loss and total comprehensive income for the year	年內虧損及全面收益總額		**–**	**–**	**(12,799)**	**(12,799)**
Issuance of ordinary shares under right issues	根據供股發行普通股	*34(c)(i)*	**749**	**–**	**–**	**749**
Issuance of ordinary shares under the Share Incentive Scheme	根據股權激勵計劃發行普通股	*33*	**7,107**	**–**	**–**	**7,107**
Appropriation of dividends	撥付股息	*34(b)*	**–**	**–**	**(15,000)**	**(15,000)**
Issuance of ordinary shares by initial public offering, net of issuance costs	以首次公開發售方式發行普通股（扣除發行成本）	*34(c)*	**386,486**	**–**	**–**	**386,486**
Balance at December 31, 2021	於2021年12月31日的結餘		**444,621**	**21,077**	**131,749**	**597,447**

34 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

34 資本、儲備及股息(續)

(b) Dividends

Dividends payable to equity shareholders of the Company attributable to the previous financial years, declared and approved during the years ended December 31, 2020 and 2021 is as follow:

(b) 股息

截至2020年及2021年12月31日止年度已宣派及批准的應付本公司權益股東的過往財政年度股息如下：

		Year ended December 31, 截至12月31日止年度	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Dividends in respect of previous financial years declared and approved	已宣派及批准的過往財政年度股息	**15,000**	3,691

(c) Share capital

(c) 股本

		Note 附註	**Number of Shares 股份數目**	**HKD'000 千港元**	**USD'000 千美元**
Ordinary shares, issued and fully paid:	**普通股，已發行及繳足：**				
At January 1, 2020, December 31, 2020 and January 1, 2021	於2020年1月1日、2020年12月31日及2021年1月1日		390,000,000	390,000	50,279
Issuance of ordinary shares under right issues	根據供股發行普通股	*(i)*	5,844,911	5,845	749
Issuance of ordinary shares under the Share Incentive Scheme *(Note 33)*	根據股權激勵計劃發行普通股*(附註33)*		11,670,500	55,435	7,107
Issuance of ordinary shares by initial public offering, net of issuance costs	以首次公開發售方式發行普通股(扣除發行成本)	*(ii)*	71,916,000	3,014,591	386,486
At December 31, 2021	於2021年12月31日		479,431,411	3,465,871	444,621

34 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (continued)

Notes:

(i) Pursuant to a written resolution dated March 17, 2021, the Company issued and allotted a total of 5,844,911 shares by way of rights issue at the subscription price of HKD1.00 to the shareholders.

(ii) On December 30, 2021, the Company issued 71,916,000 shares at an offer price of HKD43.60 per share by way of public offering. Net proceeds from these issues amounted to HKD3,014,591,000 (USD386,486,000 equivalent) (after offsetting costs directly attributable to the issue of shares of HKD120,947,000 (USD15,506,000 equivalent), which were recorded in share capital.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(d) Nature and purpose of reserves

(i) Other reserve

Other reserve primarily represented the portion of the grant date fair value of shares granted by the Share Incentive Scheme to the directors and employees of the Group that has been recognized in accordance with the accounting policy adopted for share-based payments in Note 2(s)(iv).

34 資本、儲備及股息（續）

(c) 股本（續）

附註：

(i) 根據日期為2021年3月17日的書面決議案，本公司以供股方式按認購價1.00港元向股東發行及配發合共5,844,911股股份。

(ii) 於2021年12月30日，本公司以公開發售的方式按發售價每股43.60港元發行了71,916,000股股份。該等發行的所得款項淨額為3,014,591,000港元（386,486,000美元等值）（經抵銷發行股份的直接應佔成本120,947,000港元（15,506,000美元等值）後），並於股本中記錄。

根據香港公司條例第135條，本公司普通股並無面值。

普通股持有人有權領取不時宣派的股息且於本公司會議上就每股股份享有一票投票權。就本公司的剩餘資產而言，所有普通股享有同等地位。

(d) 儲備性質及目的

(i) 其他儲備

其他儲備主要指根據附註2(s)(iv)就以股份為基礎的支付採納的會計政策確認的由股權激勵計劃授予本集團董事及僱員的股份的授出日期公允價值部分。

34 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves (continued)

(ii) PRC statutory reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the PRC.

In accordance with the PRC Company Law, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory reserves until the reserves reach 50% of their respective registered capital. For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currency other than USD. The reserve is dealt with in accordance with the accounting policy as set out in Note 2(x).

34 資本、儲備及股息(續)

(d) 儲備性質及目的(續)

(ii) 中國法定儲備

法定儲備按照相關中國規則和規例以及在中國註冊成立的本集團旗下各公司的組織章程細則計提。

根據中國公司法，屬國內企業的本集團旗下若干附屬公司須分配其除稅後利潤的10%(按相關中國會計準則釐定)至其各自的法定儲備，直至儲備達到其各自註冊資本的50%。對於有關實體而言，法定儲備可用於彌補過往年度的虧損(如有)，並且可按投資者現有股本權益的比例轉為資本，惟儲備結餘在轉換後不少於該實體註冊資本的25%。

(iii) 匯兌儲備

匯兌儲備包括換算功能貨幣並非美元的經營財務報表引起的所有外匯差額。該儲備乃根據附註2(x)所載的會計政策處理。

34 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintaining a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net gearing ratio. For this purpose, the Group defines net debt as total current and non-current bank loans and lease liabilities less cash and cash equivalents and pledged deposits. The Group defines capital as including all components of equity.

34 資本、儲備及股息（續）

(e) 資本管理

本集團管理資本的首要目標乃保障本集團能夠持續經營，以便透過對與風險水平相應的產品及服務定價以及獲得合理成本的融資，繼續為股東創造回報及為其他持份者帶來利益。

本集團定期積極對資本架構進行檢討及管理，以在較高股東回報情況下可能伴隨的較高借貸水平與良好資本狀況帶來的好處及保障之間取得平衡，並根據經濟狀況的變化對資本架構作出調整。

本集團利用淨資本負債比率監察其資本架構。就此而言，本集團將淨負債界定為流動及非流動銀行貸款及租賃負債總額減現金及現金等價物及已抵押存款。本集團將資本界定為包括所有權益組成部分。

34 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

34 資本、儲備及股息(續)

(e) Capital management (continued)

(e) 資本管理(續)

The Group's net debt to capital ratio are as follows:

本集團的淨債務資本比率如下：

		As at December 31, 於12月31日	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Current liabilities:	流動負債：		
Bank loans	銀行貸款	**424,948**	290,459
Lease liabilities	租賃負債	**6,114**	3,161
		431,062	293,620
Non-current liabilities:	非流動負債：		
Bank loans	銀行貸款	**8,698**	47,402
Lease liabilities	租賃負債	**17,121**	13,517
		25,819	60,919
Less: Cash and cash equivalents	減：現金及現金等價物	**(664,990)**	(166,937)
Pledged deposits	抵押存款	**(48,340)**	(22,172)
Adjusted net debt *(Note)*	**經調整淨債務*(附註)***	**–**	165,430
Total equity	**權益總額**	**797,017**	284,024
Net debt to capital ratio	**淨債務資本比率**	**0%**	58%

Note:

Net debt to capital ratio is zero when the amount of cash and cash equivalent and pledged deposits of the Group is higher than gross debt.

附註：

當本集團的現金及現金等價物及抵押存款的金額超過債務總額時，淨債務資本比率為零。

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and financial risk management policies and practices used by the Group to manage these risks are described below:

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, pledged deposits and bills receivable is limited because the counterparties are reputable financial institutions with high credit standing, for which the Group considers to have low credit risk.

Except for the financial guarantees given by the Group as set out in Note 37, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in Note 37.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 180 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at December 31, 2021, 30% (2020: 36%) of the total trade receivables was due from the Group's largest customer and 68% (2020: 67%) was due from the Group's five largest customers respectively.

35 財務風險管理及金融工具的公允價值

本集團業務面臨正常業務過程中產生的信貸、流動性、利率及貨幣風險。

本集團面臨的該等風險及本集團為管理該等風險而採用的財務風險管理政策及慣例描述如下：

(a) 信貸風險

信貸風險指對手方將違反合約義務而導致本集團產生財務虧損的風險。本集團信貸風險主要歸因於貿易及其他應收款項。本集團面對來自現金及現金等價物、已抵押存款及應收票據的信貸風險有限，原因是對手方為信譽狀況良好的知名金融機構，本集團認為其信貸風險較低。

除附註37所載由本集團提供的財務擔保外，本集團並無任何其他將令本集團承受信貸風險的擔保。於報告期末有關該等財務擔保的最高信貸風險敞口乃披露於附註37。

貿易應收款項

本集團已制定信貸風險管理政策，據此對所有需要超過一定金額的信貸的客戶均須進行個別信貸評估。該等評估集中於客戶過往到期作出付款的記錄及目前的支付能力，並計及客戶的特定資料以及有關客戶經營所在經濟環境的資料。貿易應收款項自賬單日期起計30至180日內到期。正常情況下，本集團不會收取客戶的抵押品。

本集團於客戶營運所屬的行業或所在的國家並無重大信貸集中風險。重大信貸集中風險主要由於本集團與個別客戶往來時須承受重大風險所致。於2021年12月31日，貿易應收款項總額中有30%（2020年：36%）應收自本集團的最大客戶，且分別有68%（2020年：67%）應收自本集團的五名最大客戶。

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值(續)

(a) Credit risk (continued)

Trade receivables (continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

(a) 信貸風險(續)

貿易應收款項(續)

本集團按相等於全期預期信貸虧損的金額計量貿易應收款項虧損撥備，有關金額乃使用撥備矩陣計算得出。鑒於本集團的過往信貸虧損經驗並無顯示不同客戶分部有重大差異的虧損型態，故按逾期狀態計算的虧損撥備不會在本集團不同客戶群間進一步區分。

下表提供了本集團所面臨的貿易應收款項信貸風險及預期信貸虧損的資料：

		At December 31, 2021 於2021年12月31日		
		Expected loss rate 預期虧損率 % %	Gross carrying amount 賬面總額 USD'000 千美元	Loss allowance 虧損撥備 USD'000 千美元
Current (not past due)	即期(未逾期)	1.00%	148,298	(1,480)
Less than 3 months past due	逾期三個月以下	1.02%	17,566	(180)
More than 3 months but less than 12 months past due	逾期超過三個月但少於12個月	5.59%	4,415	(247)
More than 12 months but less than 24 months past due	逾期超過12個月但少於24個月	10.78%	436	(47)
More than 24 months but less than 36 months past due	逾期超過24個月但少於36個月	20.13%	149	(30)
More than 36 months past due	逾期超過36個月	100.00%	242	(242)
			171,106	(2,226)

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值（續）

(a) Credit risk (continued)

(a) 信貸風險（續）

Trade receivables (continued)

貿易應收款項（續）

		At December 31, 2020 於2020年12月31日		
		Expected loss rate 預期虧損率 % %	Gross carrying amount 賬面總額 USD'000 千美元	Loss allowance 虧損撥備 USD'000 千美元
Current (not past due)	即期（未逾期）	1.05%	137,947	(1,446)
Less than 3 months past due	逾期三個月以下	1.09%	24,555	(267)
More than 3 months but less than 12 months past due	逾期超過三個月但少於12個月	3.84%	3,337	(128)
More than 12 months but less than 24 months past due	逾期超過12個月但少於24個月	10.21%	519	(53)
More than 24 months but less than 36 months past due	逾期超過24個月但少於36個月	26.67%	15	(4)
More than 36 months past due	逾期超過36個月	100.00%	254	(254)
			166,627	(2,152)

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

預期虧損率基於過往年度的實際虧損經驗得出。該等比率會作出調整以反映歸集歷史數據期間的經濟狀況、當前狀況與本集團對應收款項預期年期內經濟狀況的觀點的差異。

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Trade receivables (continued)

Movement in the loss allowance in respect of trade receivables is as follows:

35 財務風險管理及金融工具的公允價值(續)

(a) 信貸風險(續)

貿易應收款項(續)

有關貿易應收款項的虧損撥備變動如下：

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
At the beginning of the year	於年初	**2,152**	2,239
Impairment loss recognized	已確認減值虧損	**278**	(103)
Amounts written off during the year	年度抵銷的金額	**(207)**	(63)
Exchange adjustment	匯兑調整	**3**	79
At the end of the year	於年末	**2,226**	2,152

The following significant changes in the gross carrying amounts of trade receivables contributed to the change in the loss:

- origination of new trade receivables net of those settled resulted in an increase of USD278,000 (2020: a decrease of USD103,000).
- change in past due trade receivables resulted in a decrease in loss allowance of USD207,000 (2020: USD63,000).

貿易應收款項賬面總額的下列重大變動導致虧損撥備變動：

- 產生新貿易應收款項(扣除已結算者)導致增加278,000美元(2020年：減少103,000美元)。
- 逾期貿易應收款項變動導致虧損撥備減少207,000美元(2020年：63,000美元)。

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

(b) 流動性風險

本集團旗下個別經營實體負責各自現金管理，包括現金盈餘短期投資及為滿足預期現金要求而籌集貸款，惟借款超出一定授權預定水平後須取得母公司董事會批准。本集團的政策為定期監察其流動資金需求及其遵守借貸契諾的情況，以確保維持充足的現金儲備及來自主要金融機構的足夠承諾額度以滿足其短期及長期的流動資金需求。

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值（續）

(b) Liquidity risk (continued)

The following tables show the remaining contractual maturities of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

(b) 流動性風險（續）

下表載列本集團金融負債的餘下合約到期情況，其乃基於合約未貼現現金流量（包括按合約利率計算或如按浮動利率計算，則採用報告日期的當時利率計算的利息付款）及本集團須付款的最早日期：

		At December 31, 2021 於2021年12月31日					
		Within 1 year or on demand 1年內或按要求 USD'000 千美元	More than 1 year but less than 2 years 超過1年但少於2年 USD'000 千美元	More than 2 years but less than 5 years 超過2年但少於5年 USD'000 千美元	More than 5 years 超過5年 USD'000 千美元	Total 總計 USD'000 千美元	Carrying amount at December 31, 2021 於2021年12月31日的賬面值 USD'000 千美元
Bank loans	銀行貸款	440,705	1,934	7,649	–	450,288	433,646
Lease liabilities	租賃負債	6,926	6,138	7,712	5,181	25,957	23,235
Trade and bills payables	貿易應付款項及應付票據	513,252	–	–	–	513,252	513,252
Other payables and accruals	其他應付款項及應計費用	205,404	–	–	–	205,404	205,404
Refund liabilities from right of return	退回權利的退款負債	4,252	–	–	–	4,252	4,252
		1,170,539	8,072	15,361	5,181	1,199,153	1,179,789
Financial guarantees issued:	已出具財務擔保：						
Maximum amount guaranteed *(Note 37)*	最高擔保金額*(附註37)*	10,038	–	–	–	10,038	–
Derivatives settled gross:	衍生工具償還總額：						
Foreign currency forward and option contracts *(Note 19)*	外幣遠期及期權合約*（附註19）*						
– outflow	– 流出	(291,409)	–	–	–	(291,409)	–
– inflow	– 流入	296,004	–	–	–	296,004	–

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值（續）

(b) Liquidity risk (continued)

(b) 流動性風險（續）

		At December 31, 2020 於2020年12月31日					
		Within 1 year or on demand 1年內或按要求 USD'000 千美元	More than 1 year but less than 2 years 超過1年但少於2年 USD'000 千美元	More than 2 years but less than 5 years 超過2年但少於5年 USD'000 千美元	More than 5 years 超過5年 USD'000 千美元	Total 總計 USD'000 千美元	Carrying amount at December 31, 2020 於2020年12月31日的賬面值 USD'000 千美元
Bank loans	銀行貸款	298,219	47,690	–	–	345,909	337,861
Lease liabilities	租賃負債	3,752	3,086	5,636	6,777	19,251	16,678
Trade and bills payables	貿易應付款項及應付票據	247,529	–	–	–	247,529	247,529
Other payables and accruals	其他應付款項及應計費用	130,137	–	–	–	130,137	130,137
Refund liabilities from right of return	退回權利的退款負債	8,218	–	–	–	8,218	8,218
		687,855	50,776	5,636	6,777	751,044	740,423
Financial guarantees issued:	已出具財務擔保：						
Maximum amount guaranteed *(Note 37)*	最高擔保金額*（附註37）*	9,808	–	–	–	9,808	–
Derivatives settled gross:	衍生工具償還總額：						
Foreign currency forward and option contracts *(Note 19)*	外幣遠期及期權合約*（附註19）*						
– outflow	– 流出	(231,113)	–	–	–	(231,113)	–
– inflow	– 流入	225,575	–	–	–	225,575	–

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值（續）

(c) Interest rate risk

The Group's interest rate risk arises primarily from short-term and long-term borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below:

(c) 利率風險

本集團的利率風險主要來自短期及長期借款。按浮動利率及固定利率發放的借款令本集團分別面臨現金流量利率風險及公允價值利率風險。管理層監控的本集團利率概況載於下文(i)：

(i) Interest rate profile

The following table details the interest rate profile of the Group's total borrowings as at the end of the reporting period:

(i) 利率概況

下表詳述於報告期末本集團借款總額的利率概況：

		2021 2021年		2020 2020年	
		Effective Interest rate 實際利率 % %	Amount 金額 USD'000 千美元	Effective Interest rate 實際利率 % %	Amount 金額 USD'000 千美元
Fixed rate borrowings:	**固定利率借款：**				
Bank loans	銀行貸款	1.2000%-4.6000%	254,871	1.4073%-6.6000%	76,911
Variable rate borrowings:	**浮動利率借款：**				
Bank loans	銀行貸款	0.7000%-5.1450%	178,775	1.6439%-3.3939%	260,950
Total borrowings	借款總額		433,646		337,861
Fixed rate borrowings as a percentage of total borrowings	固定利率借款佔借款總額的百分比		59%		23%

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At December 31, 2021, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately USD1,332,000 (2020: USD1,944,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after taxation (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to floating rate non-derivative instruments held by the Group, which expose the Group to cash flow interest rate risk. The impact on the Group's profit after taxation (and retained profits) is estimated as an annualized impact on interest expense of such a change in interest rates. Fixed rate financial instruments are excluded for the above analysis. The analysis is performed on the same basis as 2020.

(d) Currency risk

The Group is exposed to currency risk primarily through sales, purchase and borrowings which give rise to receivables, payables, cash balances and bank loans that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD.

(i) Exposure to currency risk

The following table details the Group's exposure as at December 31, 2021 to currency risk arising from the recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of exposure are shown in USD translated using the spot rate of the end of each reporting period. Differences resulting from the translation of the financial statements of the Group's subsidiaries with functional currency other than USD into the Group's presentation currency are excluded.

35 財務風險管理及金融工具的公允價值（續）

(c) 利率風險（續）

(ii) 敏感度分析

於2021年12月31日，據估計，利率整體上升／下降100個基點，在所有其他變量保持不變的情況下，本集團的除稅後利潤及保留利潤減少／增加約1,332,000美元（2020年：1,944,000美元）。

上述敏感度分析顯示本集團的除稅後利潤（及保留利潤）可能產生的即時變動，當中假設利率變動已於各報告期末發生，並已用於使本集團面臨現金流量利率風險的本集團所持有浮動利率非衍生工具。本集團除稅後利潤（及保留利潤）所受影響乃按有關利率變動對年度化利息支出的影響作估計。上述分析不計及定息財務工具。有關分析按2020年的相同基準進行。

(d) 貨幣風險

本集團主要透過銷售、購買及借款面臨貨幣風險，而該等銷售、購買及借款產生以交易相關的經營的功能貨幣以外的貨幣計值的應收款項、應付款項、現金結餘及銀行貸款。引起該風險的貨幣主要為美元。

(i) 貨幣風險敞口

下表詳述本集團於2021年12月31日面臨因以與實體功能貨幣相關以外的貨幣計值的已確認資產或負債而引起的貨幣風險。為呈列之目的，有關敞口金額乃採用各報告期末的即期匯率換算為美元列示。以美元以外功能貨幣將本集團旗下附屬公司財務報表換算為本集團的呈列貨幣導致的差額不考慮在內。

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值（續）

(d) Currency risk (continued)

(d) 貨幣風險（續）

(i) Exposure to currency risk (continued)

As the HKD is pegged to the USD, the group considers the risk of movements in exchange rates between the HKD and the USD to be insignificant.

(i) 貨幣風險敞口（續）

由於港元與美元掛鈎，本集團認為港元與美元之間的匯率變動風險不大。

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
USD	*美元*		
Cash and cash equivalents	現金及現金等價物	**44,288**	63,925
Trade and bills receivables	貿易應收款項及應收票據	**205,030**	209,209
Bank loans	銀行貸款	**(75,078)**	(53,323)
Trade and bills payables	貿易應付款項及應付票據	**(36,352)**	(3,714)
Other payables and accruals	其他應付款項及應計費用	**–**	(96)
Gross exposure arising from recognized assets and liabilities	已確認資產及負債產生的敞口總額	**137,888**	216,001
Notional amounts of forward exchange contracts and foreign currency option contracts used as economic hedges	用作經濟對沖的遠期外匯合約及外幣期權合約的名義金額	**(136,000)**	(87,000)
Net exposure arising from recognized assets and liabilities	已確認資產及負債產生的敞口淨額	**1,888**	129,001

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值(續)

(d) Currency risk (continued)

(d) 貨幣風險(續)

(i) Exposure to currency risk (continued)

(i) 貨幣風險敞口(續)

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
EUR	*歐元*		
Cash and cash equivalents	現金及現金等價物	**4,358**	3,997
Trade and bills receivables	貿易應收款項及應收票據	**148,896**	37,485
Trade and bills payables	貿易應付款項及應付票據	**(59,011)**	(13,682)
Other payables and accruals	其他應付款項及應計費用	**–**	(445)
Gross exposure arising from recognized assets and liabilities	已確認資產及負債產生的敞口總額	**94,243**	27,355
Notional amounts of forward exchange contracts and foreign currency option contracts used as economic hedges	用作經濟對沖的遠期外匯合約及外幣期權合約的名義金額	**(15,457)**	(19,592)
Net exposure arising from recognized assets and liabilities	已確認資產及負債產生的敞口淨額	**78,786**	7,763

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值(續)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's (loss)/profit after taxation (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

(d) 貨幣風險(續)

(ii) 敏感度分析

下表顯示倘本集團於報告期末需承受重大風險的外匯匯率於該日出現變動時，本集團的除稅後(虧損)／利潤(及保留利潤)的即時變動(假設所有其他風險變量維持不變)。

		2021 2021年 Increase/ (decrease) in foreign exchange rates 外匯匯率上升／(下跌) %	Effect on profit after taxation and retained profits 對除稅後利潤及保留利潤的影響 USD'000 千美元	2020 2020年 Increase/ (decrease) in foreign exchange rates 外匯匯率上升／(下跌) %	Effect on profit after taxation and retained profits 對除稅後利潤及保留利潤的影響 USD'000 千美元
USD	美元	1% (1%)	15 (15)	1% (1%)	968 (968)
EUR	歐元	1% (1%)	725 (725)	1% (1%)	57 (57)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group subsidiaries' profit after tax and equity measured in the respective functional currencies, translated into USD at the exchange rate ruling at the end of the reporting period for presentation purpose.

上表呈列的分析結果乃本集團旗下各附屬公司的除稅後利潤及權益所受即時影響的總數(按各自的功能貨幣計量)，並按報告期末的當時匯率換算為美元，以作呈列之用。

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk as at December 31, 2021, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of entities whose functional currency is not USD. The analysis is performed on the same basis for the years ended December 31, 2020.

敏感度分析假設，外匯匯率變動已適用於重新計量本集團持有的金融工具(令本集團於2021年12月31日面臨外幣風險，包括本集團內公司間以貸方或借方的功能貨幣以外的貨幣計值的應付款項及應收款項)。該分析不包括換算有關功能貨幣並非美元的實體的財務報表產生的差額。該分析乃基於截至2020年12月31日止年度的相同基準進行。

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;
- Level 3 valuations: Fair value measured using significant unobservable inputs.

35 財務風險管理及金融工具的公允價值（續）

(e) 公允價值計量

公允價值層級

下表列示於各報告期末按經常基準計量本集團金融工具的公允價值，並歸入香港財務報告準則第13號公允價值計量界定的三個公允價值層級。公允價值計量分類層級乃參考估值方法中所使用輸入數據的可觀察及重要性釐定如下：

- 第1級估值：僅採用第1級輸入數據（即相同資產或負債於計量日期在活躍市場上未經調整的報價）計量的公允價值；
- 第2級估值：採用第2級輸入數據（即不滿足第1級要求的可觀察輸入數據）及並無採用重大不可觀察輸入數據計量的公允價值。不可觀察輸入數據為無法獲得市場數據的輸入數據；
- 第3級估值：採用重大不可觀察輸入數據計量的公允價值。

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值(續)

(e) Fair value measurement (continued)

Fair value hierarchy (continued)

Analysis on fair value measurement of derivative financial instruments are as follows:

(e) 公允價值計量(續)

公允價值層級(續)

衍生金融工具的公允價值計量分析如下：

		Fair value at December 31, 2021 於2021年12月31日的公允價值	Fair value measurement at December 31, 2021 categorized into 於2021年12月31日的公允價值計量歸入		
		USD'000 千美元	Level 1 第1級	Level 2 第2級	Level 3 第3級
Recurring fair value measurement	**經常性公允價值計量**				
Financial assets at FVPL	**以公允價值計量且其變動計入當期損益的金融資產**				
– Insurance product	– 保險產品	6,011	–	–	6,011
– Convertible bond	– 可換股債券	38,031	38,031	–	–
Derivative financial instruments	**衍生金融工具**				
– Foreign currency forward contracts	– 外幣遠期合約	4,497	–	4,497	–
– Foreign currency option contracts	– 外幣期權合約	98	–	98	–
– Interest rate swap contract	– 利率掉期合約	(6)	–	(6)	–
Trade receivables	**貿易應收款項**	118,554	–	–	118,554

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值(續)

(e) Fair value measurement (continued)

(e) 公允價值計量(續)

Fair value hierarchy (continued)

公允價值層級(續)

		Fair value at December 31, 2020 於2020年12月31日的公允價值	Fair value measurement at December 31, 2020 categorized into 於2020年12月31日的公允價值計量歸入		
		USD'000 千美元	Level 1 第1級	Level 2 第2級	Level 3 第3級
Recurring fair value measurement	**經常性公允價值計量**				
Financial assets at FVPL	**以公允價值計量且其變動計入當期損益的金融資產**				
– Unlisted units in investment funds	– 投資基金中的未上市單位	5	–	–	5
– Insurance product	– 保險產品	5,844	–	–	5,844
– Structured deposits and wealth management products	– 結構性存款及理財產品	5,372	–	–	5,372
Derivative financial instruments	**衍生金融工具**				
– Foreign currency forward contracts	– 外幣遠期合約	5,505	–	5,505	–
– Foreign currency option contracts	– 外幣期權合約	33	–	33	–
Trade receivables	**貿易應收款項**	85,147	–	–	85,147

During the years ended December 31, 2020 and 2021, there were no transfers, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2020年及2021年12月31日止年度，並無轉入第3級或自第3級轉出。本集團的政策為於所發生的報告期末確認公允價值層級之間的轉移。

Valuation techniques and inputs used in Level 2 fair value measurements

第2級公允價值計量中使用的估值技術及輸入數據

The fair value of forward exchange contracts in Level 2 is determined by discounting the difference between the contractual forward price and the current forward price. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period plus an adequate constant credit spread.

第2級遠期外匯合約的公允價值乃通過折算合約遠期價格與目前遠期價格之間的差額釐定。所使用的貼現率乃根據報告期末的相關政府收益率曲線另加充足穩定的信用價差得出。

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值（續）

(e) Fair value measurement (continued)

Fair value hierarchy (continued)

Valuation techniques and inputs used in Level 2 fair value measurements (continued)

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to transfer the swap at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap counterparties.

(e) 公允價值計量（續）

公允價值層級（續）

第2級公允價值計量中使用的估值技術及輸入數據（續）

利率掉期的公允價值為本集團將於報告期末就轉讓掉期而收取或支付的估計金額，當中計及現行利率及掉期對手方目前的信譽。

Information about Level 3 fair value measurements

有關第3級公允價值計量的資料

	Valuation techniques **估值技術**	**Significant unobservable inputs** **重大不可觀察輸入數據**
Unlisted units in investment funds 投資基金中的未上市單位	Net asset value *(Note i)* 資產淨值*（附註i）*	Net asset value of underlying investments 相關投資的資產淨值
Insurance product 保險產品	Cash value *(Note ii)* 現金價值*（附註ii）*	Expected return rate 預期回報率
Structured deposits and wealth management products 結構性存款及理財產品	Discounted cash flow *(Note iii)* 貼現現金流量*（附註iii）*	Expected return rate 預期回報率
Trade receivables 貿易應收款項	Discounted cash flow *(Note iv)* 貼現現金流量*（附註iv）*	Expected return rate 預期回報率

Notes:

(i) The fair value of unlisted units in investment funds is determined referencing net asset value of underlying investments. The fair value measurement is positively correlated to net asset value of underlying investments. As at December 31, 2020 and 2021, it is estimated that with all other variables held constant, an increase/decrease in net asset value of underlying investments by 5% would have increased/decreased the Group's profit for the year by USD nil, and USD nil, respectively.

附註：

(i) 投資基金中的未上市單位公允價值參考相關投資的資產淨值釐定。公允價值計量與相關投資的資產淨值正相關。於2020年及2021年12月31日，估計在所有其他變量不變的情況下，相關投資的資產淨值增加／減少5%，本集團的年內利潤將分別增加／減少零美元及零美元。

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

Fair value hierarchy (continued)

Information about Level 3 fair value measurements (continued)

Notes:

(ii) The fair value of insurance product is the cash value that can be recovered from insurance company. The fair value measurement is positively correlated to expected return rate. As at December 31, 2021, it is estimated that with all other variables held constant, an increase/decrease in fair value of insurance product by 5% would have increased/decreased the Group's profit for the year by USD221,000 (2020: USD215,000).

(iii) The fair value of structured deposits and wealth management products is calculated by discounting the expected future cash flows. The fair value measurement is positively correlated to expected return rate. As at December 31, 2021, it is estimated that with all other variables held constant, an increase/decrease in fair value of structured deposits and wealth management products by 5% would have increased/decreased the Group's profit for the year by USD nil (2020: USD201,000).

(iv) The fair value of trade receivables is calculated by discounting the expected future cash flows. The fair value measurement is positively correlated to expected return rate. As at December 31, 2021, it is estimated that with all other variables held constant, an increase/decrease in fair value of trade receivables by 5% would have increased/decreased the Group's profit for the year by USD4,950,000 (2020: USD3,172,000).

35 財務風險管理及金融工具的公允價值（續）

(e) 公允價值計量（續）

公允價值層級（續）

有關第3級公允價值計量的資料（續）

附註：

(ii) 保險產品的公允價值為可以從保險公司收回的現金價值。公允價值計量與預期回報率正相關。於2021年12月31日，估計在所有其他變量不變的情況下，保險產品的公允價值增加／減少5%，本集團的年內利潤將增加／減少221,000美元（2020年：215,000美元）。

(iii) 結構性存款及理財產品的公允價值透過貼現預期未來現金流量計算得出。公允價值計量與預期回報率正相關。於2021年12月31日，估計在所有其他變量不變的情況下，結構性存款及理財產品的公允價值增加／減少5%，本集團的年內利潤將增加／減少零美元（2020年：201,000美元）。

(iv) 貿易應收款項的公允價值透過貼現預期未來現金流量計算得出。公允價值計量與預期回報率正相關。於2021年12月31日，估計在所有其他變量不變的情況下，貿易應收款項的公允價值增加／減少5%，本集團的年內利潤將增加／減少4,950,000美元（2020年：3,172,000美元）。

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值（續）

(e) Fair value measurement (continued)

Fair value hierarchy (continued)

Information about Level 3 fair value measurements (continued)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement for Financial assets at FVPL in Level 3 of the fair value hierarchy:

(e) 公允價值計量（續）

公允價值層級（續）

有關第3級公允價值計量的資料（續）

下表顯示公允價值層級第3級中以公允價值計量且其變動計入當期損益的金融資產的公允價值計量的期初結餘與期末結餘的重新對賬：

		Financial assets at FVPL 以公允價值計量且其變動計入當期損益的金融資產 USD'000 千美元
As at January 1, 2020	於2020年1月1日	20,851
Net realized and unrealized losses on financial assets at FVPL	以公允價值計量且其變動計入當期損益的金融資產的已變現及未變現虧損淨額	165
Purchases	購買	133,541
Sales and settlements	銷售及結算	(144,080)
Exchange difference	匯兑差額	744
As at December 31, 2020 and January 1, 2021	於2020年12月31日及2021年1月1日	**11,221**
Net realized and unrealized losses on financial assets at FVPL	以公允價值計量且其變動計入當期損益的金融資產的已變現及未變現虧損淨額	**544**
Purchases	購買	**244,139**
Sales and settlements	銷售及結算	**(250,567)**
Disposal of subsidiaries	出售附屬公司	**(474)**
Exchange difference	匯兑差額	**1,148**
As at December 31, 2021	於2021年12月31日	**6,011**

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

35 財務風險管理及金融工具的公允價值(續)

(e) Fair value measurement (continued)

Fair value hierarchy (continued)

Information about Level 3 fair value measurements (continued)

Trade receivables carried at FVOCI are not materially different from their values as at December 31, 2020 and 2021.

All financial instruments carried at cost or amortized cost are at amounts not materially different from their values as at December 31, 2020 and 2021.

(e) 公允價值計量(續)

公允價值層級(續)

有關第3級公允價值計量的資料(續)

於2020年及2021年12月31日，以公允價值計量且其變動計入其他全面收益的貿易應收款項與其自身價值並無重大差異。

於2020年及2021年12月31日，按成本或攤銷成本列賬的所有金融工具的金額與其自身價值並無重大差異。

36 CAPITAL COMMITMENTS

Capital commitments outstanding at the respective year end not provided for in the consolidated financial statements are as follows:

36 資本承擔

於各年末於綜合財務報表未計提撥備的未履行資本承擔如下：

		As at December 31, 於12月31日	
		2021	2020
		2021年	2020年
		USD'000	USD'000
		千美元	千美元
Contracted for	已訂約	**2,203**	47,326
Authorised but not contracted for	已獲授權但未訂約	**465,462**	2,153
		467,665	49,479
Represented by:	指：		
Construction of plant and buildings	建設廠房及樓宇	**461,211**	46,900
Acquisition of machinery and equipment	購置機器及設備	**6,454**	2,579
		467,665	49,479

37 CONTINGENT LIABILITIES

(a) Guarantee to Chervon Auto Precision Technology

The Group has issued guarantees in respect of loans made by certain financial institutions to the Chervon Auto Precision Technology in the reporting periods (see Note 38(c)).

37 或有負債

(a) 向泉峰汽車精密技術提供的擔保

於報告期間，本集團已就若干金融機構向泉峰汽車精密技術作出的貸款出具擔保(見附註38(c))。

(b) Guarantee to customers

(b) 向客戶提供的擔保

		2021 2021年		2020 2020年	
		Maximum guarantee amount 最高擔保金額 USD'000 千美元	Guarantee issued 已出具擔保 USD'000 千美元	Maximum guarantee amount 最高擔保金額 USD'000 千美元	Guarantee issued 已出具擔保 USD'000 千美元
Bank A	銀行A	8,626	2,113	8,429	1,137
Bank B	銀行B	1,412	33	1,379	790
		10,038	2,146	9,808	1,927

38 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

38 重大關聯方交易

(a) 關鍵管理人員薪酬

本集團關鍵管理人員薪酬(包括已付本公司董事的款項(有關披露見附註8)及已付若干最高薪僱員的款項(有關披露見附註9))如下：

		Year ended December 31, 截至12月31日止年度	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Short-term employee benefits	短期僱員福利	5,262	4,471
Contributions to defined contribution retirement plans	界定供款退休計劃供款	215	159
Equity settled share-based payment expenses	以權益結算以股份為基礎的付款開支	–	2,877
		5,477	7,507

Total remuneration is included in "staff costs" (see Note 6(b)).

薪酬總額計入「員工成本」(見附註6(b))。

38 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

38 重大關聯方交易(續)

(b) Names and relationships of the related parties that had other material transactions with the Group

(b) 與本集團有其他重大交易的關聯方的姓名／名稱及關係

Name of related party 關聯方姓名／名稱	Relationship 關係
Mr. Pan Longquan 潘龍泉先生	Ultimate controlling shareholder of the Group 本集團的最終控股股東
Ms. Zhang Tong 張彤女士	Director of the Group 本集團董事
Mr. Ke Zuqian 柯祖謙先生	Director of the Group 本集團董事
Mr. Xiao Jun 肖鈞先生	Director of the Group 本集團董事
Nanjing Jiangning Lianshang Investment Co., Ltd. 南京江寧聯商股權投資有限公司	Associate of the Group 本集團的聯營公司
Nanjing Chervon Auto Precision Technology Co., Ltd. 南京泉峰汽車精密技術股份有限公司	Associate of the Group 本集團的聯營公司
Nanjing Suquan Investment Co., Ltd. 南京蘇泉投資管理有限公司	Associate of the Group 本集團的聯營公司
Nanjing Yaoquan Investment Management Co., Ltd. 南京耀泉投資管理有限公司	Associate of the Group 本集團的聯營公司
Cheng and Cheng Corporate Services Limited 漢能秘書服務有限公司	Controlled by a director of the Group 由本集團的一名董事控制
Cheng and Cheng Taxation Service Limited 鄭鄭稅務有限公司	Controlled by a director of the Group 由本集團的一名董事控制
Chervon Global Holdings Limited Chervon Global Holdings Limited	Controlled by the ultimate controlling shareholder of the Group 由本集團的最終控股股東控制
Chervon (Nanjing) Management Services Co., Ltd. 泉峰(南京)管理服務有限公司	Controlled by the ultimate controlling shareholder of the Group 由本集團的最終控股股東控制

38 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

38 重大關聯方交易（續）

(c) Guarantees issued by related parties

(c) 關聯方出具的擔保

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Banking facilities granted to the Group with guarantees and pledges issued by related parties	授予本集團的銀行融資（關聯方出具的擔保及質押）	**–**	151,557

Pursuant to the agreements on August 18, 2021 and September 9, 2021 with banks, guarantees provided by Mr. Pan Longquan and Chervon Global Holdings Limited have been released.

根據於2021年8月18日及2021年9月9日與銀行訂立的協議，潘龍泉先生及Chervon Global Holdings Limited提供的擔保已解除。

Pursuant to the agreements on September 9, 2021 and November 23, 2021 with banks, pledged shares of Chervon Auto Precision Technology held by Chervon Precision Technology Holdings Limited have been released.

根據於2021年9月9日及2021年11月23日與銀行訂立的協議，泉峰精密技術控股有限公司所持有的泉峰汽車精密技術的質押股份已解除。

(d) Guarantees issued to related parties

(d) 向關聯方出具的擔保

		As at December 31, 於12月31日	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Guarantees issued to Nanjing Chervon Auto Precision Technology Co., Ltd.	向南京泉峰汽車精密技術股份有限公司出具的擔保	**–**	8,706

At December 31, 2020, guarantees were issued to Nanjing Chervon Auto Precision Technology Co., Ltd. for its bank facilities.

於2020年12月31日，就南京泉峰汽車精密技術股份有限公司的銀行融資向其出具了有關擔保。

All guarantees issued to Nanjing Chervon Auto Precision Technology Co., Ltd. were released in September 2021.

向南京泉峰汽車精密技術股份有限公司出具的所有擔保於2021年9月解除。

38 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

38 重大關聯方交易(續)

(e) Other significant related party transactions

(e) 其他重大關聯方交易

The Group had following transactions with related parties:

本集團與關聯方進行了以下交易：

		Year ended December 31, 截至12月31日止年度	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Purchase of goods and service	**購買貨品及服務**		
Cheng and Cheng Taxation Service Limited	鄭鄭稅務有限公司	11	9
Cheng and Cheng Corporate Services Limited	漢能秘書服務有限公司	32	6
		43	15
Lease payment from	**以下各方的租賃付款**		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	328	76
Nanjing Yaoquan Investment Management Co., Ltd.	南京耀泉投資管理有限公司	17	17
		345	93
Lease payment to	**付予以下各方的租賃付款**		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	–	114
Disposal of interest in subsidiaries and associates	**出售於附屬公司及聯營公司的權益**		
Chervon (Nanjing) Management Services Co., Ltd.	泉峰(南京)管理服務有限公司	33,665	–
Acquisition of non-controlling interests	**收購非控股權益**		
Pan Longquan	潘龍泉	14,236	–
Zhang Tong	張彤	8,514	–
Ke Zuqian	柯祖謙	5,676	–
		28,426	–
Acquisition of Convertible bond	**收購可換股債券**		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	18,300	–

38 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED) 38 重大關聯方交易（續）

(e) Other significant related party transactions (continued) (e) 其他重大關聯方交易（續）

		Year ended December 31, 截至12月31日止年度	
		2021 2021年 USD'000 千美元	2020 2020年 USD'000 千美元
Dividends received	**已收股息**		
Nanjing Jiangning Lianshang Investment Co., Ltd.	南京江寧聯商股權投資有限公司	–	3,162
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	540	1,005
		540	4,167
Payments made on behalf of related parties	**代表關聯方作出的付款**		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	1,631	1,169
Receivables made on behalf of a related party	**代表關聯方作出的應收款項**		
Nanjing Chervon Auto Precision Technology Co., Ltd	南京泉峰汽車精密技術股份有限公司	153	110
Advance to related parties	**墊款予關聯方**		
Chervon Global Holdings Limited	Chervon Global Holdings Limited	781	505
Pan Longquan	潘龍泉	–	472
Zhang Tong	張彤	–	257
		781	1,234
Repayment from related parties	**關聯方還款**		
Pan Longquan	潘龍泉	508	–
Zhang Tong	張彤	277	–
		785	–

38 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED) 38 重大關聯方交易(續)

(f) Significant related party balances (f) 重大關聯方結餘

The Group had following in nature balances with related parties:

本集團有以下性質的關聯方結餘：

		As at December 31, 於12月31日	
		2021 **2021年** **USD'000** **千美元**	2020 2020年 USD'000 千美元
Prepayments, deposits and other receivables (Non-trade) *(Note 22)*	**預付款項、保證金及其他應收款項(非貿易)*(附註22)***		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	**204**	–
Nanjing Yaoquan Investment Management Co., Ltd.	南京耀泉投資管理有限公司	**–**	9,475
Chervon Global Holdings Limited	Chervon Global Holdings Limited	**–**	9,502
Pan Longquan	潘龍泉	**–**	556
Zhang Tong	張彤	**–**	302
Xiao Jun	肖鈞	**–**	1,652
		204	21,487
Other payables and accruals (Non-trade) *(Note 27)*	**其他應付款項及應計費用(非貿易)*(附註27)***		
Pan Longquan	潘龍泉	**–**	3,980
Zhang Tong	張彤	**–**	2,094
Nanjing Suquan Investment Co., Ltd	南京蘇泉投資管理有限公司	**–**	2,042
Chervon Global Holdings Limited	Chervon Global Holdings Limited	**–**	135
		–	8,251
Guarantees issued to Nanjing Chervon Auto Precision Technology Co., Ltd.	**向南京泉峰汽車精密技術股份有限公司出具的擔保**	**–**	9,196

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

於年末或年內任何時間，本公司概無訂立與本集團業務有關而本公司董事於其中直接或間接擁有重大權益的重大交易、安排及合約。

39 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

39 公司層面的財務狀況表

			As at December 31, 於12月31日	
		Note 附註	**2021 2021年 USD'000 千美元**	2020 2020年 USD'000 千美元
Non-current assets	**非流動資產**			
Interests in subsidiaries	於附屬公司的權益		**248,192**	212,677
			248,192	212,677
Current assets	**流動資產**			
Prepayments, deposits and other receivables	預付款項、保證金及其他應收款項		**8,235**	18,704
Pledged deposits	已抵押存款		**403**	403
Cash and cash equivalents	現金及現金等價物		**393,025**	4
			401,663	19,111
Current liability	**流動負債**			
Other payables and accruals	其他應付款項及應計費用		**52,408**	884
			52,408	884
Net current assets	**流動資產淨值**		**349,255**	18,227
Total assets less current liabilities	**總資產減流動負債**		**597,447**	230,904
NET ASSETS	**資產淨值**		**597,447**	230,904
CAPITAL AND RESERVES	**資本及儲備**			
Share capital	股本	*34*	**444,621**	50,279
Reserves	儲備	*34*	**152,826**	180,625
TOTAL EQUITY	**權益總額**		**597,447**	230,904

Approved and authorised for issue by the board of directors on March 30, 2022.

於2022年3月30日獲董事會批准及授權刊發。

Pan Longquan
潘龍泉
Directors
董事

Zhang Tong
張彤
Directors
董事

40 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At December 31, 2021, the directors of the Company consider the immediate parent of the Group is Panmercy Holdings Limited, a company incorporated in Hong Kong, while as at December 31, 2020, the immediate parent of the Group is Chervon Global Holdings Limited, a company incorporated in BVI.

The ultimate controlling party of the Group is Mr. Pan Longquan, Chairman of the Group. Panmercy Holdings Limited and Chervon Global Holdings Limited do not produce financial statements available for public use.

40 直接及最終控股方

於2021年12月31日，本公司董事認為，本集團的直接母公司為德潤控股有限公司，該公司於香港註冊成立，而於2020年12月31日，本集團的直接母公司為Chervon Global Holdings Limited，該公司於維京群島註冊成立。

本集團的直接控股方為本集團董事長潘龍泉先生。德潤控股有限公司及Chervon Global Holdings Limited並無編製可供公眾使用的財務報表。

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR YEAR ENDED DECEMBER 31, 2021

Up to date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, Insurance Contracts, which are not yet effective for the year ended December 31, 2021 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

41 截至2021年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響

直至該等財務報表發佈日期，香港會計師公會發佈了多項修訂及一項新準則，即香港財務報告準則第17號保險合約，該等修訂及新準則於截至2021年12月31日止年度尚未生效且並無於該等財務報表中獲採納。其包括可能與本集團相關的以下各項。

	Effective for accounting periods beginning on or after **於以下日期開始或之後的會計期間生效**
Amendments to HKFRS 3, *Reference to the conceptual framework* 香港財務報告準則第3號之修訂，*提述概念性框架*	1 January 2022 2022年1月1日
Amendments to HKAS 16, *Property, plant and equipment: Proceeds before Intended Use* 香港會計準則第16號之修訂，*物業、廠房及設備：作擬定用途之前的所得款項*	1 January 2022 2022年1月1日
Amendments to HKAS 37, *Onerous contracts – cost of fulfilling a contract* 香港會計準則第37號之修訂，*虧損合約－履行合約的成本*	1 January 2022 2022年1月1日
Annual improvements to HKFRSs 2018-2020 cycle *香港財務報告準則2018年至2020年週期之年度改進*	1 January 2022 2022年1月1日
Amendments to HKAS 1, *Classification of liabilities as current or non-current* 香港會計準則第1號之修訂，*將負債分類為流動或非流動*	1 January 2023 2023年1月1日
Amendments to HKAS 1 and HKFRS Practice Statement 2, *Disclosure of accounting policies* 香港會計準則第1號及香港財務報告準則實務報告第2號之修訂，*披露會計政策*	1 January 2023 2023年1月1日
Amendments to HKAS 8, *Definition of accounting estimates* 香港會計準則第8號之修訂，*會計估計的定義*	1 January 2023 2023年1月1日
Amendments to HKAS 12, *Deferred tax related to assets and liabilities arising from a single transaction* 香港會計準則第12號之修訂，*與單一交易產生的資產及負債有關的遞延稅項*	1 January 2023 2023年1月1日
Amendments to HKFRS 10 and HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture* 香港財務報告準則第10號及香港會計準則第28號之修訂，*投資者與其聯營公司或合營企業之間的資產出售或注入*	No mandatory effective date yet determined 無尚未釐定的強制生效日期

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR YEAR ENDED DECEMBER 31, 2021 (CONTINUED)

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

41 截至2021年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響(續)

本集團現正在評估該等發展預期於初始應用期間的影響。至今，本集團認為採納該等修訂、準則及詮釋不大可能會對綜合財務報表造成重大影響。

42 SUBSEQUENT EVENTS

The following significant event took place subsequent to December 31, 2021:

(a) On January 21, 2022, the Company issued and allotted additional 10,787,400 shares at an offer price of HKD43.60 per share by way of public offering pursuant to the over-allotment option. Net proceeds from these issues amounted to HKD452,656,320 (USD58,032,862 equivalent) (after offsetting costs directly attributable to the issue of shares of HKD17,674,320 (USD2,265,938 equivalent), which were recorded in share capital).

(b) On January 28, 2022, Chervon (China) Investment Co., Ltd., a subsidiary of the Company, entered into a subscription agreement, conditionally agrees to subscribe for A shares of Chervon Auto Precision Technology through non-public offering with a total subscription amount up to RMB500,000,000.

42 期後事件

於2021年12月31日後發生以下重大事件：

(a) 於2022年1月21日，本公司根據超額配股權以公開發售的方式按發售價每股43.60港元發行及配發額外10,787,400股股份。該等發行的所得款項淨額為452,656,320港元(58,032,862美元等值)(經抵銷發行股份的直接應佔成本17,674,320港元(2,265,938美元等值)後)，並於股本中記錄。

(b) 於2022年1月28日，本公司的附屬公司泉峰(中國)投資有限公司訂立一份認購協議，有條件同意透過非公開發售認購泉峰汽車精密技術的A股，總認購淨額至多為人民幣500,000,000元。

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