

CHERVON 泉峰®

(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



2023 Interim Report
中期報告

泉峰控股有限公司
Chervon Holdings Limited



BETTER TOOLS, BETTER WORLD.
造好工具 助世界一臂之力



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COMPANY INTRODUCTION

公司介紹

OVERVIEW

Chervon Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**us**” or “**our**”) is 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.

OUR VISION

Better Tools. Better World.

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.

概覽

泉峰控股有限公司（「**本公司**」，連同其附屬公司，統稱「**本集團**」、「**我們**」或「**我們的**」）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。

我們的願景

造好工具，助世界一臂之力。

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

Independent Non-Executive Directors

Mr. Tian Ming
Dr. Li Minghui
Mr. Jiang Li

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. Mok Ming Wai (*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

獨立非執行董事

田明先生
李明輝博士
蔣立先生

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
莫明慧女士 (*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

CORPORATE INFORMATION

公司資料

LEGAL ADVISOR

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

REGISTERED OFFICE

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

HEADQUARTERS

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

SHARE REGISTRAR

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

PRINCIPAL BANKS

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

STOCK CODE

2285

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

COMPANY'S WEBSITE

<https://global.chervongroup.com>

LISTING DATE

December 30, 2021

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

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

總部

中國
南京市
江寧經濟技術
開發區
天元西路99號

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

股份過戶登記處

卓佳證券登記有限公司
香港
夏慤道16號
遠東金融中心17樓

主要往來銀行

香港上海滙豐銀行有限公司
交通銀行 – 南京江寧支行

股份代號

2285

上市地址

香港聯合交易所有限公司

公司網站

<https://global.chervongroup.com>

上市日期

2021年12月30日

FINANCIAL SUMMARY

財務概要

RESULTS

業績

		For the six months ended June 30, 截至6月30日止六個月		
		2023 2023年 US\$'000 千美元	2022 2022年 US\$'000 千美元	change 變動
Revenue	收入	738,545	1,002,021	(26.3)%
Gross profit	毛利	237,296	290,046	(18.2)%
Profit before tax	除稅前利潤	57,851	76,456	(24.3)%
Profit for the period	期內利潤	49,051	63,473	(22.7)%
Attributable to:	以下人士應佔：			
Equity shareholders of the Company	本公司權益股東	49,119	63,473	(22.6)%
Non-controlling interests	非控股權益	(68)	–	N/A 不適用
Earnings per share	每股盈利			
– Basic (cents)	– 基本(分)	0.10	0.13	(23.1)%
– Diluted (cents)	– 攤薄(分)	0.10	0.13	(23.1)%

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		At June 30, 2023 於2023年6月30日 US\$'000 千美元	At December 31, 2022 於2022年12月31日 US\$'000 千美元	Change 變動
Assets	資產			
Total assets	資產總值	1,804,179	1,862,504	(3.1)%
Equity and liabilities	權益及負債			
Total equity	權益總額	1,029,356	946,099	8.8%
Total liabilities	負債總額	774,823	916,405	(15.4)%
Total equity and liabilities	權益及負債總額	1,804,179	1,862,504	(3.1)%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW AND OUTLOOK

Business Review

During the six months ended June 30, 2023 (the “**Reporting Period**”), our revenue decreased by 26.3% from US\$1,002.0 million to US\$738.5 million, primarily due to more conservative inventory policies adopted by our key customers caused by macroeconomic uncertainties and unfavorable weather in key geographic regions. Our overall gross profit margin improved from 28.9% to 32.1%, primarily due to the depreciation in Renminbi, lower raw material costs and our own business structure improvement.

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

We continued to invest in developing new or upgrading existing products in-house to propel our future growth. During the Reporting Period, we introduced more than 90 new products in total, and lithium-ion battery powered products accounted for approximately 90% of the new products.

The market share of many product categories under the *EGO* brand continued to rise during the Reporting Period, demonstrating our ongoing efforts to improve product quality and end user experience. For example, we improved our *EGO* snow blower with ergonomic features, such as the heated handle and turning assistant, to further bolster its popularity and market share in North America. Meanwhile, for *Devon* products, we sold nearly 3.5 million battery packs to date, further expanding our competitive advantage, brand recognition and market share in the China power tool market. We successfully launched a new pocket drill for professional users under the *Devon* brand, which became a popular product with robust sales records. For do-it-yourself users, we introduced the twist head product under the *SKIL* brand, which is an electric straight handle screwdriver that offers high performance and flexibility for its users.

業務概覽及展望

業務概覽

於截至2023年6月30日止六個月（「**報告期**」），我們的收入由1,002.0百萬美元減少26.3%至738.5百萬美元，主要由於宏觀經濟的不確定性及主要地理區域的不利天氣，我們的主要客戶採取更為保守的庫存政策。我們的整體毛利率由28.9%提升至32.1%，主要由於人民幣貶值，原材料成本下降及我們自身的業務結構改善所致。

推出基於先進技術和終端用戶洞察的新品或升級產品

我們持續投資於內部開發新產品或升級現有產品，以推動我們的未來增長。於報告期內，我們共推出超過90款新產品，鋰離子電池供電產品約佔新產品的90%。

於報告期內，EGO品牌下多個產品類別的市場份額持續上升，體現了我們在提升產品質量及終端用戶體驗的持續努力。例如，我們改進了EGO吹雪機，增加了加熱手柄和轉向輔助等符合人體工學的功能，以進一步提高其在北美的受歡迎程度及市場份額。同時，累計至今我們已售出近3.5百萬個大有電池包，進一步擴大我們在中國電動工具市場的競爭優勢、品牌知名度及市場份額。我們成功推出了大有品牌的面向專業用戶的新型袖珍鑽，該產品已成為創銷售記錄的熱門產品。對於喜歡自己動手的用戶，我們推出了SKIL品牌的twist head產品，其為一款電動直柄螺絲刀，為用戶提供高性能及靈活性。

Furthermore, to improve our product development efficiency, we are also implementing the “integrated product development” (“IPD”) concept that helps manage the end-to-end process, from conceptualization and design, to testing and launch and to production and operational support.

Increasing end-user recognition for our brand portfolio

Leveraging our end-user insights, advanced technologies and global sales and distribution network, we continued to increase end-user recognition for our proprietary brands in their respective markets. During the Reporting Period, revenue from our OBM business accounted for 78.1% of our total revenue (six months ended June 30, 2022: 71.3%). Despite the more conservative inventory policies adopted by our key customers, end consumer purchases of our OBM products at points-of-sales (“POS”) grew solidly during the Reporting Period based on the results of our sales monitoring of key markets and customers, which demonstrated the popularity of our products.

Enhancing our multi-channel sales and distribution network

During the Reporting Period, we continued expanding our touchpoints for end-users by enhancing our global multi-channel sales and distribution network across key markets, including North America, Europe, Oceania and Asia.

We continued deepening our collaboration with leading home centers and mass market retailers, and strengthening our partnership with qualified distributors and local retailers to diversify our sales channels and promote brand recognition. We also expanded distributor channels globally for our EGO-branded products, which helped us increase the proportion of revenue from dealer channels and improve our overall sales and distribution network structure. For instance, we entered into a strategic agreement with Deere & Company (“John Deere”) during the Reporting Period to make our EGO-branded lithium battery products available at John Deere’s robust and extensive sales network in the United States and Canada starting from the third quarter of 2023.

Additionally, we further enhanced our online sales channels by collaborating with e-commerce platforms and operating our own e-stores. For example, our products sales on a leading e-commerce platform in the United States increased by over 20% during the Reporting Period.

此外，為提高產品開發效率，我們亦貫徹「集成產品開發」(「IPD」) 理念，旨在協助管理從概念化及設計至測試和發佈以及生產及運營支持的端到端流程。

提高終端用戶對我們品牌組合的認知度

我們利用終端用戶洞察、先進技術以及全球銷售和分銷網絡，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。於報告期內，我們OBM業務的收入佔我們總收入的78.1%（截至2022年6月30日止六個月：71.3%）。儘管我們的大客戶實行較為保守的庫存政策，根據我們對主要市場和客戶的銷售監控情況，報告期內終端消費者在銷售點(「POS」)對我們的自有品牌產品的購買量穩健增長，此亦表明我們產品的受歡迎程度。

加強我們的多渠道銷售和分銷網絡

於報告期內，我們通過加強我們全球多渠道銷售和分銷網絡，包括北美、歐洲、大洋洲和亞洲等主要市場，持續擴大我們與終端用戶的觸達。

我們持續深化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。我們的EGO品牌產品全球分銷商渠道亦獲得擴展，這有助於我們提高經銷商渠道收入的比例並改善我們的整體銷售及分銷網絡結構。例如，我們於報告期內與Deere & Company (「John Deere」) 訂立戰略協議，自2023年第三季度起，我們將在美國及加拿大的John Deere的強大而廣泛的銷售網絡銷售EGO品牌鋰電池產品。

此外，我們通過與電子商務平台合作和運營自有網店來進一步增強我們的在線銷售渠道。例如，於報告期內，我們在美國的一家領先電子商務平台上的產品銷售額增長超過20%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

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

During the Reporting Period, we continued to advance our manufacturing technologies and production management capabilities, including making long-term investments in our vertically integrated manufacturing system. Our *CHERVON Green Power Industrial Park Phase II* (泉峰新能源工業園二期), an industry-leading smart manufacturing plant, commenced operations during the Reporting Period, providing additional production capacity supported by advanced automation technologies. As a result, we are in the process of phasing out some of our leases of plants and properties. Meanwhile, in light of macroeconomic uncertainties, we adopted a prudent strategy and decided to adjust the development plan for our *CHERVON Smart Production Industrial Park* (泉峰智能製造產業園) to align with market trends and customer demands. See “Other Information – Use of Net Proceeds from Global Offering – Reasons for Change in the Use of Remaining Net Proceeds.”

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

於報告期內，我們持續推進製造技術和生產管理能力，包括對我們的一體化製造系統進行長期投資。我們的泉峰新能源工業園II期（行業領先的智能製造工廠）已於報告期內投產，其先進自動化技術為我們提供額外產能支持。因此，我們的外部租賃廠房正在陸續退租。同時，鑒於宏觀經濟環境的不確定性，我們採取了審慎的策略並調整泉峰智能製造產業園的發展計劃以配合市場趨勢及客戶需求。請參閱「其他資料－全球發售所得款項淨額用途－餘下所得款項淨額用途變動原因」。



Prospects

Despite facing short-term challenges from industry destocking, the Company remains confident about its prospects for growth and market outperformance in the years to come. As the macroeconomic situation improves, the resilience of our long-term strategy will come to the forefront, demonstrating the Company's adaptability and strength. Crucial to this success is our dedicated and capable team, who diligently executes our strategic vision. Therefore, while acknowledging the temporary obstacles, we are steadfast in our belief that the Company is well-positioned to thrive in the long run, reinforcing our commitment to delivering exceptional value to stakeholders.

FINANCIAL REVIEW

Financial Results

Revenue

The Group's revenue decreased by 26.3% from US\$1,002.0 million for the six months ended June 30, 2022 to US\$738.5 million for the six months ended June 30, 2023, primarily due to more conservative inventory policies adopted by our key customers caused by macroeconomic uncertainties and unfavorable weather in key geographic regions.

Revenue by product category

Revenue from the sales of OPE products decreased by 25.3% from US\$595.9 million for the six months ended June 30, 2022 to US\$445.2 million for the six months ended June 30, 2023, primarily driven by industry destocking cycle, more conservative inventory policies adopted by our customers, as well as the negative impact of unfavorable weather in the spring of 2023 across North America on consumer demand for OPE tools.

Revenue from the sales of power tools decreased by 28.6% from US\$401.2 million for the six months ended June 30, 2022 to US\$286.3 million for the six months ended June 30, 2023, primarily due to unfavorable macroeconomic factors that in turn led to slowdown in housing demand and industry destocking cycle.

Revenue by geographic location

Revenue from North America decreased by 30.3% to US\$485.3 million. Revenue from China decreased by 17.0% to US\$54.2 million, and decreased by 10.3% in local currency. Revenue from Europe decreased by 12.1% to US\$174.9 million, and decreased by 9.4% in local currency. Revenue from the rest of the world also decreased by 41.9% to US\$24.1 million.

前景

儘管面臨來自行業去庫存的短期挑戰，本公司仍對未來的增長和市場表現充滿信心。隨著宏觀形勢轉好，我們的長期戰略韌性將凸顯出來，展現本公司的適應力和實力。這種成功的關鍵在於我們敬業的、有能力的團隊，他們勤勉地實施我們的戰略願景。因此，儘管面對暫時的障礙，我們堅信本公司在長遠來看具有良好的競爭地位，將進一步鞏固我們向利益相關方提供卓越價值的承諾。

財務回顧

財務業績

收入

本集團的收入由截至2022年6月30日止六個月的1,002.0百萬美元減少26.3%至截至2023年6月30日止六個月的738.5百萬美元，主要由於宏觀經濟的不確定性及主要地理區域的不利天氣導致我們的主要客戶採取更為保守的庫存政策所致。

按產品類別劃分的收入

OPE產品的銷售收入由截至2022年6月30日止六個月的595.9百萬美元減少25.3%至截至2023年6月30日止六個月的445.2百萬美元，主要由於行業去庫存、客戶採取較為保守的庫存政策，以及2023年春季北美各地的不利天氣對OPE工具需求帶來負面影響所致。

電動工具的銷售收入由截至2022年6月30日止六個月的401.2百萬美元減少28.6%至截至2023年6月30日止六個月的286.3百萬美元，主要由於宏觀經濟不利因素導致房地產市場疲軟及行業進入去庫存週期所致。

按地理位置劃分的收入

我們來自北美的收入減少30.3%至485.3百萬美元。我們來自中國的收入減少17.0%至54.2百萬美元，按當地貨幣計算減少10.3%。我們來自歐洲的收入減少12.1%至174.9百萬美元，按當地貨幣計算減少9.4%。我們來自世界其他地區的收入減少41.9%至24.1百萬美元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Gross Profit and Gross Profit Margin

Our gross profit decreased by 18.2% from US\$290.0 million for the six months ended June 30, 2022 to US\$237.3 million for the six months ended June 30, 2023. During the same periods, our overall gross profit margin increased from 28.9% to 32.1%, primarily due to depreciation in Renminbi, lower raw material costs and our own business structure improvement.

Other Revenue

Our other revenue, which primarily consisted of government grants, sale of scrap materials and rental income, amounted to US\$2.7 million in the six months ended June 30, 2023, as compared to US\$1.7 million in the six months ended June 30, 2022.

Other Net Loss or Gain

We had other net loss of US\$4.7 million for the six months ended June 30, 2023, as compared to other net loss of US\$32.3 million for the same period in 2022. Our other net loss for the six months ended June 30, 2023 was primarily attributable to a net realized and unrealized loss on derivative financial instruments of US\$12.3 million, which was mainly related to our foreign currency forward contracts, partially offset by net foreign exchange gains of US\$7.2 million.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 7.3% from US\$101.4 million for the six months ended June 30, 2022 to US\$94.0 million for the six months ended June 30, 2023, primarily due to the decrease in our sales.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased by 0.7% from US\$40.0 million for the six months ended June 30, 2022 to US\$40.3 million for the six months ended June 30, 2023, primarily due to the Company's continued investments in digital and management transformation.

毛利及毛利率

我們的毛利由截至2022年6月30日止六個月的290.0百萬美元減少18.2%至截至2023年6月30日止六個月的237.3百萬美元。同期，我們的整體毛利率由28.9%增長至32.1%，主要由於人民幣貶值、原材料成本下降及我們自身的業務結構改善所致。

其他收入

截至2023年6月30日止六個月，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2.7百萬美元，而截至2022年6月30日止六個月，則為1.7百萬美元。

其他虧損或收益淨額

截至2023年6月30日止六個月，我們的其他虧損淨額為4.7百萬美元，而2022年同期的其他虧損淨額為32.3百萬美元。我們截至2023年6月30日止六個月的其他虧損淨額主要是由於衍生金融工具已變現及未變現虧損淨額為12.3百萬美元，該虧損主要與我們的外匯遠期合約有關，部分被匯兌收益淨額7.2百萬美元所抵銷。

銷售及分銷開支

我們的銷售及分銷開支由截至2022年6月30日止六個月的101.4百萬美元減少7.3%至截至2023年6月30日止六個月的94.0百萬美元，主要由於我們的銷售減少所致。

行政及其他經營開支

我們的行政及其他經營開支由截至2022年6月30日止六個月的40.0百萬美元增長0.7%至截至2023年6月30日止六個月的40.3百萬美元，主要由於本公司持續投資於數字化及管理轉型。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Research and Development Costs

Our research and development costs increased by 6.6% from US\$31.4 million for the six months ended June 30, 2022 to US\$33.5 million for the six months ended June 30, 2023, primarily due to the Company's continued investments in research and product development.

Net Finance Costs

Our net finance costs decreased by 84.1% from US\$9.5 million for the six months ended June 30, 2022 to US\$1.5 million for the six months ended June 30, 2023, primarily due to an improvement of our loan structure.

Profit Before Tax

As a result of the foregoing, our profit before income tax for the six months ended June 30, 2023 amounted to US\$57.9 million, representing a decrease of 24.3% as compared to US\$76.5 million for the same period in 2022.

Income Tax Expense

Our income tax expense was US\$8.8 million for the six months ended June 30, 2023, representing a decrease of 32.2% from US\$13.0 million for the same period in 2022. Our effective tax rate was 15.2% for the six months ended June 30, 2023, as compared to 17.0% for the same period in 2022, primarily due to (i) the status of Nanjing Chervon Industry Co., Ltd (南京泉峰科技有限公司) as a High and New Technology Enterprise (國家高新技術企業), which is entitled to an enterprise income tax rate of 15% and (ii) additional tax benefits afforded under favorable government policies that encourage research and development activities.

Profit For The Period

As a result of the foregoing, our profit for the period decreased by 22.7% from US\$63.5 million for the six months ended June 30, 2022 to US\$49.1 million for the six months ended June 30, 2023. Our net profit margin improved from 6.3% to 6.6% during the respective periods.

研發成本

我們的研發成本由截至2022年6月30日止六個月的31.4百萬美元增長6.6%至截至2023年6月30日止六個月的33.5百萬美元，主要由於本公司持續投資於研究及產品開發。

財務成本淨額

我們的財務成本淨額由截至2022年6月30日止六個月的9.5百萬美元減少84.1%至截至2023年6月30日止六個月的1.5百萬美元，主要由於我們的貸款結構有所改善。

除稅前利潤

由於上述原因，我們截至2023年6月30日止六個月的除稅前利潤為57.9百萬美元，較2022年同期的76.5百萬美元減少24.3%。

所得稅開支

截至2023年6月30日止六個月的所得稅開支為8.8百萬美元，較2022年同期的13.0百萬美元下降32.2%。截至2023年6月30日止六個月的實際稅率為15.2%，而2022年同期為17.0%，主要由於(i)南京泉峰科技有限公司作為國家高新技術企業，其可享受15%的企業所得稅稅率及(ii)政府鼓勵研發活動的優惠政策下提供的額外稅務優惠。

期內利潤

由於上述原因，我們的期內利潤由截至2022年6月30日止六個月的63.5百萬美元下降22.7%至截至2023年6月30日止六個月的49.1百萬美元。於各期間，我們的淨利率由6.3%增長至6.6%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

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 period by excluding net unrealized gains on convertible bonds, net of income tax effects.

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 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.

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。我們從期內溢利中扣除可換股債券的未變現收益淨額（扣除所得稅影響）。

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。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

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

下表載列所呈列期內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（即期內溢利）的對賬：

		Six months ended June 30, 截至6月30日止六個月	
		2023 2023年 US\$'000 千美元	2022 2022年 US\$'000 千美元
Profit for the period	期內利潤	49,051	63,473
Add:	加：		
Net realized and unrealized loss on convertible bonds ⁽¹⁾	可換股債券的已變現及未變現虧損淨額 ⁽¹⁾	496	10,108
Adjusted Net Profit	經調整淨利潤	49,547	73,581

附註：

Notes:

- (1) Represents the net realized and unrealized losses on our investment, net of income tax effects, 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").

- (1) 指我們於南京泉峰汽車精密技術股份有限公司（「泉峰汽車精密技術」）發行的可換股債券的投資的已變現及未變現虧損淨額（扣除所得稅影響）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Liquidity and Financial Resources

Financial Position

The Group continued to maintain a strong financial position. As of June 30, 2023, the Group had US\$396.3 million in cash and cash equivalents (December 31, 2022: US\$466.7 million), including approximately HK\$1,930.5 million (equivalent to US\$247.5 million) in remaining net proceeds from our initial public offering. 46.5%, 46.9%, 3.5% and 3.1% of our cash and cash equivalents as of June 30, 2023 were denominated in Renminbi ("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 June 30, 2023, the Group had bank loans of US\$255.2 million (December 31, 2022: US\$329.5 million), which were primarily denominated in RMB, and lease liabilities of US\$15.6 million (December 31, 2022: US\$22.0 million). As of the same date, fixed-rate and floating-rate loans account for 61.0% and 39.0%, respectively, of the Group's total bank loans.

As of June 30, 2023, short-term bank loans and current portion of long-term bank loans collectively accounted for 81.5% of the total bank loans (December 31, 2022: 58.5%).

The Group's gearing ratio (which equals total debt (including bank loans and lease liabilities) divided by total equity) decreased from 0.4 as of December 31, 2022 to 0.3 as of June 30, 2023.

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2023年6月30日，本集團擁有396.3百萬美元現金及現金等價物（截至2022年12月31日：466.7百萬美元），其中包括首次公開發售餘下所得款項淨額約1,930.5百萬港元（相當於247.5百萬美元）。截至2023年6月30日，現金及現金等價物的46.5%、46.9%、3.5%及3.1%分別以人民幣（「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2023年6月30日，本集團的銀行貸款為255.2百萬美元（截至2022年12月31日：329.5百萬美元），主要以人民幣計值，租賃負債為15.6百萬美元（截至2022年12月31日：22.0百萬美元）。截至同日，定息及浮息貸款分別佔本集團銀行貸款總額的61.0%及39.0%。

截至2023年6月30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81.5%（截至2022年12月31日：58.5%）。

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2022年12月31日的0.4降至截至2023年6月30日的0.3。

Working Capital

The Group's inventories amounted to US\$565.2 million as of June 30, 2023 as compared to US\$600.0 million as of December 31, 2022. Our inventory turnover days were at 209 days for the six months ended June 30, 2023, as compared to 152 days for the six months ended June 30, 2022, primarily due to more conservative customer inventory policies that resulted in certain order suspensions or cancellations.

The Group's trade and bills receivables turnover days were 63 days for the six months ended June 30, 2023, as compared to 52 days for the same period in 2022, primarily due to our management decision to reduce customer supply chain financing to mitigate the impact of the increase in U.S. dollar-denominated interest rate.

The Group's trade and bills payables turnover days were 92 days for the six months ended June 30, 2023, as compared to 109 days for the same period in 2022, which are in line with our payment terms.

Capital Expenditures

Our capital expenditures for the six months ended June 30, 2023 amounted to US\$46.4 million (six months ended June 30, 2022: US\$73.1 million), primarily due to the expansion of our production capacity.

Capital Commitments

As of June 30, 2023, 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\$292.3 million (December 31, 2022: US\$428.2 million). Such decrease was primarily due to the completion of our *CHERVON Green Power Industrial Park Phase II*.

營運資金

截至2023年6月30日，本集團的存貨為565.2百萬美元，而截至2022年12月31日則為600.0百萬美元。於截至2023年6月30日止六個月，我們的存貨周轉天數為209天，而截至2022年6月30日止六個月則為152天，主要由於客戶採取了較為保守的庫存政策導致若干訂單暫停或取消所致。

於截至2023年6月30日止六個月，本集團的貿易應收款項及應收票據周轉天數為63天，而2022年同期則為52天，主要由於為減輕以美元計值的利率上升的影響，我們的管理層決定減少客戶供應鏈融資所致。

於截至2023年6月30日止六個月，本集團的貿易應付款項及應付票據周轉天數為92天，而2022年同期則為109天，這符合我們的付款條款。

資本開支

於截至2023年6月30日止六個月，我們的資本開支為46.4百萬美元（截至2022年6月30日止六個月：73.1百萬美元），主要由於我們提升產能的投資所致。

資本承擔

截至2023年6月30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292.3百萬美元（2022年12月31日：428.2百萬美元），該減少主要由於我們的泉峰新能源工業園II期竣工所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

資產抵押

Pledge of Assets

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

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 June 30, 2023 於2023年 6月30日 US\$'000 千美元	As of December 31, 2022 於2022年 12月31日 US\$'000 千美元
Plant and buildings	廠房及樓宇	32,177	48,145
Leasehold land	租賃土地	21,687	22,779
Intangible assets	無形資產	—	1,162
Inventories	存貨	6,375	177,596
Trade and bills receivables	貿易應收款項及應收票據	1,381	78,862
Pledged deposits	已抵押存款	16,055	31,340
Other assets	其他資產	—	7,923
Total	總計	77,675	367,807

As of June 30, 2023, the Group had pledged deposits of US\$19.9 million (December 31, 2022: US\$36.5 million), which will be released upon the settlement of letters of credit and bills payable and by the Group or the expiry of relevant banking facilities.

截至2023年6月30日，本集團的已質押存款為19.9百萬元（截至2022年12月31日：36.5百萬元），該款項將在結算信用證及應付票據後由本集團或相關銀行融資到期時獲解除。

Contingent Liabilities

During the Reporting Period, the Group issued guarantees to financial institutions in the People's Republic of China ("PRC") for certain indebtedness of our independent third-party customers, who are typically qualified distributors of ours in the PRC. As of June 30, 2023, the maximum guarantee amount was US\$21.5 million (December 31, 2022: US\$7.9 million) and the guarantee issued was US\$8.3 million (December 31, 2022: US\$1.3 million).

或有負債

於報告期內，本集團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2023年6月30日，最高擔保金額為21.5百萬元（2022年12月31日：7.9百萬元），已出具擔保為8.3百萬元（2022年12月31日：1.3百萬元）。

Significant Investments Held

Details of the Group's significant investments with a carrying amount of 5% or more of the Company's total assets as of June 30, 2023 are set forth in the table below.

持有重大投資

下表載列本集團截至2023年6月30日的賬面值佔本公司總資產5%或以上的重大投資詳情。

Investment	Investment cost as of June 30, 2023	Carrying amount as of June 30, 2023	Carrying amount as percentage of total assets as of June 30, 2023	Fair value as of June 30, 2023	Fair value as percentage of total assets as of June 30, 2023	Performance (share of loss of associate/net unrealized loss) for the six months ended June 30, 2023	Total amount received for the six months ended June 30, 2023
						截至2023年6月30日止六個月表現(應佔聯營公司虧損/未變現虧損淨額)	
						截至2023年6月30日止六個月表現(應佔聯營公司虧損/未變現虧損淨額)	
						截至2023年6月30日止六個月表現(應佔聯營公司虧損/未變現虧損淨額)	
	截至2023年6月30日之投資成本	截至2023年6月30日之賬面值	截至2023年6月30日之賬面值佔總資產百分比	截至2023年6月30日之公允價值	截至2023年6月30日之公允價值佔總資產百分比	六個月表現(應佔聯營公司虧損/未變現虧損淨額)	截至2023年6月30日止六個月獲得的股息總額
	US\$'000 千美元	US\$'000 千美元	%	US\$'000 千美元	%	US\$'000 千美元	US\$'000 千美元
Equity interest in Chervon Auto Precision Technology	78,797	95,612	5.3	148,391	8.2	8,224	360

As of June 30, 2023, the Company, through Chervon (China) Investment Co., Ltd. (泉峰(中國)投資有限公司) ("Chervon (China) Investment"), holds 64,671,068 shares, representing approximately 24.5% equity interest, of Chervon Auto Precision Technology. Chervon Auto Precision Technology is principally engaged in the production, sales and research and development of automotive power systems and relevant components. Chervon Auto Precision Technology was established in the PRC with limited liability on March 19, 2012 and its shares are listed on the Shanghai Stock Exchange (stock code: 603982.SH).

截至2023年6月30日，本公司通過泉峰(中國)投資有限公司(「泉峰(中國)投資」)持有泉峰汽車精密技術64,671,068股股份，約佔24.5%股權。泉峰汽車精密技術主要從事汽車動力系統及相關零部件的生產、銷售及研發。泉峰汽車精密技術於2012年3月19日在中國成立為有限公司，且其股份於上海證券交易所上市(股票代碼：603982.SH)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As of June 30, 2023, the investment cost in connection with our equity interest in Chervon Auto Precision Technology amounted to US\$78.8 million (December 31, 2022: US\$81.8 million). As of the same date, the fair value of such equity interest amounted to US\$148.4 million (December 31, 2022: US\$188.3 million), which accounted for 8.2% of our total assets as of June 30, 2023 (December 31, 2022: 10.1%). During the Reporting Period, we had a share of loss of an associate of US\$8.2 million, as compared to a share of loss of an associate of US\$0.7 million in the six months ended June 30, 2022, in connection with our equity interest in Chervon Auto Precision Technology. During the same period, the dividends we received from Chervon Auto Precision Technology in connection with our equity interest amounted to US\$0.4 million (six months ended June 30, 2022: nil).

In June 2023, we disposed our interest in the convertible bonds issued by Chervon Auto Precision Technology for a total consideration of US\$18.6 million and recorded net profits of US\$2.2 million on such investment.

We will continue to monitor our investments in Chervon Auto Precision Technology and explore opportunities to monetize such investments if appropriate market opportunities arise.

Except as disclosed above, during the Reporting Period, the Group did not hold any significant investments (including any investment in an investee company with a carrying amount of 5% or more of the Company's total assets as of June 30, 2023).

截至2023年6月30日，與本公司在泉峰汽車精密技術的股權相關的投資成本為78.8百萬美元（2022年12月31日：81.8百萬美元）。截至同日，該股權的公允價值為148.4百萬美元（2022年12月31日：188.3百萬美元），佔我們截至2023年6月30日總資產的8.2%（2022年12月31日：10.1%）。於報告期內，與截至2022年6月30日止六個月本公司在泉峰汽車精密技術的股權相關的應佔聯營公司虧損為0.7百萬美元相比，本公司應佔聯營公司虧損為8.2百萬美元。同期，我們從泉峰汽車精密技術獲得與我們的股權相關的股息為0.4百萬美元（截至2022年6月30日止六個月：零）。

於2023年6月，我們以總代價為18.6百萬美元出售泉峰汽車精密技術發行的可轉債的權益，並就該投資錄得淨利潤2.2百萬美元。

我們將繼續監控我們對泉峰汽車精密技術的投資，並在出現適當的市場機會時探索將該等投資變現的機會。

除上文所披露者外，於報告期內，本集團並無持有任何重大投資（包括對截至2023年6月30日賬面值佔本公司總資產5%或以上的被投資公司的任何投資）。

Material Acquisitions, Disposals of Subsidiaries and Associates

During the Reporting Period, the Group did not have material acquisitions or disposals of subsidiaries or associates.

Future Plans for Major Investments and Capital Assets

During the Reporting Period, save for the expansion plans as disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated December 17, 2021 (the “**Prospectus**”), the Group has no specific plans for major investment or acquisition for major capital assets or other businesses.

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 cost 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 risk arising from the export of products and sales outside the country of manufacturing.

The Group enters into foreign exchange forward contracts with financial institutions to mitigate exposure 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 gains for the six months ended June 30, 2023 amounted to US\$7.2 million, compared to the net foreign exchange loss of US\$9.9 million for the same period in 2022. Our net realized and unrealized loss on derivative financial instruments (which primarily include foreign exchange forward contracts) for the six months ended June 30, 2023 was US\$12.3 million, compared to realized and unrealized loss of US\$9.7 million for the same period in 2022.

重大收購、出售附屬公司及聯營公司

於報告期內，本集團並無重大收購或出售附屬公司或聯營公司。

重大投資及資本資產的未來計劃

於報告期內，除本公司日期為2021年12月17日的招股章程（「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。

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。本集團的主要風險敞口為美元、歐元及人民幣。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。

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。於截至2023年6月30日止六個月，我們的匯兌收益淨額為7.2百萬美元，而2022年同期的匯兌虧損淨額為9.9百萬美元。於截至2023年6月30日止六個月，我們的衍生金融工具的已變現及未變現虧損淨額（主要包括外匯遠期合約）為12.3百萬美元，而2022年同期的已變現及未變現虧損則為9.7百萬美元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

MAJOR CUSTOMERS AND SUPPLIERS

For the six months ended June 30, 2023, the Group's largest customer and five largest customers accounted for approximately 32.0% and 59.0% (six months ended June 30, 2022: 41.1% and 63.6%) respectively of the Group's total revenue; and the Group's largest supplier and five largest suppliers accounted for approximately 20.0% and 34.9% respectively for the Group's total purchases (six months ended June 30, 2022: 8.8% and 25.5%).

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.

HUMAN RESOURCES

The number of employees of the Group was 6,522 as of June 30, 2023 (7,119 as of June 30, 2022). The total staff costs for the Reporting Period decreased to US\$107.5 million as compared to US\$111.6 million for the six months ended June 30, 2022, primarily due to natural attrition as a result of lower customer order volume. 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.

As of June 30, 2023, the male-to-female ratio of the Groups' employees is approximately 1.5 to 1 (December 31, 2022: 1.55:1). The ratio is primarily driven by the nature of our business as we employ a higher portion of male engineers and front-line workers. While we consider such ratio to be in line with industry norms, we are firmly committed to offering equal employment opportunities to all qualified candidates based on merits and will seek to achieve relative balance between male and female employees going forward.

主要客戶及供應商

截至2023年6月30日止六個月，本集團的最大客戶及五大客戶分別約佔本集團總收入的32.0%及59.0%（截至2022年6月30日止六個月：41.1%及63.6%）；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20.0%及34.9%（截至2022年6月30日止六個月：8.8%及25.5%）。

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。

人力資源

截至2023年6月30日，本集團僱員數目為6,522人（截至2022年6月30日：7,119人）。與截至2022年6月30日止六個月的111.6百萬美元相比，報告期內的僱員成本總額減少至107.5百萬美元，主要由於客戶訂單量減少導致的自然影響。於報告期內，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。

截至2023年6月30日，本集團僱員的男女比例約為1.5比1（2022年12月31日：1.55比1）。這一比例主要是由我們業務的性質決定的，因為我們僱傭了更高比例的男性工程師及一線工人。雖然我們認為這一比例符合行業規範，但我們堅定地致力於根據用人以才的標準為所有合格的候選人提供平等的就業機會，並將尋求在未來實現男女員工之間的相對平衡。

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

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

As at June 30, 2023, the interests of each Director ("Director") of the board ("Board") or chief executive of the Company in the shares, underlying shares (collectively, the "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") (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which were taken or deemed to have under such provisions of the SFO), (ii) which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are as follows:

董事及主要行政人員於股份、相關股份及債券之權益

於2023年6月30日，本公司董事會（「董事會」）各董事（「董事」）或本公司最高行政人員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（統稱「股份」）或債權證中擁有(i)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香港聯合交易所有限公司（「聯交所」）的權益（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），(ii)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(iii)根據聯交所證券上市規則（「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」）須知會本公司及聯交所的權益如下：

(i) Interest in our Company

(i) 於本公司的權益

Name of Director	董事姓名	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 Longquan ("Mr. Pan") ⁽³⁾	潘龍泉先生 (「潘先生」) ⁽³⁾	Interest in controlled corporation 受控法團權益	260,226,344 (L)	50.92%
Ms. Zhang Tong ("Ms. Zhang") ⁽⁴⁾	張彤女士 (「張女士」) ⁽⁴⁾	Interest in controlled corporation 受控法團權益	98,835,550 (L)	19.34%
Mr. Ke Zuqian ("Mr. Ke") ⁽⁵⁾	柯祖謙先生 (「柯先生」) ⁽⁵⁾	Interest in controlled corporation 受控法團權益	27,118,822 (L)	5.31%
Mr. Michael John Clancy ("Mr. Clancy") ⁽⁶⁾	Michael John Clancy先生 (「Clancy先生」) ⁽⁶⁾	Interest in controlled corporation 受控法團權益	480,100 (L)	0.09%

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

Notes:

附註：

- | | |
|--|--|
| (1) The letter "L" denotes the persons' long position in the Shares. | (1) 字母「L」表示該等人士於股份中的好倉。 |
| (2) As at June 30, 2023, the total number of issued Shares was 511,053,811. | (2) 於2023年6月30日，已發行股份總數為511,053,811股股份。 |
| (3) These shares are held by Panmercy Holdings Limited (" Panmercy "), which is wholly owned by Mr. Pan, who is also a director of Panmercy. | (3) 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。 |
| (4) 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) 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。 |
| (5) These shares are held by Klamm Limited (" Klamm "), which is wholly owned by Mr. Ke, who is also a director of Klamm. | (5) 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。 |
| (6) Mr. Clancy is interested in the 480,100 Shares which are held by NP Kun Investment Limited, which is owned by Mr. Clancy with 46% interests. Mr. Clancy is deemed to be interested in these Shares for the purposes of the SFO. | (6) Clancy先生於480,100股股份中擁有權益，該等股份由Clancy先生擁有46%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。 |

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

(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 Jiuhaio Electromechanical Industry Co., Ltd.* (南京玖浩機電實業有限公司) (“Jiuhaio 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 (“Chervon Precision Technology”) 泉峰精密技術控股有限公司(「泉峰精密技術」)	100.00%
			Chervon (China) Investment 泉峰(中國)投資	100.00%
			Chervon Auto Precision Technology 泉峰汽車精密技術	51.80% ⁽¹⁾
			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 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%

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

Name of director	董事名稱	Nature of interest	Name of the associated corporation/subsidiary	Approximate percentage of shareholding interest
		權益性質	相聯法團／附屬公司名稱	股權概約百分比
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 Electromechanical 玖浩機電	100.00%
			Chervon Precision Technology 泉峰精密技術	100.00%
			Chervon China Investment 泉峰(中國)投資	100.00%
			Chervon Auto Precision Technology 泉峰汽車精密技術	51.80% ⁽¹⁾
			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%

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企業管治及其他資料

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	100.00%
			Chervon China Investment 泉峰(中國)投資	100.00%
			Chervon Auto Precision Technology 泉峰汽車精密技術	51.80% ⁽¹⁾
			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%

* For identification purposes only

* 僅供識別

Note:

附註：

(1) 51.80% interest in Chervon Auto Precision Technology is represented by 27.29% personal interest indirectly held by Mr. Pan, Ms. Zhang and Mr. Ke in Chervon Auto Precision Technology and 24.51% interest held through the Company.

(1) 於泉峰汽車精密技術的51.80%權益指潘先生、張女士及柯先生於泉峰汽車精密技術間接持有的27.29%個人權益及透過本公司持有的24.51%權益。

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Save as disclosed above, as of the date of this report, none of the Directors and chief executives of the Company had or were deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company under Divisions 7 and 8 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露外，截至本報告日期，概無董事及本公司最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有或被視為擁有根據證券及期貨條例第XV部第7及8分部須知會本公司的任何權益或淡倉，或根據證券及期貨條例第352條須記入本公司須存置的登記冊的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

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

As at June 30, 2023, to the best knowledge of the Directors, the following persons (other than the Directors or the chief executive of the Company) have interests 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:

主要股東及其他人士於股份及相關股份的權益

於2023年6月30日，就董事所盡知，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：

Name of shareholder	股東名稱	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of interest ⁽¹⁾ 權益概約百分比 ⁽¹⁾
Panmercy ⁽²⁾	德潤 ⁽²⁾	Beneficial owner 實益擁有人	260,226,344(L)	50.92%
Green Hope ⁽³⁾	翠鴻 ⁽³⁾	Beneficial owner 實益擁有人	97,637,750(L)	19.11%
Klamm ⁽⁴⁾	宗谷 ⁽⁴⁾	Beneficial owner 實益擁有人	27,118,822(L)	5.31%
FMR LLC ⁽⁵⁾	FMR LLC ⁽⁵⁾	Interest in controlled corporation 受控法團權益	41,017,937(L)	8.03%
FIDELITY INVESTMENT TRUST	FIDELITY INVESTMENT TRUST	Beneficial owner 實益擁有人	26,721,281(L)	5.23%

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Notes:

- (1) As at June 30, 2023, the total number of issued Shares was 511,053,811.
- (2) Panmercy is wholly owned by Mr. Pan, who is also a director of Panmercy.
- (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) Klamm is wholly owned by Mr. Ke, who is also a director of Klamm.
- (5) FMR LLC holds the Shares through its direct and indirect subsidiaries, including Fidelity Management Trust Company, Fidelity Management & Research Company LLC, FIAM Holdings LLC, FMR Investment Management (UK) Limited, Fidelity Management & Research (Japan) Limited, Fidelity Management & Research (Hong Kong) Limited, FIAM Holdings LLC, Fidelity Institutional Asset Management Trust Company and FIAM LLC.

附註：

- (1) 於2023年6月30日，已發行股份總數為511,053,811股股份。
- (2) 德潤由潘先生全資擁有，潘先生亦為德潤董事。
- (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) 宗谷由柯先生全資擁有，柯先生亦為宗谷的董事。
- (5) FMR LLC透過其直接及間接附屬公司持有股份，包括Fidelity Management Trust Company、Fidelity Management & Research Company LLC、FIAM Holdings LLC、FMR Investment Management (UK) Limited、Fidelity Management & Research (Japan) Limited、Fidelity Management & Research (Hong Kong) Limited、FIAM Holdings LLC、Fidelity Institutional Asset Management Trust Company及FIAM LLC。

Save as disclosed above, as at the date of this 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.

除上文所披露者外，於本報告日期，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。

USE OF NET PROCEEDS FROM GLOBAL OFFERING

The Company's shares were listed on the Main Board of 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 of approximately HK\$3,470.1 million (the "**Net Proceeds**").

全球發售所得款項淨額

本公司股份已於2021年12月30日（「**上市日期**」）在聯交所主板上市。本公司獲得的全球發售所得款項淨額（扣除包銷佣金及相關成本及開支後）約為3,470.1百萬港元（「**所得款項淨額**」）。

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As of June 30, 2023, the Group had remaining Net Proceeds of approximately HK\$1,930.5 million (“**Remaining Net Proceeds**”). As set out in the Prospectus, it was the Company’s plan to that 66.5% of the Net Proceeds, including the Remaining Net Proceeds, would be used for expanding and upgrading production facilities. After due and careful consideration of Group’s business strategy and evolving market environment and customer needs, the Board has resolved on August 28, 2023 to approve the reallocation of the Remaining Net Proceeds and updated timeframe as set out below:

截至2023年6月30日，本集團的餘下所得款項淨額約為1,930.5百萬港元（「**餘下所得款項淨額**」）。誠如招股章程所載，本公司計劃將66.5%的所得款項淨額（包括餘下所得款項淨額）用於擴大及升級生產設施。經周詳及審慎考慮本集團的業務策略及不斷變化的市場環境及客戶需求後，董事會已於2023年8月28日議決批准餘下所得款項淨額的重新分配及經更新時間表如下：

Intended use of Net Proceeds	Allocation of Net Proceeds	Original percentage of total Net Proceeds	Amount of Net Proceeds unutilized as of December 31, 2022	Amount of Net Proceeds utilized during the Reporting Period	Balance of Remaining Net Proceeds as of June 30, 2023	Updated Allocation of Remaining Net Proceeds	Updated timeframe for use of the Remaining Net Proceeds
所得款項淨額擬定用途	所得款項淨額分配	佔所得款項淨額總額的原定百分比	截至2022年12月31日動用所得款項淨額金額	報告期內動用所得款項淨額金額	截至2023年6月30日餘下所得款項淨額結餘	經更新餘下所得款項淨額分配	經更新使用餘下所得款項淨額的時間表
Expanding and upgrading production facilities	HK\$2,307.6 million	66.5%	HK\$2,053.0 million	HK\$122.5 million	HK\$1,930.5 million	HK\$430.5 million	Before December 31, 2024
擴大及升級生產設施	2,307.6百萬港元	66.5%	2,053.0百萬港元	122.5百萬港元	1,930.5百萬港元	430.5百萬港元	2024年12月31日之前
Researching and developing products	HK\$312.3 million	9.0%	–	–	–	HK\$469.1 million	Before December 31, 2024
產品研發	312.3百萬港元	9.0%	–	–	–	469.1百萬港元	2024年12月31日之前
Enhancing sales and distribution channels	HK\$242.9 million	7.0%	–	–	–	HK\$469.1 million	Before December 31, 2024
增強銷售及分銷渠道	242.9百萬港元	7.0%	–	–	–	469.1百萬港元	2024年12月31日之前
Paying interest-bearing bank borrowings	HK\$260.3 million	7.5%	–	–	–	HK\$391.9 million	Before December 31, 2024
支付計息銀行借款	260.3百萬港元	7.5%	–	–	–	391.9百萬港元	2024年12月31日之前
Working capital and other general corporate purposes	HK\$347.0 million	10.0%	–	–	–	HK\$169.9 million	Before December 31, 2024
營運資金及其他一般企業用途	347.0百萬港元	10.0%	–	–	–	169.9百萬港元	2024年12月31日之前
Total	HK\$3,470.1 million	100.0%	HK\$2,053.0 million	HK\$122.5 million	HK\$1,930.5 million	HK\$1,930.5 million	
總計	3,470.1百萬港元	100.0%	2,053.0百萬港元	122.5百萬港元	1,930.5百萬港元	1,930.5百萬港元	

Reasons for Change in the Use of Remaining Net Proceeds

Considering the macroeconomic uncertainties, the Company has decided to adjust the development pace of its CHERVON Smart Production Industrial Park to align with such market change. Accordingly, part of the Remaining Net Proceeds will be reallocated to researching and developing products, enhancing sales and distribution channels, paying interest-bearing bank borrowings and working capital and other general corporate purposes.

The Board is of the view that the reallocated use of Remaining Net Proceeds will enable the Company to strengthen its competitive position, better address customers' needs, adapt to changing market conditions and improve the efficiency of the funds utilization, in alignment with the Company's strategic objectives and operational needs. Accordingly, the Board considers that the reallocated use of the Remaining Net Proceeds is in the best interest of the Company and its shareholders as a whole, and will not have any material adverse impact on the existing business and operations of the Group.

The Remaining Net Proceeds are primarily placed in licensed banks in the PRC and Hong Kong as of the date of this report. Save as disclosed in this report, there is no other change in the use of the Net Proceeds.

餘下所得款項淨額用途變動的原因

考慮到宏觀經濟的不確定性，本公司已決定調整其泉峰智能製造產業園的開發節奏，以適應相關市場變化。因此，部分餘下所得款項淨額將重新分配至產品研發、增強銷售及分銷渠道、支付計息銀行借款以及營運資金及其他一般企業用途。

董事會認為，重新分配所得款項淨額用途將有助本公司加強其競爭地位、更好地滿足客戶需求、適應不斷變化的市場狀況及提高資金使用效率，從而與本公司的戰略目標及營運需要保持一致。因此，董事會認為重新分配所得款項淨額用途符合本公司及其股東的整體最佳利益，且不會對本集團的現有業務及營運造成任何重大不利影響。

截至本報告日期，餘下所得款項淨額主要存入中國及香港的持牌銀行。除本報告所披露者外，所得款項淨額用途並無其他變動。

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USE OF NET PROCEEDS FROM PLACING AND TOP-UP SUBSCRIPTION

Unless otherwise defined, capitalized terms used in this section have the same meanings as those defined in the report of the Company dated January 12, 2023.

On January 12, 2023 (before trading hours), the Company, Panmercy Holdings Limited, a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company (the “**Seller**”) and China International Capital Corporation Hong Kong Securities Limited (the “**Placing Manager**”) entered into a placing and subscription agreement (the “**Placing and Subscription Agreement**”), pursuant to which, (a) the Seller has agreed to appoint the Placing Manager, and the Placing Manager has agreed to act as an agent of the Seller and to procure purchasers to purchase on a best efforts basis, an aggregate of up to 20,835,000 existing Shares at the price of HK\$37.50 per Sale Share (the “**Placing Price**”); and (b) the Seller has agreed to subscribe for, and the Company has agreed to allot and issue to the Seller, an aggregate of up to 20,835,000 new Shares at the Subscription Price (being the same as the Placing Price), in each case upon the terms and subject to the conditions set out in the Placing and Subscription Agreement. The closing price per Share as quoted on the Stock Exchange as of January 11, 2023 was HK\$42.40.

配售及先舊後新認購所得款項淨額用途

除另有界定外，本節所用詞彙與本公司日期為2023年1月12日的報告所界定者具有相同涵義。

於2023年1月12日（交易時段前），本公司、德潤控股有限公司（一間於香港註冊成立的有限公司及本公司控股股東）（「**賣方**」）與中國國際金融香港證券有限公司（「**配售代理**」）訂立配售及認購協議（「**配售及認購協議**」），據此，(a)賣方已同意委任配售代理且配售代理已同意擔任賣方的代理及按盡力基準促成買方按每股銷售股份37.50港元的價格（「**配售價**」）購買合共最多為20,835,000股現有股份；及(b)賣方已同意認購及本公司已同意按認購價（即與配售價相同）向賣方配發及發行合共最多為20,835,000股新股份，在各情況均須根據配售及認購協議所載條款及在其所載條件的規限下進行。截至2023年1月11日於聯交所所報收市價為每股42.40港元。

The Directors are of the view that the Placing and Subscription will benefit the Group's long term development and broaden the shareholder base and capital base of the Group to facilitate future growth and development of its business, as well as to increase the liquidity of the Shares. The Directors (including the independent non-executive Directors) are also of view that the Placing and Subscription is in the interests of the Company and the Shareholders as a whole and the terms of the Placing and Subscription Agreement, which were arrived at after arm's length negotiations between the Company, the Seller and the Placing Manager, are fair and reasonable so far as the Shareholders are concerned.

The completion of the Placing and Subscription took place on January 19, 2023 in accordance with the terms and conditions of the Placing and Subscription Agreement, where an aggregate of 20,835,000 Sale Shares were successfully placed to no less than six placees (which are professional, institutional and/or individual investors) (the "**Placees**") at the Placing Price of HK\$37.50 for each Sale Share. As all conditions of the Subscription have been fulfilled, the Company allotted and issued 20,835,000 Subscription Shares to the Seller at HK\$37.50 per Subscription Share on January 19, 2023 in accordance with the terms and conditions of the Placing and Subscription Agreement. The Placees (and their respective ultimate beneficial owners) were third parties independent of the Company and its connected persons and no individual Placee has become a substantial shareholder of the Company upon the completion of the Placing and Subscription.

董事認為，配售及認購事項將有利於本集團的長期發展，並擴大本集團的股東基礎及資本基礎，以促進其業務的未來增長及發展，以及增加股份的流動性。董事（包括獨立非執行董事）亦認為，配售及認購事項符合本公司及股東之整體利益，而配售及認購協議之條款乃經本公司、賣方及配售代理公平磋商後釐定，對股東而言屬公平合理。

配售事項及認購事項已於2023年1月19日根據配售及認購協議的條款及條件完成，合共20,835,000股銷售股份以每股銷售股份37.50港元的配售價成功配售予不少於六名承配人（彼等為專業、機構及／或個人投資者）（「**承配人**」）。由於認購事項的所有條件均已達成，本公司於2023年1月19日根據配售及認購協議的條款及條件按每股認購股份37.50港元向賣方配發及發行20,835,000股認購股份。承配人（及彼等各自之最終實益擁有人）為獨立於本公司及其關連人士之第三方，且概無個人承配人於配售及認購事項完成後成為本公司之主要股東。

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The net proceeds from the Subscription (after deducting all fees, costs and expenses incurred by the Company and the Seller in connection with the Placing and the Subscription) amount to approximately HK\$773 million. The net Subscription Price, after deducting such fees, costs and expenses, is therefore approximately HK\$37.12 per Subscription Share. The Board intended to use the net proceeds from the Subscription mainly for the enhancement of sales and distribution channels, research and development of products, upgrade of production facilities, as well as other general working capital purposes. The intended uses and balance of the net proceeds from the Placing and Top-Up Subscription are set out below:

認購事項的所得款項淨額（經扣除本公司及賣方就配售事項及認購事項而產生的所有費用、成本及開支後）約為773百萬港元。因此，淨認購價（經扣除有關費用、成本及開支後）約為每股認購股份37.12港元。董事會擬將認購事項所得款項淨額主要用於增強銷售及分銷渠道、產品研發、升級生產設施以及其他一般營運資金目的。配售及先舊後新認購所得款項淨額的擬定用途及結餘載列如下：

Intended use of Net Proceeds	Allocation of Net Proceeds	Percentage of total Net Proceeds	Amount of Net Proceeds unutilized as of December 31, 2022 截至2022年12月31日未動用所得款項淨額金額	Amount of Net Proceeds utilized during the Reporting Period 報告期內動用所得款項淨額金額	Balance of Net Proceeds unutilized as of June 30, 2023 截至2023年6月30日未動用所得款項淨額結餘	Intended timeframe for use of the unutilized Net Proceeds 使用未動用所得款項淨額的預期時間表
所得款項淨額擬定用途	所得款項淨額分配	佔所得款項淨額總額的百分比	所得款項淨額金額	報告期內動用所得款項淨額金額	所得款項淨額結餘	使用未動用所得款項淨額的預期時間表
Upgrade of production facilities	HK\$309.2 million	40.0%	HK\$309.2 million	HK\$309.2 million	Nil	N/A
升級生產設施	309.2百萬港元	40.0%	309.2百萬港元	309.2百萬港元	零	不適用
Research and development of products	HK\$231.9 million	30.0%	HK\$231.9 million	HK\$231.9 million	Nil	N/A
產品研發	231.9百萬港元	30.0%	231.9百萬港元	231.9百萬港元	零	不適用
Enhancement of sales and distribution channels	HK\$77.3 million	10.0%	HK\$77.3 million	HK\$77.3 million	Nil	N/A
增強銷售及分銷渠道	77.3百萬港元	10.0%	77.3百萬港元	77.3百萬港元	零	不適用
Other general working capital purposes	HK\$154.6 million	20.0%	HK\$154.6 million	HK\$154.6 million	Nil	N/A
其他一般營運資金用途	154.6百萬港元	20.0%	154.6百萬港元	154.6百萬港元	零	不適用
Total	HK\$773.0 million	100.0%	HK\$773.0 million	HK\$773.0 million	Nil	
總計	773.0百萬港元	100.0%	773.0百萬港元	773.0百萬港元	零	

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend in respect of the six months ended June 30, 2023.

中期股息

董事會已議決不宣派截至2023年6月30日止六個月的中期股息。

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

購買、出售或贖回上市證券

於報告期內，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。

CHANGES TO DIRECTORS' AND SENIOR MANAGEMENT'S INFORMATION

There is no change to information of Directors and the senior management required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

董事及高級管理層資料變動

根據上市規則第13.51B(1)條須予披露的董事及高級管理層資料並無變動。

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 as at the date of this 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，截至本報告日期，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）。

EVENT AFTER THE PERIOD

As at the date of this report, the Group has no important events which occurred after the end of the Reporting Period that are required to be disclosed.

報告期後事項

截至本報告日期，本集團概無須予以披露的於報告期期末後發生的重大事項。

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises three independent non-executive Directors, namely, Dr. Li Minghui (Chairperson), Mr. Tian Ming and Mr. Jiang Li. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has, together with the senior management of the Company, reviewed the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters, including a review of the interim financial information for the six months ended June 30, 2023.

INDEPENDENT REVIEW OF AUDITOR

The interim financial report for the six months ended June 30, 2023 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements No. 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to the Company's equity Shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding interests of Shareholders and other stakeholders and enhancing Shareholder value. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasize a quality board of Directors, effective risk management and internal control systems, stringent disclosure practices, transparency and accountability as well as effective communication and engagement with Shareholders and other stakeholders. It is, in addition, committed to continuously enhancing these standards and practices and including a robust culture of compliance and ethical governance underlying the business operations and practices across the Group.

審核委員會

董事會已成立審核委員會，審核委員會由三名獨立非執行董事組成，即李明輝博士（主席）、田明先生及蔣立先生。審核委員會亦已採納列明其職責及責任的書面職權範圍，職權範圍可於本公司及聯交所網站查閱。

審核委員會已與本公司高級管理層共同審閱本集團採納的會計原則及慣例，並討論內部控制及財務報告事宜，包括審閱截至2023年6月30日止六個月的中期財務資料。

核數師的獨立審閱

截至2023年6月30日止六個月的中期財務報告為未經審核，惟已由畢馬威會計師事務所根據香港會計師公會頒佈的香港審閱工作準則第2410號「由實體之獨立核數師執行中期財務資料審閱」進行審閱，其無修訂意見的審閱報告已載於中期報告，並將寄發予本公司權益股東。

企業管治常規

本公司相信有效的企業管治架構是提高及保障股東及其他持份者權益與提升股東價值的基本要素，因此致力達致及維持最符合本集團需要及利益的高水平企業管治。因此，本公司已採納及應用企業管治原則及常規，強調具備一個優秀的董事會、有效的風險管理及內部控制系統、嚴格的披露常規、透明度及問責性，以及與股東及其他持份者進行有效的溝通及互動。此外，本集團致力不斷提升該等標準及常規，並建立穩健的合規及道德管治文化，以配合本集團的業務營運及常規。

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

The Company has adopted the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. During the Reporting Period 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.

Code provision C.2.1, 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.

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.

本公司已採納載於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。於報告期內及截至本報告日期，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。

企業管治守則第2部第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。

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。

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. In response to specific enquiries made, all of the Directors confirmed that they have complied with the required standards as set out in the Model Code during the Reporting Period. There has been no non-compliance with the required standard set out in the Model Code during the Reporting Period and up to the date of this report.

By Order of the Board

Pan Longquan

Executive Director, Chairman and Chief Executive Officer

Hong Kong, August 28, 2023

證券交易的標準守則

本公司已採納上市規則附錄十所載標準守則，作為有關董事進行證券交易的行為守則。全體董事於回應有關查詢時均已確認，彼等於報告期內一直遵守標準守則所載的規定標準。於報告期內及截至本報告日期，董事並無違反標準守則所載的規定標準。

承董事會命

潘龍泉

執行董事、董事長兼行政總裁

香港，2023年8月28日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Review report to the board of directors of Chervon Holdings Limited

(Incorporated in Hong Kong with limited liability)

泉峰控股有限公司董事會之審閱報告

(於香港註冊成立之有限公司)

INTRODUCTION

We have reviewed the interim financial report set out on pages 39 to 80 which comprises the consolidated statement of financial position of Chervon Holdings Limited as of June 30, 2023 and the consolidated statement of profit or loss, the statement of profit or loss and other comprehensive income and the statement of changes in equity and the condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

引言

我們已審閱載於第39至80頁的中期財務報告，其中包括泉峰控股有限公司截至2023年6月30日的綜合財務狀況表以及截至該日止六個月期間的綜合損益表、損益及其他全面收益表以及權益變動表及簡明綜合現金流量表及說明附註。香港聯合交易所有限公司證券上市規則規定，編製中期財務報告時須遵循當中有關條文以及香港會計師公會（「香港會計師公會」）頒佈的香港會計準則（「香港會計準則」）第34號*中期財務報告*。董事須負責根據香港會計準則第34號編製及呈列中期財務報告。

我們的責任是根據我們的審閱對本中期財務報告作出結論，並按照委聘的協定條款僅向整體董事會報告，且不作其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱工作準則第2410號*由實體的獨立核數師執行中期財務資料審閱*進行審閱。執行中期財務報告審閱工作包括主要向負責財務和會計事務的人員作出查詢，並應用分析性和其他審閱程序。由於審閱的範圍遠少於按照香港核數準則進行審核的範圍，故不能保證我們會注意到在審核中可能會被發現的所有重大事宜。因此，我們不會發表任何審核意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2023 is not prepared, in all material respects, in accordance with HKAS 34, *Interim financial reporting*.

結論

根據我們的審閱，我們並無發現任何事項，令我們相信於2023年6月30日中期財務報告在所有重大方面未有根據香港會計準則第34號中期財務報告編製。

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Date: August 28, 2023

執業會計師

香港中環
遮打道10號
太子大廈8樓

日期：2023年8月28日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the six months ended June 30, 2023 (unaudited) (Expressed in US dollars ("USD"))
截至2023年6月30日止六個月(未經審核)(以美元(「美元」)列示)

		Six months ended June 30, 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
	Note 附註		
Revenue			
Cost of revenue	4	738,545 (501,249)	1,002,021 (711,975)
Gross profit		237,296	290,046
Other revenue	5(a)	2,745	1,746
Other net losses	5(b)	(4,666)	(32,295)
Selling and distribution expenses		(93,989)	(101,362)
Administrative and other operating expenses		(40,312)	(40,035)
Research and development costs		(33,485)	(31,403)
Profit from operations		67,589	86,697
Net finance costs	6(a)	(1,514)	(9,496)
Share of loss of an associate		(8,224)	(745)
Profit before taxation	6	57,851	76,456
Income tax expense	7	(8,800)	(12,983)
Profit for the period		49,051	63,473
Attributable to:			
Equity shareholders of the Company		49,119	63,473
Non-controlling interests		(68)	—
Profit for the period		49,051	63,473
Earnings per share			
Basic (USD)	8	0.10	0.13
Diluted (USD)		0.10	0.13

The notes on pages 48 to 80 form part of this interim financial report.

第48至80頁的附註構成本中期財務報告的一部分。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the six months ended June 30, 2023 (unaudited) (Expressed in US dollars)
截至2023年6月30日止六個月(未經審核)(以美元列示)

		Six months ended June 30, 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Note 附註			
	Profit for the period	期內利潤	
		49,051	63,473
	Other comprehensive income for the period (after tax and reclassification adjustments)	期內其他全面收益 (稅項調整重新分類後)	
	<i>Item that will not be reclassified subsequently to profit or loss:</i>	<i>隨後將不會重新分類至損益的項目：</i>	
	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	
		(220)	(23)
	<i>Items that are or may be reclassified subsequently to profit or loss:</i>	<i>隨後被重新分類或可能重新分類至損益的項目：</i>	
	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「美元」)換算附屬公司財務報表的匯兌差額	
		(28,087)	(17,684)
	Total comprehensive income for the period	期內全面收益總額	
		20,744	45,766
	Attributable to:	以下人士應佔：	
	Equity shareholders of the Company	本公司權益股東	
		20,812	45,766
	Non-controlling interests	非控股權益	
		(68)	—
	Total comprehensive income for the period	期內全面收益總額	
		20,744	45,766

The notes on pages 48 to 80 form part of this interim financial report.

第48至80頁的附註構成本中期財務報告的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At June 30, 2023 (unaudited) (Expressed in US dollars)
於2023年6月30日(未經審核)(以美元列示)

		Note	At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9(a)	256,956	233,224
Right-of-use assets	使用權資產	9(b)	37,226	44,631
Intangible assets	無形資產		1,014	1,162
Interest in an associate	於聯營公司的權益		95,612	106,566
Prepayments, deposits and other receivables	預付款項、保證金及其他應收款項	13	16,910	5,851
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	10	6,320	6,202
Deferred tax assets	遞延稅項資產		36,853	30,879
			450,891	428,515
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	10	—	20,019
Derivative financial instruments	衍生金融工具		38	2,288
Inventories	存貨	11	565,178	599,999
Right to returned goods asset	退回貨物資產的權利		2,658	4,417
Trade and bills receivables	貿易應收款項及應收票據	12	292,997	220,220
Prepayments, deposits and other receivables	預付款項、保證金及其他應收款項	13	72,500	78,654
Taxation recoverable	可收回稅項		3,716	5,184
Pledged deposits	抵押存款	14	19,934	36,495
Cash and cash equivalents	現金及現金等價物	14	396,267	466,713
			1,353,288	1,433,989

The notes on pages 48 to 80 form part of this interim financial report.

第48至80頁的附註構成本中期財務報告的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At June 30, 2023 (unaudited) (Expressed in US dollars)
於2023年6月30日(未經審核)(以美元列示)

		Note 附註	At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Current liabilities	流動資產			
Bank loans	銀行貸款	15	207,890	192,904
Derivative financial instruments	衍生金融工具		8,601	3,581
Lease liabilities	租賃負債		6,114	7,583
Trade and bills payables	貿易應付款項及應付票據	16	217,355	294,452
Other payables and accruals	其他應付款項及應計費用	17	208,756	177,166
Taxation payable	應付稅項		5,135	9,710
Warranty provision	保修撥備		22,547	19,030
Refund liabilities from right of return	退回權利的退款負債		3,840	6,432
			680,238	710,858
Net current assets	流動資產淨值		673,050	723,131
Total assets less current liabilities	總資產減流動負債		1,123,941	1,151,646
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	15	47,277	136,589
Lease liabilities	租賃負債		9,521	14,460
Warranty provision	保修撥備		21,663	38,059
Deferred income	遞延收益		3,531	3,709
Defined benefit retirement plans obligation	界定福利退休計劃義務		434	473
Deferred tax liabilities	遞延稅項負債		12,159	12,257
			94,585	205,547
NET ASSETS	資產淨值		1,029,356	946,099

The notes on pages 48 to 80 form part of this interim financial report.

第48至80頁的附註構成本中期財務報告的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At June 30, 2023 (unaudited) (Expressed in US dollars)
於2023年6月30日(未經審核)(以美元列示)

		Note	At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	18	601,859	502,654
Reserves	儲備	18	427,656	443,536
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額		1,029,515	946,190
Non-controlling interests	非控股權益		(159)	(91)
TOTAL EQUITY	權益總額		1,029,356	946,099

The financial statements are approved and authorized for issue by the board of directors. 該等財務報表已獲董事會批准及授權刊發。

Pan Longquan

潘龍泉
Director
董事

Date: August 28, 2023

Zhang Tong

張彤
Director
董事

日期：2023年8月28日

The notes on pages 48 to 80 form part of this interim financial report.

第48至80頁的附註構成本中期財務報告的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the six months ended June 30, 2023 (unaudited)
截至2023年6月30日止六個月(未經審核)

Attributable to equity shareholders of the Company 本公司權益股東應佔											
		Share capital	Other reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total	
		股本	其他儲備	中國法定儲備	匯兌儲備	公允價值儲備 (不可回撥)	保留利潤	總計	非控股權益	權益總額	
	Note	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	
	附註	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
Balance at January 1, 2022		444,621	26,339	35,743	21,335	(280)	269,259	797,017	-	797,017	
Changes in equity for the six months ended June 30, 2022:截至2022年6月30日止六個月的權益變動：											
Profit for the period		-	-	-	-	-	63,473	63,473	-	63,473	
Other comprehensive loss		-	-	-	(17,684)	(23)	-	(17,707)	-	(17,707)	
Total comprehensive income		-	-	-	(17,684)	(23)	63,473	45,766	-	45,766	
Appropriation of dividends	18(a)	-	-	-	-	-	(35,051)	(35,051)	-	(35,051)	
Issuance of ordinary shares, net of issuance costs	18(b)	58,033	-	-	-	-	-	58,033	-	58,033	
Shares of other reserve of associates		-	101	-	-	-	-	101	-	101	
Balance at June 30, 2022 and July 1, 2022		502,654	26,440	35,743	3,651	(303)	297,681	865,866	-	865,866	
於2022年6月30日及2022年7月1日的結餘											

第48至80頁的附註構成本中期財務報告的一部分。

The notes on pages 48 to 80 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the six months ended June 30, 2023 (unaudited)
截至2023年6月30日止六個月(未經審核)

		Attributable to equity shareholders of the Company						
		本公司權益股東應佔						
		Share capital	Other reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total equity
		股本	其他儲備	中國法定儲備	匯兌儲備	公允價值儲備 (不可回撥)	保留利潤	權益總額
Note	附註	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元
Changes in equity for the six months ended December 31, 2022:								
截至2022年12月31日止六個月的權益變動：								
Profit for the period	期內利潤	-	-	-	-	-	75,896	75,896
Other comprehensive loss	其他全面虧損	-	-	-	4,319	216	-	4,535
Total comprehensive income	全面收益總額	-	-	-	4,319	216	75,896	80,431
Appropriation of reserve	撥付儲備	-	-	8,100	-	-	(8,100)	-
Shares of other reserve of associates	應佔聯營公司的其他儲備	-	(107)	-	-	-	-	(107)
Balance at December 31, 2022	於2022年12月31日的結餘	502,654	26,333	43,843	7,970	(87)	365,477	946,099

The notes on pages 48 to 80 form part of this interim financial report.

第48至80頁的附註構成本中期財務報告的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the six months ended June 30, 2023 (unaudited)
截至2023年6月30日止六個月(未經審核)

Attributable to equity shareholders of the Company 本公司權益股東應佔									
	Share capital	Other reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
	股本	其他儲備	中國法定儲備	匯兌儲備	(不可回撥) 公允價值儲備	保留利潤	總計	非控股權益	權益總額
Note	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
附註	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
Balance at January 1, 2023	502,654	26,333	43,843	7,970	(87)	365,477	946,190	(91)	946,099
Changes in equity for the six months ended June 30, 2023:									
截至2023年6月30日止六個月的權益變動：									
Profit for the period	-	-	-	-	-	49,119	49,119	(68)	49,051
期內利潤									
Other comprehensive loss	-	-	-	(28,087)	(220)	-	(28,307)	-	(28,307)
其他全面虧損									
Total comprehensive income	-	-	-	(28,087)	(220)	49,119	20,812	(68)	20,744
全面收益總額									
Appropriation of dividends	-	-	-	-	-	(36,691)	(36,691)	-	(36,691)
撥付股息									
Issuance of ordinary shares, net of issuance costs	99,205	-	-	-	-	-	99,205	-	99,205
發行普通股 (扣除發行成本)									
Shares of other reserve of associates	-	(1)	-	-	-	-	(1)	-	(1)
應佔聯營公司的其他儲備									
Balance at June 30, 2023	601,859	26,332	43,843	(20,117)	(307)	377,905	1,029,515	(159)	1,029,356
於2023年6月30日的結餘									

The notes on pages 48 to 80 form part of this interim financial report.

第48至80頁的附註構成中期財務報告的一部分。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

For the six months ended June 30, 2023 (unaudited) (Expressed in US dollars)
截至2023年6月30日止六個月(未經審核)(以美元列示)

		Six months ended June 30, 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Operating activities	經營活動		
Cash generated from operations	經營所得現金	(77,261)	(83,054)
Tax paid	已付稅項	(9,320)	(5,927)
Net cash used in operating activities	經營活動所用現金淨額	(86,581)	(88,981)
Investing activities	投資活動		
Payment for the acquisition of properties, plants and equipment	收購物業、廠房及設備的付款	(46,385)	(73,053)
Proceeds from disposal of properties, plants and equipment	出售物業、廠房及設備的所得款項	1,793	291
Proceeds from disposal of convertible bonds	出售可換股債券的所得款項	19,317	—
Other cash flows arising from investing activities	其他投資活動的現金流量	5,651	(660)
Net cash used in investing activities	投資活動所用現金淨額	(19,624)	(73,422)
Financing activities	融資活動		
Proceeds from issue of ordinary shares by initial public offering pursuant to the over-allotment option, net of issuance costs paid	以首次公開發售方式發行普通股的所得款項，根據超額配股權，扣除已付發行成本	—	58,033
Proceeds from issue of ordinary shares, net of issuance costs paid	發行普通股的所得款項，扣除已付發行成本	99,205	—
Other cash flows arising from financing activities	融資活動的其他現金流量	(62,585)	(60,750)
Net cash generated from/(used in) financing activities	融資活動所得／(所用) 現金淨額	36,620	(2,717)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(69,585)	(165,120)
Cash and cash equivalents at the beginning of the period	期初現金及現金等價物	466,713	664,990
Effect of foreign exchange rate changes	外匯匯率波動的影響	(861)	(992)
Cash and cash equivalents at the end of the period	期末現金及現金等價物	396,267	498,878

The notes on pages 48 to 80 form part of this interim financial report.

第48至80頁的附註構成本中期財務報告的一部分。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in US dollars unless otherwise indicated)
(以美元列示，除非另有指明)

1 GENERAL INFORMATION

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 Group are principally engaged in researching, developing, manufacturing, testing, sales, and after-sale services for power tools, outdoor power equipment and related products.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorized for issue on 28 August, 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

1 一般資料

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。

2 編製基準

本中期財務報告乃根據香港聯合交易所有限公司證券上市規則之適用披露規定編製，包括遵守香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號*中期財務報告*。本中期財務報告已於2023年8月28日獲授權刊發。

本中期財務報告乃根據2022年年度財務報表所採納的相同會計政策編製，惟預期將於2023年年度財務報表反映的會計政策變動除外。會計政策變動詳情載列於附註3。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in US dollars unless otherwise indicated)
(以美元列示，除非另有指明)

2 BASIS OF PREPARATION (CONTINUED)

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on pages 37 and 38.

2 編製基準 (續)

編製符合香港會計準則第34號之中期財務報告需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策應用以及按年初至今所呈報之資產、負債、收入及開支金額。實際結果或有別於此等估計。

本中期財務報告載有簡明綜合財務報表及選定的說明附註。該等附註包括對理解自2022年年度財務報表以來本集團財務狀況及表現變動而言屬重要的事件及交易的解釋。簡明綜合中期財務報表及其附註並不包括根據香港財務報告準則編製的全套財務報表所需的全部資料。

本中期財務報告未經審核，但已由畢馬威會計師事務所根據香港會計師公會頒佈的香港審閱工作準則第2410號由實體的獨立核數師執行中期財務資料審閱進行審閱。畢馬威會計師事務所提交予董事會的獨立審閱報告載於第37及第38頁。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in US dollars unless otherwise indicated)
(以美元列示，除非另有指明)

2 BASIS OF PREPARATION (CONTINUED)

The financial information relating to the financial year ended December 31, 2022 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended December 31, 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2 編製基準 (續)

本中期財務報告所載用以比較的有關截至2022年12月31日止財政年度之財務資料並不構成本公司該財政年度的法定年度綜合財務報表，惟乃摘錄自該等財務報表。根據香港公司條例第622章第436條披露的有關該等法定財務報表的進一步資料如下：

本公司已根據公司條例第662(3)條及附表6第3部的規定向本公司註冊處處長提交截至2022年12月31日止年度的財務報表。

本公司核數師已就該等財務報表作出報告。核數師報告為無保留意見，且並無載有核數師在不對其報告出具保留意見之情況下以強調方式提請注意的任何事項，亦並無載有根據公司條例第406(2)、407(2)或(3)條作出的聲明。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in US dollars unless otherwise indicated)
(以美元列示，除非另有指明)

3 CHANGES IN ACCOUNTING POLICIES

New and amended HKFRSs

The Group has applied the following new and amended HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- HKFRS 17, Insurance contracts
- Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates
- Amendments to HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to HKAS 12, Income taxes: International tax reform – Pillar Two model rules

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 in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 會計政策變動

新訂及經修訂香港財務報告準則

本集團已於當前會計期間對本中期財務報告應用下列由香港會計師公會頒佈之新訂及經修訂香港財務報告準則：

- 香港財務報告準則第17號，保險合約
- 香港會計準則第8號修訂本，會計政策、會計估計變更及差錯：會計估計的定義
- 香港會計準則第12號修訂本，所得稅：與單一交易產生的資產及負債相關的遞延稅項
- 香港會計準則第12號修訂本，所得稅：國際稅制改革－第二支柱模型規則

概無任何發展對本中期財務報告已編製或呈列的本集團於當前或過往期間的業績及財務狀況有重大影響。

本集團並未應用任何於當前會計期間尚未生效之新訂準則或詮釋。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in US dollars unless otherwise indicated)
(以美元列示，除非另有指明)

4 REVENUE AND SEGMENT REPORTING

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).

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major business lines is as follows:

4 收入及分部報告

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。

(a) 收入分類

與客戶所訂合約的收入按主要業務線分類如下：

		Six months ended June 30 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 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	286,299	401,215
– Sales of outdoor power equipment	– 銷售戶外動力設備	445,179	595,890
– Others	– 其他	7,067	4,916
		738,545	1,002,021

The Group's revenue from contracts with customers were recognised at point in time.

The Group's customer base is diversified and 2 (six months ended June 30, 2022: 2) customers with whom transactions have exceeded 10% of the Group's revenues for the period ended June 30, 2023. The total revenue from the sales of power tools, outdoor power equipment and others to these customers amounted to US\$323 million (2022: US\$517 million).

本集團與客戶所訂合約的收入按時間點確認。

本集團的客戶群是多元化的，截至2023年6月30日止期間，與之交易額超過本集團收入10%的客戶為兩名（截至2022年6月30日止六個月：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323百萬美元（2022年：517百萬美元）。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in US dollars unless otherwise indicated)
(以美元列示，除非另有指明)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(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 and SKIL brands, plus a few key ODM customers.
- Others: sales of parts and components to a home appliances business.

4 收入及分部報告(續)

(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。產品以EGO及SKIL品牌以及若干主要ODM客戶提供。
- 其他：向一間家電公司銷售零部件。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in US dollars unless otherwise indicated)
(以美元列示，除非另有指明)

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 is 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。

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4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(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.

4 收入及分部報告 (續)

(b) 分部報告 (續)

(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
Six months ended June 30, 2023	截至2023年6月30日止六個月				
Revenue from external customers	來自外部客戶的收入				
Point in time	於時間點	286,299	445,179	7,067	738,545
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	72,572	163,128	1,596	237,296

		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
Six months ended June 30, 2022	截至2022年6月30日止六個月				
Revenue from external customers	來自外部客戶的收入				
Point in time	於時間點	401,215	595,890	4,916	1,002,021
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	98,410	191,038	598	290,046

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4 REVENUE AND SEGMENT REPORTING (CONTINUED) 4 收入及分部報告 (續)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment gross profit

(b) 分部報告 (續)

(ii) 報告分部毛利對賬

		Six months ended June 30, 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Reportable segment gross profit	報告分部毛利	237,296	290,046
Other revenue	其他收入	2,745	1,746
Other net losses	其他虧損淨額	(4,666)	(32,295)
Selling and distribution expenses	銷售及分銷開支	(93,989)	(101,362)
Administrative and other operating expenses	行政及其他經營開支	(40,312)	(40,035)
Research and development costs	研發成本	(33,485)	(31,403)
Net finance costs	財務成本淨額	(1,514)	(9,496)
Share of loss of an associate	應佔聯營公司虧損	(8,224)	(745)
Consolidated profit before taxation	除稅前綜合利潤	57,851	76,456

(iii) Geographic information

The following table sets out the geographic information analyses of the Group's revenue and specified non-current assets including 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。

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4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(iii) Geographic information (Continued)

Revenue from external customers

4 收入及分部報告(續)

(b) 分部報告(續)

(iii) 地理資料(續)

來自外部客戶的收入

		Six months ended June 30 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
North America	北美	485,285	696,219
Europe	歐洲	174,902	198,913
China	中國	54,230	65,331
Rest of the World	世界其他地區	24,128	41,558
		738,545	1,002,021
Specified non-current assets		特定非流動資產	
		As at 30 June 2023 於2023年 6月30日 USD'000 千美元	As at 31 December 2022 於2022年 12月31日 USD'000 千美元
North America	北美	16,039	17,325
Europe	歐洲	30,204	27,233
China	中國	248,953	234,459
		295,196	279,017

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5 OTHER REVENUE AND OTHER NET LOSSES

5 其他收入及其他虧損淨額

(a) Other revenue

(a) 其他收入

		Six months ended June 30 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Government grants	政府補助	424	731
Sale of scrap materials	廢料銷售	2,150	835
Rental income	租金收益	171	180
		2,745	1,746

(b) Other net losses

(b) 其他虧損淨額

		Six months ended June 30 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Net foreign exchange gains/(loss)	外匯收益／(虧損)淨額	7,245	(9,895)
Net gains/(loss) on disposal of properties, plants and equipment	出售物業、廠房及設備的收益／(虧損)淨額	36	(63)
Net realized and unrealized loss on convertible bonds	可換股債券已變現及未變現虧損淨額	(630)	(12,836)
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)	1,031	287
Net realized and unrealized loss on derivative financial instruments	衍生金融工具的已變現及未變現虧損淨額	(12,338)	(9,710)
Others	其他	(10)	(78)
		(4,666)	(32,295)

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6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after (crediting)/charging:

(a) Net finance costs

		Six months ended June 30 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Interest income from bank deposits	銀行存款利息收入	(4,784)	(1,182)
Finance income	財務收入	(4,784)	(1,182)
Interest on bank loans	銀行貸款利息	5,438	6,281
Interest on lease liabilities	租賃負債利息	314	482
Interest on factoring business	保理業務利息	546	3,915
Finance costs	財務成本	6,298	10,678
Net finance costs	財務成本淨額	1,514	9,496

(b) Other items

(b) 其他項目

		Six months ended June 30 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022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	14,082	12,324
– right-of-use assets	– 使用權資產	4,533	4,702
Amortization of intangible assets	無形資產攤銷	148	149
Provision for write-down of inventories	存貨撇減撥備	1,106	5,815
Cost of inventories sold (Note)	所售存貨的成本(附註)	501,249	711,975

Note:

Cost of inventories recognised 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 for each of these types of expenses.

附註：

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中（就各類開支而言）。

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7 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

7 所得稅

(a) 綜合損益表內稅項指：

		Six months ended June 30 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Current tax	即期稅項		
<i>Chinese Mainland Corporate Income Tax</i>	<i>中國大陸企業所得稅</i>		
Provision for the period	期內撥備	4,976	5,204
(Over)/under-provision in respect of prior years	過往年度撥備(超額)/不足	(226)	237
		4,750	5,441
<i>Hong Kong Profits Tax</i>	<i>香港利得稅</i>		
Provision for the period	期內撥備	5,546	6,097
<i>Tax jurisdictions outside Chinese Mainland and Hong Kong</i>	<i>中國大陸及香港以外稅項司法權區</i>		
Provision for the period	期內撥備	4,311	4,323
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差額的產生與撥回	(5,807)	(2,878)
Total income tax expense	所得稅開支總額	8,800	12,983

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2022: 16.5%) to the six months ended June 30, 2023.

香港利得稅撥備乃按截至2023年6月30日止六個月的估計年度實際稅率16.5%(2022年：16.5%)計算。

The provision for Chinese Mainland income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the Chinese Mainland as determined in accordance with the relevant income tax rules and regulations of the Chinese Mainland.

中國大陸所得稅撥備乃根據中國大陸相關所得稅規則及法規所確定的位於中國大陸的附屬公司所適用的企業所得稅稅率計提。

Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

海外附屬公司的稅項同樣使用預期於相關國家適用的估計年度實際稅率計算。

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7 INCOME TAX (CONTINUED)

(b) Pillar Two income tax

The Group operates in Hong Kong, which has recently enacted new tax laws to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"). The new tax laws take effect from 1 January 2024. When these laws take effect, the Group expects to be subject to a new top-up tax in Hong Kong in relation to its operations in Chinese Mainland and Vietnam, where the local statutory tax rate is lower than 15% or the additional tax deductions in connection with government support would result in an effective tax rate of lower than 15%. As the new tax laws are not yet effective, the Group does not expect any current tax impact for the year ending 31 December 2023 (2022: nil).

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and would account for the tax as current tax when incurred. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual consolidated financial statements for the year ending December 31, 2023.

7 所得稅(續)

(b) 第二支柱所得稅

本集團於香港開展業務，香港近期頒佈了新稅法以實施由經濟合作與發展組織（「經合組織」）發佈的第二支柱模型規則。新稅法自2024年1月1日起生效。當該等法律生效時，本集團預期須就本集團於中國大陸及越南的業務在香港繳納新的補足稅，當地法定稅率低於15%或與政府支持有關的額外稅收減免將導致實際稅率低於15%。由於新稅法尚未生效，本集團預期截至2023年12月31日止年度不會產生任何即期稅項影響（2022年：無）。

本集團已就補足稅項應用遞延稅項會計的暫時強制性例外，並將於產生時將稅項入賬為即期稅項。本集團將於截至2023年12月31日止年度的年度綜合財務報表中披露已知或可合理估計的資料，以幫助財務報表使用者了解本集團的第二支柱所得稅風險。

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8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary equity shareholders of the parent of USD49,119,000 (six months ended 30 June 2022: USD63,473,000) and the weighted average of 508,866,712 ordinary shares (2022: 489,020,211 shares) in issue during the interim period.

(b) Diluted earnings per share

There were no dilutive potential ordinary shares in existence for the six months ended 30 June 2023 and 2022. The calculated diluted earnings per share equals the basic earnings per share at 30 June 2023 and 2022.

9 PROPERTY, PLANT AND EQUIPMENT ("PPE")

(a) Acquisitions and disposals of owned assets

During the six months ended June 30, 2023, the Group acquired items of PPE with a cost of USD46,773,000 (six months ended 30 June 2022: USD44,584,000). Items of property, plant and equipment with a net book value of USD1,757,000 (2022: USD353,000) were disposed of during the six months ended June 30, 2023, resulting in a gain on disposal of USD36,000 (2022: USD63,000 on loss).

(b) Right-of-use assets

During the six months ended June 30, 2023, additions to right-of-use assets was USD570,000. The additions were primarily related to the capitalized lease payments payable under new tenancy agreements.

8 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據母公司普通權益股東應佔溢利49,119,000美元（截至2022年6月30日止六個月：63,473,000美元）及於中期期間已發行的508,866,712股普通股（2022年：489,020,211股股份）的加權平均數計算。

(b) 每股攤薄盈利

截至2023年及2022年6月30日止六個月，概無攤薄潛在普通股。於2023年及2022年6月30日，計算得出的每股攤薄盈利等於每股基本盈利。

9 物業、廠房及設備（「PPE」）

(a) 收購及處置自有資產

截至2023年6月30日止六個月，本集團以46,773,000美元的成本購置PPE項目（截至2022年6月30日止六個月：44,584,000美元）。截至2023年6月30日止六個月，賬面淨值為1,757,000美元（2022年：353,000美元）的物業、廠房及設備項目獲出售，出售收益為36,000美元（2022年：虧損63,000美元）。

(b) 使用權資產

截至2023年6月30日止六個月，使用權資產增加570,000美元。該增加主要與資本化新租賃協議項下的應付租賃付款有關。

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10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS 10 以公允價值計量且其變動計入當期損益的金融資產

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 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	6,320	6,202
		6,320	6,202
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		
Convertible bonds	可換股債券	—	20,019
		—	20,019
		6,320	26,221

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.

The Group's current balances of financial assets at FVPL represent convertible bonds issued by Chervon Auto Precision Technology trading securities which are held by the Group for trading purposes.

The analysis on the fair value measurement of the Group's above financial assets is disclosed in Note 20.

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）。

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。

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20。

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11 INVENTORIES

11 存貨

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Raw materials	原材料	194,608	163,128
Consumables	消耗品	6,623	7,862
Semi-finished goods	半成品	25,835	29,049
Finished goods	成品	353,693	416,944
		580,759	616,983
Write-down of inventories	存貨撇減	(15,581)	(16,984)
		565,178	599,999

During the six months ended June 30, 2023, the Group recognised a write-down of USD1,106,000 (six months ended June 30, 2022: write-down of USD5,815,000) against those inventories with net realizable value lower than carrying value. The write-down is included in cost of sales in the consolidated statement of profit or loss.

截至2023年6月30日止六個月，本集團就此等可變現淨值低於賬面值的存貨確認撇減1,106,000美元（截至2022年6月30日止六個月：撇減5,815,000美元）。撇減乃計入綜合損益表內的銷售成本。

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12 TRADE AND BILLS RECEIVABLES

12 貿易應收款項及應收票據

	Note	At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Trade debtors and bills receivable, net of loss allowance			
– measured at amortised cost			
Trade receivables	(i)	291,616	168,017
Bills receivables		1,381	1,174
		292,997	169,191
– measured at fair value through other comprehensive income ("FVOCI")	(ii)		
Trade receivables		—	51,029
		292,997	220,220

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兌票據，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。

Notes:

附註：

(i) As at June 30, 2023, certain trade debtors of USD1,381,000 (December 31, 2022: USD78,862,000) were pledged as securities for bank loans of the Group (see Note 15).

(i) 於2023年6月30日，1,381,000美元（2022年12月31日：78,862,000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15）。

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12 TRADE AND BILLS RECEIVABLES (CONTINUED) 12 貿易應收款項及應收票據(續)

Notes: (Continued)

- (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 measurement of expected credit losses.

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:

附註：

- (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，惟預期信貸虧損計量於損益內確認。

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：

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Within 6 months	6個月內	292,136	166,216
Over 6 months but within 12 months	6個月以上但於12個月內	428	2,650
Over 12 months	12個月以上	433	325
		292,997	169,191

Trade and bills receivables are due within 30-180 days from the date of billing.

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。

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13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES 13 預付款項、保證金及其他應收款項

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Current	即期		
Value added tax recoverable	可收回增值稅	8,175	11,165
Other tax recoverable	其他可收回稅項	2,355	2,240
Prepayments for materials and expenses	材料預付款項及開支	58,127	61,911
Advances to employee	向僱員作出的墊款	1,020	1,116
Other deposits and receivables	其他保證金及應收款項	2,823	2,222
		72,500	78,654
Less: loss allowance	減：虧損撥備	—	—
		72,500	78,654
Non-current	非即期		
Prepayments for properties, plants and equipment	物業、廠房及設備預付款項	14,510	3,224
Advances to staff	向僱員作出的墊款	2,400	2,627
		16,910	5,851

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14 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

14 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：

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Cash at bank	銀行現金	396,217	466,654
Cash on hand	手頭現金	50	59
		396,267	466,713

As of the end of the reporting period, cash and cash equivalents situated in Chinese Mainland amounted to USD334,338,167 (2022: USD398,247,348). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

截至報告期末，位於中國內地的現金及現金等價物為334,338,167美元（2022年：398,247,348美元）。將資金匯出中國內地須遵守相關外匯管制規則及規例。

(b) Pledged deposits comprise:

(b) 抵押存款包括：

		At June 30, 2023 於2023年 6月30日 USD'000 人民幣千元	At December 31, 2022 於2022年 12月31日 USD'000 人民幣千元
Pledged deposits for	抵押存款		
– issuance of bills payable	– 發行應付票據	3,879	5,155
– issuance of banking facilities	– 發放銀行融資	16,055	31,340
		19,934	36,495

The pledged deposits will be released upon the settlement of letters of credit and bills payable 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。

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15 BANK LOANS

The maturity profile for the interest-bearing bank loans of the Group at the end of each reporting period is as follows:

15 銀行貸款

本集團的計息銀行貸款於各報告期末的到期情況如下：

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Short-term bank loans	短期銀行貸款	78,137	133,480
Current portion of long-term bank loans	長期銀行貸款的即期部分	129,753	59,424
Within 1 year or on demand	1年內或按要求	207,890	192,904
After 1 year but within 2 years	1年後但於2年內	19,004	101,042
After 2 years but within 5 years	2年後但於5年內	28,273	34,471
More than 5 years	超過5年	—	1,076
		47,277	136,589
		255,167	329,493

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：

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Bank loans	銀行貸款		
– Secured	– 有抵押	31,186	64,007
– Secured and guaranteed	– 有抵押有擔保	134,241	150,762
– Guaranteed	– 有擔保	63,661	81,802
– Unsecured and unguaranteed	– 無抵押無擔保	26,079	32,922
		255,167	329,493

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16 TRADE AND BILLS PAYABLES

16 貿易應付款項及應付票據

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Trade payables	貿易應付款項	198,439	271,020
Bills payable	應付票據	18,916	23,432
		217,355	294,452

All of the trade payables are expected to be settled within one year or repayable on demand.

所有貿易應付款項預計將於一年內結算或須按要求償還。

As of the end of the reporting period, the aging analysis of trade and bills payables, based on the invoice date, is as follows:

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：

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Within 3 months	3個月內	161,343	220,610
3 to 12 months	3至12個月	56,012	73,842
		217,355	294,452

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。

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17 OTHER PAYABLES AND ACCRUALS

17 其他應付款項及應計費用

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Other payables and accrued charges (Note)	其他應付款項及應計支出 (附註)	132,049	134,753
Dividends payable	應付股息	36,691	—
Salaries, wages, bonus and benefits payable	應付薪金、工資、花紅及福利	12,363	25,355
Payables for purchase of PPE	購置物業、廠房及設備的應付款項	17,067	5,393
Interest payables	應付利息	236	449
Other tax payables	其他應繳稅項	10,350	11,216
		208,756	177,166

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。

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18 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

Dividends payable to equity shareholders of the Company attributable to the previous financial years, declared and approved during the interim period:

		Six months ended 30 June 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Final dividends in respect of previous financial years, declared and approved during the interim period, of USD0.07 per share (six months ended 30 June 2022: USD0.07)	於中期期間已宣派及批准的過往財政年度末期股息每股0.07美元（截至2022年6月30日止六個月：0.07美元）	36,691	35,051

Pursuant to a resolution passed at the annual general meeting held on June 2, 2023, dividends of USD36,691,000 were declared on June 2, 2023 and were paid on July 4, 2023.

The Board has resolved not to declare an interim dividend in respect of the six months ended June 30, 2023 (no interim dividend for the six months ended June 30, 2022).

18 資本、儲備及股息

(a) 股息

於中期期間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：

		Six months ended 30 June 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Final dividends in respect of previous financial years, declared and approved during the interim period, of USD0.07 per share (six months ended 30 June 2022: USD0.07)	於中期期間已宣派及批准的過往財政年度末期股息每股0.07美元（截至2022年6月30日止六個月：0.07美元）	36,691	35,051

根據於2023年6月2日舉行的股東週年大會上通過的決議案，股息36,691,000美元已於2023年6月2日宣派並於2023年7月4日派付。

董事會已議決不宣派截至2023年6月30日止六個月的中期股息（截至2022年6月30日止六個月並無中期股息）。

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18 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

18 資本、儲備及股息（續）

(b) Share capital

(b) 股本

		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, 2022	於2022年1月1日	479,431,411	3,465,871	444,621
Issuance of ordinary shares by public offering pursuant to the over-allotment option, net of issuance costs	根據超額配股權以公開發售方式發行普通股（扣除發行成本）	10,787,400	452,656	58,033
At December 31, 2022 and at January 1, 2023	於2022年12月31日及於2023年1月1日	490,218,811	3,918,527	502,654
Issuance of ordinary shares, net of issuance costs (Note)	發行普通股（扣除發行成本）（附註）	20,835,000	773,800	99,205
At June 30, 2023	於2023年6月30日	511,053,811	4,692,327	601,859

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18 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital (Continued)

Note:

On January 12, 2023, the Company, Panmercy Holdings Limited, as the Seller and China International Capital Corporation Hong Kong Securities Limited, as the Placing Manager entered into a placing and subscription agreement, pursuant to which, (a) the Seller has agreed to appoint the Placing Manager, and the Placing Manager has agreed to act as an agent of the Seller and to procure purchasers to purchase on a best efforts basis, an aggregate of up to 20,835,000 existing Shares at the price of HK\$37.50 per Sale Share (the "Placing Price"); and (b) the Seller has agreed to subscribe for, and the Company has agreed to allot and issue to the Seller, an aggregate of up to 20,835,000 new Shares at the Subscription Price (being the same as the Placing Price).

Net proceeds from these issues amounted to HKD773,800,000 (USD99,205,140 equivalent) (after offsetting costs directly attributable to the issue of shares of HKD7,513,000 (USD1,110,175 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.

18 資本、儲備及股息 (續)

(b) 股本 (續)

附註：

於2023年1月12日，本公司、德潤控股有限公司（作為賣方）與中國國際金融香港證券有限公司（作為配售經辦人）訂立配售及認購協議，據此，(a)賣方已同意委任配售經辦人，而配售經辦人已同意擔任賣方的代理，並促使買方按盡力基準以每股銷售股份37.50港元的價格（「配售價」）購買合共最多20,835,000股現有股份；及(b)賣方已同意認購，而本公司已同意按認購價（與配售價相同）向賣方配發及發行合共最多20,835,000股新股份。

該等發行的所得款項淨額為773,800,000港元（相當於99,205,140美元）（經抵銷發行股份直接應佔成本7,513,000港元（相當於1,110,175美元）後，已計入股本）。

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。

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19 MATERIAL RELATED PARTY TRANSACTIONS

(a) Names and relationships of the related parties that had other material transactions with the Group:

Name of related party
關聯方姓名／名稱

Relationship
關係

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 Yaoquan Investment Management Co., Ltd. 南京耀泉投資管理有限公司	Controlled by directors of the Group 由本集團的董事控制

(b) Significant related party transactions

The Group had following significant transactions with related parties:

19 重大關聯方交易

(a) 與本集團有其他重大交易的關聯方的姓名／名稱及關係：

(b) 重大關聯方交易

本集團與關聯方進行了以下重大交易：

		Six months ended June 30 截至6月30日止六個月	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
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	152	162
Nanjing Yaoquan Investment Management Co., Ltd.	南京耀泉投資管理有限公司	—	8
		152	170
Dividends received	已收股息		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	360	—
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	451	598
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	120	104

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20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the 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.

20 金融工具的公允價值計量

(a) 公允價值層級

下表列示於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。

		Fair value at June 30, 2023 於2023年 6月30日的 公允價值	Fair value measurement at June 30, 2023 categorized into 於2023年6月30日的公允價值計量歸入		
		USD'000 千美元	Level 1 第一級	Level 2 第二級	Level 3 第三級
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	6,320	–	–	6,320
Derivative financial instruments	衍生金融工具				
– Foreign currency forward contracts	– 外幣遠期合約	(8,128)	–	(8,128)	–
– Foreign currency option contracts	– 外幣期權合約	(435)	–	(435)	–
Trade receivables	貿易應收款項	–	–	–	–

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20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

20 金融工具的公允價值計量（續）

(a) Fair value hierarchy (Continued)

(a) 公允價值層級（續）

		Fair value at December 31, 2022 於2022年 12月31日的 公允價值	Fair value measurement at December 31, 2022 categorized into 於2022年12月31日的公允價值計量歸入		
		USD'000 千美元	Level 1 第一級	Level 2 第二級	Level 3 第三級
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	6,202	–	–	6,202
– Convertible bonds	– 可換股債券	20,019	20,019	–	–
Derivative financial instruments	衍生金融工具				
– Foreign currency forward contracts	– 外幣遠期合約	(1,291)	–	(1,291)	–
– Foreign currency option contracts	– 外幣期權合約	(2)	–	(2)	–
Trade receivables	貿易應收款項	51,029	–	–	51,029

During the period ended June 30, 2023, there were no transfers, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2023年6月30日止期間，並無轉移，或轉入第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。

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20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fair value hierarchy (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.

The fair value of foreign exchange options contracts is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

(b) Information about Level 3 fair value measurements

Information about Level 3 fair value measurements

20 金融工具的公允價值計量(續)

(a) 公允價值層級(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。

外匯期權合約的公允價值乃使用報告日期的遠期匯率報價及基於各貨幣的高信貸質量收益率曲線現值計算得出。

(b) 有關第3級公允價值計量的資料

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
Insurance product 保險產品	Cash value (Note (i)) 現金價值(附註(i))	Expected return rate 預期回報率
Trade receivables 貿易應收款項	Discounted cash flow (Note (ii)) 貼現現金流量(附註(ii))	Expected return rate 預期回報率
Notes:		
附註：		
(i) 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 June 30, 2023, 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 period by USD264,000 (December 31, 2022: USD293,000).	(i) 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2023年6月30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%，本集團的期內利潤將增加／減少264,000美元(2022年12月31日：293,000美元)。	
(ii) 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 June 30, 2023, 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 period by USD nil (December 31, 2022: USD2,130,000).	(ii) 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2023年6月30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%，本集團的期內利潤將增加／減少零美元(2022年12月31日：2,130,000美元)。	

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20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) 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:

20 金融工具的公允價值計量（續）

(b) 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, 2022	於2022年1月1日	6,011
Net realized and unrealized gains 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收益淨額	1,654
Purchases	購買	253,555
Sales and settlements	銷售及結算	(255,018)
Exchange difference	匯兌差額	—
As at December 31, 2022 and January 1, 2023	於2022年12月31日及2023年1月1日	6,202
Net realized and unrealized gains 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收益淨額	841
Purchases	購買	225,376
Sales and settlements	銷售及結算	(226,099)
Exchange difference	匯兌差額	—
As at June 30, 2023	於2023年6月30日	6,320

Trade receivables carried at FVOCI are not materially different from their values as at December 31, 2022 and June 30, 2023.

All financial instruments carried at cost or amortized cost are at amounts not materially different from their values as at December 31, 2022 and June 30, 2023.

於2022年12月31日及2023年6月30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2022年12月31日及2023年6月30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。

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21 COMMITMENTS

Commitments outstanding at June 30, 2023 not provided for in the interim financial report

21 承擔

於2023年6月30日於中期財務報告未計提撥備的未履行承擔

		At June 30, 2023 於2023年 6月30日 USD'000 千美元	At December 31, 2022 於2022年 12月31日 USD'000 千美元
Contracted for	已訂約	25,238	2,017
Authorised but not contracted for	已獲授權但未訂約	267,100	426,228
		292,338	428,245

22 CONTINGENT LIABILITIES

Guarantee to customers

22 或有負債

向客戶提供的擔保

		At June 30, 2023 於2023年6月30日		At December 31, 2022 於2022年12月31日	
		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	7,612	1,599	7,897	1,304
Bank B	銀行B	13,839	6,673	—	—
		21,451	8,272	7,897	1,304

23 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

No adjustment has been made in this interim financial report in this regard.

23 報告期後的非調整事項

本中期財務報告並無就此作出調整。

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