



HUABAO INTERNATIONAL HOLDINGS LIMITED

華寶國際控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號：00336)

Flavour Your Life

Build A Healthy China

美味生活引領者

健康中國推動者



Annual Report

年度報告

2023



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. CHU Lam Yiu (*Chairlady & CEO*)
Mr. LAM Ka Yu (*Co-Chairman*)
Mr. XIA Liqun (*Vice Chairman & President*)
Mr. POON Chiu Kwok (*Vice President & Company Secretary*)
Ms. LAM Ka Yan
Ms. CHOY Man Har

Independent Non-executive Directors

Mr. LEE Luk Shiu
Mr. Jonathan Jun YAN
Mr. HOU Haitao

AUDIT COMMITTEE

Mr. LEE Luk Shiu (*Chairman*)
Mr. Jonathan Jun YAN
Mr. HOU Haitao

REMUNERATION COMMITTEE

Mr. LEE Luk Shiu (*Chairman*)
Mr. HOU Haitao
Mr. XIA Liqun

NOMINATION COMMITTEE

Ms. CHU Lam Yiu (*Chairlady*)
Mr. LEE Luk Shiu
Mr. Jonathan Jun YAN
Mr. HOU Haitao
Ms. LAM Ka Yan

COMPANY SECRETARY

Mr. POON Chiu Kwok *FCG, HKFCG*

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISOR

Haiwen & Partners LLP

公司資料

董事會

執行董事

朱林瑤女士 (*主席兼首席執行官*)
林嘉宇先生 (*聯席主席*)
夏利群先生 (*副主席兼總裁*)
潘昭國先生 (*副總裁兼公司秘書*)
林嘉焯女士
蔡文霞女士

獨立非執行董事

李祿兆先生
Jonathan Jun YAN 先生
侯海濤先生

審核委員會

李祿兆先生 (*主席*)
Jonathan Jun YAN 先生
侯海濤先生

薪酬委員會

李祿兆先生 (*主席*)
侯海濤先生
夏利群先生

提名委員會

朱林瑤女士 (*主席*)
李祿兆先生
Jonathan Jun YAN 先生
侯海濤先生
林嘉焯女士

公司秘書

潘昭國先生 *FCG, HKFCG*

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

法律顧問

海問律師事務所有限法律責任合夥

Corporate Information

PRINCIPAL BANKERS

China CITIC Bank Corporation Limited
China Minsheng Banking Corp., Ltd.
Hang Seng Bank Limited
Industrial Bank Co., Ltd.

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3008
30th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
4th floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

BRANCH SHARE REGISTRAR

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

STOCK CODE

The Stock Exchange of Hong Kong Limited: 00336

COMPANY WEBSITE

www.huabao.com.hk

公司資料

主要往來銀行

中信銀行股份有限公司
中國民生銀行股份有限公司
恒生銀行有限公司
興業銀行股份有限公司

總部及香港主要營業地點

香港
灣仔
港灣道18號
中環廣場30樓
3008室

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4th floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

股份過戶登記分處

卓佳登捷時有限公司
香港
夏慤道16號
遠東金融中心17樓

股份代號

香港聯合交易所有限公司：00336

公司網址

www.huabao.com.hk

Financial Highlights

財務摘要

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Revenue	營業額	3,307,839	3,828,984
Gross profit	毛利	1,469,365	1,877,563
Gross profit margin	毛利率	44.4%	49.0%
Operating profit/(loss)	營運盈利/(虧損)	378,051	(607,975)
EBITDA margin ^{**}	EBITDA 率 ^{**}	22.9%	32.2%
EBIT margin	EBIT 率	11.4%	-15.9%
Selling and marketing expenses to sales	銷售及市場推廣開支佔銷售比率	9.9%	9.0%
Administrative expenses to sales	行政開支佔銷售比率	25.1%	21.6%
Profit/(loss) for the year	本年度盈利/(虧損)	290,483	(901,050)
Adjusted profit for the year [†]	經調整後之本年盈利 [†]	346,985	606,660
Profit/(loss) attributable to the equity holders of the Company	本公司權益持有人應佔盈利/(虧損)	233,633	(1,054,547)
Adjusted profit attributable to the equity holders of the Company [†]	經調整後之本公司權益持有人應佔盈利 [†]	290,135	453,163
Basic and diluted earnings/(loss) per share (RMB cents)	每股基本及攤薄盈利/(虧損) (人民幣分)	7.23	(32.65)
Net cash generated from operating activities	營運活動產生之現金淨額	965,266	798,746
Net cash [*]	淨現金 [*]	2,021,538	3,990,775
Total equity	總權益	14,271,137	14,557,438
Final/special dividend per share (HK cents)	每股期末/特別股息(港仙)	5.0	5.1
Total dividend per share for the year (HK cents)	年度每股總股息(港仙)	8.5	8.48
Dividend payout ratio for the year	年度派息率	106.9%	N/A 不適用
Debt ratio [#]	負債比率 [#]	3.6%	5.4%
Current ratio (times)	流動比率(倍)	6.1	5.0
Liquidity ratio (times)	速動比率(倍)	5.3	4.3
Inventory turnover (days)	存貨周轉率(日)	197	177
Trade receivables turnover (days)	應收賬款周轉率(日)	97	89
Trade payables turnover (days)	應付賬款周轉率(日)	51	53

^{**} "EBITDA margin" equals to "Earnings before taxes, interest, depreciation, amortisation, share-based compensation expenses and impairment of goodwill" divided by "Revenue".

^{**} 「EBITDA 率」等於「除稅、利息、折舊、攤銷、以股份為基礎之酬金及商譽減值前的盈利」除以「營業額」。

[†] Excluding impairment of goodwill of RMB56,502,000 for the year ended 31 December 2023 and RMB1,507,710,000 for the year ended 31 December 2022.

[†] 撇除截至2023年12月31日止年度之商譽減值人民幣56,502,000元及截至2022年12月31日止年度之商譽減值人民幣1,507,710,000元。

^{*} "Net cash" means "Short-term time deposits" plus "Cash and cash equivalents" minus "Borrowings".

^{*} 「淨現金」等於「短期定期存款」加「現金及現金等價物」減「貸款」。

[#] "Debt ratio" means "Total borrowings (include current & non-current borrowings)" divided by "Total Equity (exclude non-controlling interests)".

[#] 「負債比率」等於「總貸款(已包括流動及非流動貸款)」除以「總權益(不含非控制性權益)」。

CORPORATE PROFILE

Huabao International Holdings Limited and its subsidiaries (the “Group”), consisting of flavours and fragrances segment, tobacco raw materials segment, aroma raw materials segment, condiments segment, is mainly engaged in the R&D, production, distribution and sales of flavours and fragrances, tobacco raw materials, aroma raw materials, as well as condiments. The Group also makes diversified investments around its core businesses. It is an industrial holdings group based on the taste-based consumer goods market.

The Group is a market leader in China’s flavours & fragrances industry. It owns many famous flavour brands, including “Huabao Flavours” on the A-Shares platform, “Hedon”, “Huabao”, “H&K”, “Tianhong”, “Huafang”, “Owada”, “Amber” and so on. The Group has internationalised product development and manufacturing capabilities, owns production bases in regions such as Shanghai, Guangdong, Jiangsu, Yunnan, Jiangxi, Fujian, Hong Kong, Indonesia, and Botswana in Africa, etc., has a R&D centre in Holzminden, Germany and Singapore, a state-level enterprise technology centre in Shanghai, and R&D departments in Guangdong, Yunnan and Fujian. Member(s) of the Group takes on leadership roles in a number of industry associations which are relevant to flavours and fragrances business, including the Vice Chairman of China Food Additives & Ingredients Association, Deputy Director of China Association of Fragrance & Flavour and Cosmetic Industries, Deputy Director of China Association of Bakery & Confectionery Industry, and Chairman of Shanghai Food Additive & Batching Association.

公司簡介

華寶國際控股有限公司及附屬公司(「本集團」)下設香精板塊、煙用原料板塊、香原料板塊及調味品板塊，主要從事香精、煙用原料、香原料、和調味品的研發、生產和銷售，並圍繞核心產業鏈進行多元化投資，是一家基於味覺系消費品市場的實業控股集團。

本集團為中國香精行業的領導者，旗下擁有A股上市平台華寶股份及「喜登」、「華寶」、「孔雀」、「天宏」、「華芳」、「澳華達」、「琥珀」等一系列知名香精品牌。本集團擁有國際化的產品研發和生產實力，在上海、廣東、江蘇、雲南、江西、福建、香港、印度尼西亞及非洲博茲瓦納等地設有生產基地，在德國霍爾茨明登和新加坡設有研發中心，在上海擁有國家級企業技術中心，另在廣東、雲南及福建設有研發部門。本集團成員在相關行業組織中擔任多個領導職位，包括中國食品添加劑和配料協會副理事長、中國香精香料化妝品工業協會副理事長、中國烘焙食品糖製品工業協會副理事長和上海市食品添加劑和配料行業協會會長等。

The Group is also one of the market leaders in China's tobacco raw materials field, and its production technology and product quality have taken the leading position at domestic level and reached advanced international level. Guangdong JinYE, a subsidiary of the Group, is one of the RTL R&D bases authorised by the STMA. In November 2012, the second phase of RTL production line of Guangdong JinYE was completed, put into production and accepted by the STMA, which became the first landmark of paper-making RTL production line certified by the STMA. Its production technology has been recognized by the STMA to have reached the highest technology level in terms of domestic paper-making RTL production, while its major technical parameters have also reached advanced international level. In 2016, the "Key Laboratory for RTL Technology Research in Tobacco Industry", which was jointly founded by Guangdong JinYE and Guangdong Tobacco, was recognized as the sole key laboratory in the RTL field in China. In terms of new materials, Shanghai Huabao Biological Technology Co., Ltd. has developed rapidly in the cigarette new materials field, which is represented by tobacco flavour capsule and core line. Newly established bases Jiangxi Huabao Xinhui Technology Co., Ltd. in 2017 became the manufacturing base for flavour capsule business. In 2022, the Group has completed the construction of a factory in Indonesia, which will mainly produce HNB RTL to seize the opportunity of global development of HNB cigarettes.

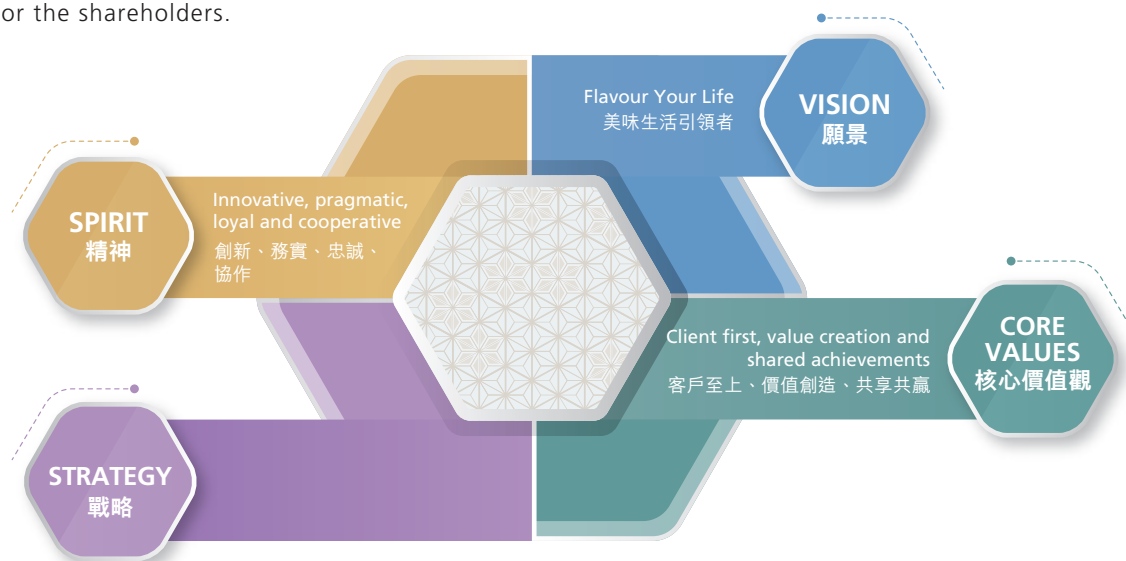
The Group is also one of the leading enterprises in China's aroma raw materials field. The principal products include many natural aroma and synthetic aroma products. Its production capacity and sales revenue account for a significant market share in the industry, and its production technology and product quality have reached the leading domestic and international level. The Group acquired Jiangxi Xianghai in 2017 and completed the production techniques and process optimization in 2021. The acquisition played a positive role in the establishment and layout of the Group's aroma raw materials segment. The Group, by virtue of its own industry advantages of the leading position and strong scientific research strength, plans to build a leading aroma raw materials production base in Asia and even the world.

本集團也是中國煙用原料領域的領導者之一，生產工藝及產品質量均達到國內領先和國際先進水平。本集團的下屬公司廣東金葉是國煙局再造煙葉研發基地之一。二零一二年十一月，廣東金葉二期再造煙葉生產線竣工投產，並通過國煙局驗收，成為國內首條獲得認證的造紙法再造煙葉標誌性生產線，其生產工藝獲國煙局評定為國產造紙法再造煙葉技術最高水平，主要技術指標亦已達國際先進水平。二零一六年，廣東金葉與廣東中煙共建的「煙草行業再造煙葉技術研究重點實驗室」獲得國煙局認定，成為再造煙葉領域唯一重點實驗室。新材料方面，上海華寶生物科技有限公司在以煙用膠囊、芯線等為代表的捲煙新材料領域發展非常迅速。二零一七年新設的江西華寶芯蒼科技有限公司成為煙用膠囊業務的生產基地。於二零二二年，本集團已經完成了位於印度尼西亞工廠的建設，該工廠將主要生產加熱不燃燒再造煙葉以把握加熱不燃燒捲煙全球發展的機遇。

本集團還是中國香原料領域的領先企業之一，主要產品包括多種天然香料和合成香料。其生產能力和銷售額在行業內佔有重要市場份額，生產工藝及產品質量均達到國內外領先水平。本集團於二零一七年收購江西香海，並於二零二一年完成生產工藝和流程的優化，對本集團香原料板塊的建立和佈局起到了積極的作用。本集團將憑藉自身在行業領先的地位優勢和強大的科研實力，打造亞洲乃至全球領先的香原料生產基地。

In 2018, through the acquisition of Jiahao, the Group entered into the compound condiment market that is of great growth room, and also further completed and optimized the Group's business structure, and created more sources of income. At present, the Group has successfully established an industry chain with full coverage from raw materials, processing, to consumption, which brings the Group's competitive strength in taste-based fast-moving products industry to a new level. The Group will also combine its industry advantages and integration capability with the social capital, through the multi-capital platforms, multi-collaboration channels, as well as multi-investment collaboration models, to create more value for the shareholders.

二零一八年，透過收購嘉豪，本集團進入具備巨大增長空間的複合調味品市場，進一步完善和優化了本集團業務結構，為公司創造更多收入來源。目前，本集團成功完成了「原料、加工、消費」一體化的全產業鏈覆蓋，在味覺系消費品市場的競爭實力進一步增強。本集團將繼續通過多資本平台，多合作渠道，及多種投資合作模式將我們的產業優勢、整合能力與社會資本結合，為股東創造更大價值。



- Adhere to the “concentric diversification strategy” and develop into the world’s leading taste-based consumer product industrial holdings group
- 堅持「同心多元化戰略」，發展成為全球領先的味覺系消費品實業控股集團
- Consolidate the existing market of flavours and fragrances and explore new markets with product and technology innovation
- 穩固香精業務的存量市場，透過產品及技術創新，開拓增量市場
- Seize the opportunity of integration in aroma raw materials industry and strive to achieve the goal of “Being the global leader in the aroma raw materials industry”
- 抓住香原料行業整合的機會，向「成為全球領先的香原料龍頭企業」這一目標奮進
- Develop international markets and boost the tobacco raw materials business
- 開發國際市場，推進煙用原料業務發展
- Consolidate the Group’s leading role in the niche segment in the condiment industry, leverage enriched product mix to build condiment business as the Group’s growth point
- 鞏固在調味品市場細分領域的領先地位，利用更為豐富的產品結構，推進調味品業務成為本集團業績增長點

Chairman's Report

Dear shareholders,

In 2023, with the end of the pandemic which lasted three years, both production and operation of domestic enterprises and people's lives returned to normal. The Chinese government launched various convenient measures for visiting China, held different trading exhibitions, strengthening economic cooperation and people-to-people exchanges between China and the globe and striving to expedite the recovery pace of economy post pandemic. Meanwhile, the artificial intelligence achieved breakthrough in development; consumers' consumption model transformed; and the scale of digital economy increased constantly. Facing technology progress and market changes, we are aware that only by constantly optimizing operation strategies and improving management level as well as advancing with the times can we maintain our competitiveness in rapidly changing market.

On behalf of the Company, I would like to share our measures and actions adopted after pandemic and how they improved the Group's competitiveness and management capabilities with you.

Firstly, we strictly upheld the corporate vision of "Flavour your life", based on which we will strive to include the promotion of the health of Chinese or even global consumers in our mission. Management analyzed the current position and future development trend of market demand and considered that our products should not only bring consumers with flavour delight, but also bring more additional value for consumers, thus improving consumers' physical health and health conditions. As such, all of the product mix and development strategies of our segments are transforming toward this target. It can be seen that our self-developed natural flavors and food ingredients, heat-not-burn RTL and natural aroma are aimed at bringing positive changes and effects on consumers' health.

Secondly, we promoted an operation model of "Lean Production" in various segments of the Group. "Lean Production" can minimize corporate's production costs and reduce operation and management costs, thus effectively improving management efficiency of the Group. The Group selected pilot companies in each business segment, and organized special teams in pilot company to be in charge

主席報告書

各位股東：

在2023年，持續三年的疫情終於結束，國內企業恢復了正常的生產和經營，居民生活也重回正軌。中國政府推出了很多訪華便民措施，舉辦了不同的貿易展覽，強化中國與世界的經濟合作、人文交流，努力加快疫情後經濟復蘇的步伐。與此同時，疫情後人工智能突破式發展、消費者消費模式轉變、數字經濟規模持續增長。面對科技的進步和市場的變化，我們認識到我們必須不斷優化經營策略、提升管理水平、與時俱進，才能維持我們在快速變化市場中的競爭力。

在此，我想和您分享集團在疫情過後採取的措施和行動，以及它們是如何提升集團的競爭力及管理水平的。

首先，我們恪守「美味生活引領者」的願景，同時還在此基礎之上，將推動中國乃至世界消費者的健康納入到我們的工作使命之中。管理層分析了市場需求的現狀及未來發展的趨勢，認為產品不僅要為消費者帶來味覺上的享受，還要能為消費者帶來更多的附加值，改善消費者的身體健康，提升消費者的健康水平。因此，我們各個板塊的產品組合和發展策略都在朝這個方向轉變。您可以看到，我們研發的天然類香精及食品配料、加熱不燃燒再造煙葉、天然香料都旨在為消費者的健康帶來積極的改變和作用。

其次，我們在集團各個板塊推廣「精益生產」的運營模式。「精益生產」能夠最大限度的減少企業生產成本、降低運營和管理成本，有效提升集團的管理效率。集團在每個業務板塊選取試點公司，並在試點公司組織「精益生產」團隊負責該項工作的執行、監督和分析。經過一年的實踐，每個試點公司在降低生產成本、提升產

Chairman's Report

of the implementation, oversight and analysis of "Lean Production". After one year's practice, every pilot company achieved inspiring progress in production cost reduction, product quality improvement and inventory management optimization. In future, the Group will promote "Lean Production" model in all companies of the Group, so as to improve production efficiency, product competitiveness and service quality.

Finally, we formed an environmental, social and corporate governance (ESG) strategy and execution team, prioritizing the Group's sustainable development work. Climate change, energy transition and handling of relationship with stakeholders have significant impacts on operation risk, cost, efficiency and result of corporates, playing a more and more important role in corporate competitiveness. We provided various ESG work related trainings for our management and employees at different levels, which enriched everyone's professional knowledge about ESG and enhanced their awareness on the importance of ESG work. In addition, part of our subsidiaries took actions to optimize production facilities, refine production process and perfect rules and regulations, the outcome of which passed assessment by clients on ESG work. With more attention paid by our country and the globe to ESG work, we will devote more resources in this regard and strive to, together with society, achieve development of high-quality and sustainability.

I hereby express my sincere gratitude to all of our employees' joint efforts for above realized changes and achievements. In 2024, there are still many challenges in economy prospects, including potential reoccurrence of geopolitical conflicts and trading protectionism, and insufficient consumption confidence. Countries global-wide and China face great pressure on economy development. The recovery of market demand is also full of uncertainties. It is at this time that we shall meet the challenges with more calmness and steadily promote development of each business with long-term vision. We appreciate your trust and support for Huabao, and we wish to, being with you, face and solve difficulties, pursue excellence and keep progress.

CHU Lam Yiu
Chairlady

Hong Kong, 26 March 2024

主席報告書

品質、優化庫存管理方面取得了令人鼓舞的進步。在未來，集團會將「精益生產」模式推廣到所有公司，提升生產效率、產品競爭力和服務質量。

最後，我們成立了ESG(環境、社會、企業管治)戰略和執行團隊，將集團可持續發展工作擺放到了重要的位置。氣候變化、能源轉型、利益相關方關係處理對企業的營運風險、成本、效率、業績都能夠產生非常大的影響，對企業競爭力的影響愈發重要。我們為公司管理層和不同層級的員工進行了多次有關ESG工作的培訓，豐富了大家在ESG方面的專業知識，提升了大家對ESG工作重要性的認識。部分附屬公司還採取行動優化生產設施、改善生產流程、完善規章制度，並獲得了客戶對公司ESG工作的考核。隨著國家及世界對ESG工作的愈發重視，我們會投入更多資源在這方面的工作，讓集團與社會一起實現高質量的可持續發展。

以上的這些變化和成績是由集團所有員工共同努力完成的，我對他們表示由衷的感謝。進入到2024年，經濟前景充依然滿了很多挑戰：地緣政治衝突、貿易保護主義可能捲土重來、消費信心不足等等。全球和中國經濟發展的壓力都很大，市場需求的恢復也充滿了不確定性。在這個時候，我們更加需要冷靜地迎接挑戰，以長遠的眼光穩健地推進各項業務發展。我們感謝您對華寶的信任和支持，也願意和您一起攜手面對和解決困難，追求卓越，不斷進步。

朱林瑤
主席

香港，2024年3月26日

Management Discussion and Analysis

管理層討論及分析

In 2023, both the domestic and international economies have experienced great challenges and difficulties. Internationally, due to the outbreak of geopolitical conflicts and the continuation of tight monetary policies, market demand in major countries and regions declined. Domestically, economic activities began to return to normal after the pandemic. Given consumer confidence was still depressed, with a conservative sentiment in consumption, the demand for goods and services did not rebound as expected. Amidst insufficient or even reduced market demand at home and abroad, enterprises paid more attention to costs control and improvement in production efficiency, and were more cautious and conservative in investment. In order to cope with pressures arising from the domestic and international macroeconomic downturn, the management of the Group took numerous measures to reduce its operating risks and pressures. In particular, in terms of production, the Group implemented the “Lean Production” program to improve the resource use and production efficiency for business development and reduce production costs. In terms of market, the Group consolidated the domestic market and promoted the development of overseas markets to expand business coverage. In terms of sustainable development, the Group formulated an ESG (environmental, social and corporate governance) development strategy, improved its management system for the sustainable development, enhanced its ability to cope with climate risks and conduct corporate management, enabling the Group to meet the ever-increasing ESG-related requirements of customers on suppliers and strengthening its ability to sustainably and steadily create values.

INDUSTRY OVERVIEW

Overview of the tobacco industry

According to the data from the National Bureau of Statistics, the cigarette production volume in China reached 48.855 million cases in 2023, representing an increase of 0.4% year-on-year. The tobacco industry realised industrial and business tax and profit amounted to RMB1,521.7 billion, representing a year-on-year increase of 5.6%; realized a fiscal income of RMB1,502.8 billion, representing a year-on-year increase of 4.3%. In view of the low demand elasticity of tobacco products and the slight impact of macroeconomic fluctuations, the tobacco industry has developed steadily in terms of the production and sales, which has made positive contributions to stabilizing the economic market, ensuring the national and local fiscal revenue growth, and promoting the social development.

2023年，國內外經濟都經歷了非常大的挑戰和困難。在國外，由於地緣政治衝突爆發、緊縮貨幣政策持續，主要國家和地區的市場需求下滑；在國內，經濟活動在疫情後開始恢復正常，但居民消費信心低迷，消費情緒保守，對商品和服務的需求並未出現預期幅度的反彈。在國內外市場需求不足甚至減少的情況下，企業在生產上更加注重控制成本、提升效率，在投資上則更加謹慎保守。為了應對國內外宏觀經濟不景氣的壓力，集團管理層採取多項措施減少集團的經營風險和壓力：生產方面，集團執行「精益生產」計劃，提升發展業務的資源使用和生產效率，降低生產成本；市場方面，集團鞏固國內市場，同時推進在海外市場的開發，擴大業務覆蓋面；可持續發展方面，集團制定了ESG（環境、社會及企業管治）發展戰略，完善了在可持續發展方面的管理體系，提升了應對氣候風險的能力和企業管理水平，使集團能夠滿足客戶不斷提高的對供應商ESG方面要求，強化了集團持續和穩定創造價值的能力。

行業概況

煙草行業概況

根據國家統計局數據，2023年，中國捲煙產量達到4,885.5萬箱，同比增加0.4%。煙草行業實現工商稅利人民幣15,217億元，同比增加5.6%；實現財政總額人民幣15,028億元，同比增加4.3%。煙草產品的需求彈性小、受宏觀經濟波動影響輕，煙草行業生產和銷售穩定，為穩定經濟大盤、保證國家和地方財政增收、促進社會發展作出積極貢獻。

Management Discussion and Analysis

管理層討論及分析

During the Reporting Period, domestic and foreign market regulators further strengthened the supervision of e-cigarettes. Internationally, regulators in major e-cigarette markets formulated more explicit requirements for the taste, naming standards, advertising, and promotion of e-cigarettes to avoid the use of e-cigarettes by teenagers. Domestically, regulators provided guidance for e-cigarette enterprises to learn *the National Standards for Electronic Cigarettes and the Administrative Measures for Electronic Cigarettes*, and issued *the Guidelines on Promoting the Construction of Export E-cigarette Product Quality Assurance System*, urging Chinese e-cigarette enterprises to continuously strengthen the process and management, and improve the competitiveness and reputation of China's e-cigarettes products in the international market. With the continuous improvement of e-cigarette supervision in recent years, the e-cigarette industry at home and abroad entered into a stage of standardized development. In the future, the market share and potential development of e-cigarette enterprises will depend on its comprehensive competitiveness.

According to the data released by major international tobacco companies, the proportion and growth rate of HNB cigarettes in the sales of their products continued to increase, and international tobacco companies regarded HNB cigarettes as an important product for strategic transformation and sustainable development. The vigorous development of HNB cigarettes brought business opportunities for suppliers in the industrial chain, which, on the other hand, represented the gradually increasing investment opportunities in the industry, further resulting in a more intense competition. For suppliers, their competitiveness in the industry and market shares could be improved only if they have established competition barriers, improved product quality and strengthened cooperation with customers.

報告期內，國內外市場監管機構進一步加強了對電子煙的監管。在國外，主要電子煙市場的監管機構對電子煙的口味、命名標準、廣告、促銷制定了更加明確的要求，以避免青少年使用電子煙。在國內，監管機構不僅引導電子煙企業學習《電子煙國家標準》、《電子煙管理辦法》，還出台了《關於推動出口電子煙產品質量保證體系建設的指引》，督促中國電子煙企業不斷強化工藝和管理水平，提升中國製造的電子煙在國際市場的競爭力和聲譽。隨著近幾年電子煙監管不斷完善，國內外的電子煙行業已經進入了規範發展的階段，電子煙企業的綜合競爭力決定了它們在未來的市場份額和發展空間。

根據主要國際煙草公司公佈的數據，加熱不燃燒煙在它們產品的銷售佔比和增速不斷提升，國際煙草公司將加熱不燃燒煙作為戰略轉型和實現可持續發展的重要產品。加熱不燃燒煙的蓬勃發展為產業鏈上的供應商帶來商機，但同時也意味著在這個行業的投資會逐步增多，競爭會更加激烈。對供應商而言，建立競爭壁壘、提升產品品質、強化與客戶的合作才能夠提升自身在行業的競爭力，增加市場份額。

Overview of the food and beverage industry and daily-use chemical industry

After the end of the pandemic, the Chinese government issued several papers to boost consumption, and the food and beverage industry also ushered in a rebound. According to the National Bureau of Statistics, the value-added industrial output of the food manufacturing industry with enterprises of designated size or above increased by 3.3% year-on-year, the value-added industrial output of the agricultural product processing industry grew by 0.2% year-on-year, and the value-added industrial output of the wine, beverage and refined tea manufacturing industry grew by 0.8% year-on-year. Although the business environment of the food and beverage industry improved after the pandemic, the residents' conservative sentiment forced food and beverage enterprises to adopt promotions and cost reduction methods to increase their sales. In the daily-use chemical industry, a group of Chinese local daily-use chemical brands gained consumers' attention through live streaming and other marketing methods, and acquired more market share by virtue of cost-effective products. Amidst such overall gloom environment with subdued consumer sentiment, local daily-use chemical brands are expected to win the favour of more consumers and grow stronger with their high quality and low price attributes.

Overview of the condiment industry

In 2023, the catering industry rebounded sharply, with annual revenue exceeding RMB5 trillion, reaching RMB5,289 billion, representing a year-on-year increase of 20.4%. The revenue of the catering industry in 2023 increased by 13.3% year-on-year compared with 2019 before the outbreak of the pandemic, and the strong recovery of the catering industry boosted the demand for condiments. During the post-pandemic period, given the fierce competition in the catering industry, catering enterprises actively adopted promotion, discounts and other ways to increase customer traffic, and improved their sales by creating popular dishes in segmented tracks. Condiment companies realized the change in customer demand and began to introduce more compound condiments to help customers create popular dish items and improve their order fulfilment efficiency as well as operation efficiency.

食品飲料和日化行業概況

疫情結束後，中國政府發佈了多項文件提振消費，食品飲料行業也迎來反彈。根據國家統計局數據，規模以上食品製造業工業增加值同比增長3.3%，農副食品加工業工業增加值同比增長0.2%，酒、飲料和精製茶製造業工業增加值同比增長0.8%。雖然食品飲料行業經營環境在疫情後改善，但居民保守的消費意願讓食品飲料企業不得不採取促銷、壓縮成本的方式提升銷售。日化行業方面，一批中國本土日化品牌借助直播等營銷方式收穫了消費者的關注，同時憑藉產品的高性價比獲取了更多的市場份額。在整體消費氣氛低迷的環境下，本土日化品牌有望以物美價廉的特點獲得更多消費者青睞並發展壯大。

調味品行業概況

2023年，餐飲行業大幅反彈，餐飲業全年收入突破人民幣五萬億元，達到人民幣52,890億元，同比增長20.4%。與疫情前的2019年相比，2023年餐飲業收入同比增長了13.3%，餐飲業的強勢復蘇拉升了對調味品的需求。後疫情時代的餐飲業競爭激烈，餐飲企業積極採取促銷、折扣等方式提升客流量，同時通過在細分賽道上打造爆款菜品提升銷售額。調味品企業意識到客戶需求的轉變，開始推出更多複合調味品，幫助客戶打造受歡迎的單品，提升出菜和經營效率。

RESULTS

During the Reporting Period, the Group achieved a revenue of approximately RMB3,308 million (2022: approximately RMB3,829 million), representing a year-on-year decrease of 13.6%; gross profit margin of approximately 44.4% (2022: approximately 49.0%), representing a year-on-year decrease of 4.6 percentage points; operating profit of approximately RMB378 million (2022: operating loss of approximately RMB608 million); profit attributable to the equity holders of the Company of approximately RMB234 million (2022: loss attributable to the equity holders of the Company of approximately RMB1,055 million); basic earnings per share of approximately RMB7.23 cents (2022: basic loss per share of approximately RMB32.65 cents).

Excluding the impact of the goodwill impairment of RMB56.5 million in 2023 (2022: goodwill impairment of RMB1,508 million), the Group recorded an adjusted operating profit of approximately RMB435 million (2022: adjusted operating profit of approximately RMB900 million), representing a year-on-year decrease of 51.7%; adjusted profit attributable to the equity holders of the Company of approximately RMB290 million (2022: adjusted profit attributable to the equity holders of the Company of approximately RMB453 million), representing a year-on-year decrease of 36.0%.

BUSINESS REVIEW

Review of F&F and Food ingredients business

During the Reporting Period, revenue of the F&F and Food ingredients business of the Group amounted to approximately RMB1,464 million (2022: approximately RMB1,877 million), representing a year-on-year decrease of 22.0%, and accounting for approximately 44.3% (2022: approximately 49.0%) of the Group's total revenue. The decrease in revenue was mainly due to the changes in market demand and the increased market competition. Operating profit of the segment amounted to approximately RMB406 million (2022: approximately RMB824 million), representing a year-on-year decrease of 50.8%; and operating profit margin was approximately 27.7% (2022: approximately 43.9%), representing a year-on-year decrease of 16.2 percentage points. The decline in operating profit and operating profit margin was primarily attributable to changes in product mix.

業績

報告期內，本集團實現銷售收入約人民幣33.08億元(2022年：約人民幣38.29億元)，同比下降13.6%；毛利率約44.4%(2022年：約49.0%)，同比下降4.6個百分點；營運盈利約人民幣3.78億元(2022年：營運虧損約人民幣6.08億元)；本公司權益持有人應佔盈利約人民幣2.34億元(2022年：本公司權益持有人應佔虧損約人民幣10.55億元)；每股基本盈利約人民幣7.23分(2022年：每股基本虧損約人民幣32.65分)。

扣除2023年商譽減值人民幣5,650萬元(2022年：商譽減值人民幣15.08億元)的影響，經調整營運盈利約人民幣4.35億元(2022年：經調整營運盈利約人民幣9.00億元)，同比下降51.7%；經調整公司權益持有人應佔盈利約人民幣2.90億元(2022年：經調整本公司權益持有人應佔盈利約人民幣4.53億元)，同比下降36.0%。

業務回顧

香精及食品配料業務回顧

報告期內，本集團香精及食品配料業務銷售收入約人民幣14.64億元(2022年：約人民幣18.77億元)，同比減少22.0%，佔本集團的總收入約44.3%(2022年：約49.0%)。板塊收入下滑主要是由於市場需求變化及市場競爭增加所致。板塊營運盈利約人民幣4.06億元(2022年：約人民幣8.24億元)，同比減少50.8%；營運盈利率約27.7%(2022年：約43.9%)，同比減少16.2個百分點。營運盈利和營運盈利率減少主要是由於產品結構變化。

Flavours

In terms of tobacco flavours, the fierce market competition resulted in the decreased customer purchases. The sales team actively communicated with customers, presented the Group's comprehensive competitive strength to customers and maintained a stable cooperation relationship with customers. For food flavours, the demand of downstream customers for food and beverage rebounded, boosting the sales growth of food flavours. The Group produced heat-resisting flavours for baking and puffed food manufacturers, and heat-resisting flavour products include potato microcapsule powder flavor and ginger microcapsule flavor, etc., which may well preserve the food's flavour and delicious taste during the high temperature production process. The Group studied the prevailing flavours in the market and launched products with regional characteristics such as pandan and coconut to provide customers with more options. For overseas markets, Warlbtor Asia Pacific in Singapore considered the demand of major surrounding markets and obtained halal certification for several flavour products so that products could be adapted to the eating habits and preferences of local consumers. Warlbtor Asia Pacific also analyzed the development trend of the Southeast Asian and global food and beverage market, optimized its recipe and order system, with an aim to provide customers with personalized products and high-quality and efficient services. The Group also acquired land in Indonesia for the construction of a local plant for the production of flavours and food ingredients, so as to make its products be easily and quickly available to the Southeast Asian market.

食用香精

煙用香精方面，市場競爭激烈導致客戶減少了採購數量。銷售團隊積極與客戶溝通，向客戶展現集團的綜合競爭實力，穩定與客戶的合作關係。食品用香精方面，下游食品飲料客戶的需求反彈，帶動了食品用香精銷售增長。集團生產了耐溫香精供應給烘焙、膨化食品廠商，耐溫香精產品包括馬鈴薯微膠囊粉末香精、生薑微膠囊香精等，這類香精產品能夠讓食品在高溫生產過程中完好保存風味，讓食品美味可口。集團研究市場流行風味，推出了斑蘭、椰子等具有地域特色的產品，為客戶提供更多選擇。海外市場方面，新加坡亞太華寶結合周邊主要市場的需求，使生產的多個香精產品獲得清真認證，讓產品能夠符合當地消費者的飲食習慣和偏好。亞太華寶還分析東南亞及全球食品飲料市場的發展趨勢、優化配方和訂單系統，為客戶提供個性化的產品以及優質高效的服務。集團還在印度尼西亞購置了土地，準備在當地建設生產食用香精和食品配料的工廠，讓集團的產品能夠更加方便快捷地銷售至東南亞市場。



Jiangxi H&K is the main production base of the food flavours and it provides the clients with quality products and services
江西孔雀是食品用香精的主要生產基地，為客戶提供高品質的產品和服務

Fragrances

After the pandemic, domestic daily-use chemical brands were recognised by consumers with their excellent cost-effective products. The Group strengthened communications with existing local customers and actively developed certain new customers. Internationally, the Group's marketing and sales teams visited countries in Africa and Southeast Asia to study local consumer preferences, strengthen relationships with local suppliers and customers, and further explore the international market.

Food ingredients

The food ingredient market has a broad prospect for development, and consumers are increasingly focusing on the functionality and health of food ingredients. The Group's food ingredients mainly include natural fruit products, and have been recognized by customers with their excellent appearance, taste and nutrition. In response to the Group's internationalization strategy, the management of the food ingredients business studied the laws and regulations of overseas markets and consumer demand, actively participated in various exhibitions to enhance the understanding of overseas markets and strengthen the Group's visibility and influence in the international market. The Group made more efforts in providing major customers with product supporting services, and carried out in-depth cooperation in food ingredients solutions with leading customers such as Mondelez and Orion by leveraging its own technical advantages, covering beverage, baking, puffed food, hot and spicy food, catering and other sectors. In addition, the Group actively promoted new superior products such as natural fruit and vegetable powder and IceFire Magic Ball Popping Boba, conducted regular in-depth exchanges regarding product technology with customers, actively provided customers with creative planning of new products and a full set of solutions for customized research and development through its research and evaluation on the market trend.

日化香精

疫情結束後，國產日化品牌憑藉產品優異的性價比獲得消費者的認可。集團強化與本土老客戶的溝通，也積極開發了部分新客戶。在海外，集團的市場及銷售團隊去到非洲和東南亞的國家，研究了當地消費者喜好，強化了與當地供應商和客戶的關係，進一步開拓國際市場。

食品配料

食品配料市場發展前景廣闊，消費者越來越關注食品配料的功能性和健康性。集團食品配料以天然的水果類產品為主，在外觀、味道、營養方面都非常出色，獲得客戶的認可。為響應集團國際化戰略，食品配料業務管理層研究海外市場法律法規、消費需求，積極參加各項展會，提升對海外市場的瞭解，強化集團在國際市場的知名度和影響力。持續加大對重點客戶的產品配套服務力度，憑藉自身技術優勢，與億滋、好麗友等多個頭部客戶在食品配料解決方案上展開深入合作，覆蓋飲料、烘焙、膨化食品、濕辣、餐飲等多個領域。同時，集團積極推廣天然果蔬粉、冰火魔球爆爆珠等優勢新品，定期與客戶做深度的產品技術交流，通過研判市場趨勢主動提供新品創意規劃，並為客戶提供定制化研發全套解決方案。

Investment progress of the proceeds raised by Huabao Flavours

In April 2021 and April 2023, the Group adjusted the use of the proceeds raised from the IPO of Huabao Flavours in 2018 and the implementation plans for the investment projects in order to better respond to the industry changes and the Company's development. The Group ceased the construction of "Huabao Yingtan Flavours and Ingredients Production Base Project" and the "Lhasa Pure Land Healthy Food Project" and transformed the "Huabao H&K Food Flavours and Food Technology Development Project" into the "Huabao Technology Innovation Center and Supporting Facilities Project" ("Huabao TechInno Project"), and launched the new "Huabao Digital Transformation Project" ("Huabao Digital Project").

As of 31 December 2023, the cumulative amount dedicated for the Huabao TechInno Project was approximately RMB9.423 million (31 December 2022: approximately RMB5.0323 million), representing an investment progress of 2.09% (31 December 2022: 1.1%). The cumulative amount dedicated for the Huabao Digital Project was approximately RMB21.4969 million (31 December 2022: approximately RMB17.5898 million), representing an investment progress of 35.83% (31 December 2022: 29.3%). As of 31 December 2023, the balance of unused IPO proceeds (including accumulated interest income received) amounted to approximately RMB1,660 million (31 December 2022: approximately RMB1,668 million). As of 31 December 2023, the IPO proceeds utilized amounted to approximately RMB940 million (31 December 2022: approximately RMB901 million), accounting for 40.8% (31 December 2022: 39.0%) of the total proceeds from the IPO in 2018 of approximately RMB2,310 million.

華寶股份募集資金投資進度

為了更好地應對行業變革和公司發展的需要，2021年4月及2023年4月，本集團對2018年華寶股份首次公開募股資金用途和項目實施方案進行了調整。本集團終止了「華寶鷹潭食品用香精及食品配料生產基地項目」及「華寶拉薩淨土健康食品項目」，將「華寶孔雀食品用香精及食品技術研發項目」調整為「華寶股份科技創新中心及配套設施項目（「華寶科創項目」）」，並新建「華寶股份數字化轉型項目（「華寶數字項目」）」。

截至2023年12月31日，華寶科創項目累計投入約人民幣942.3萬元（2022年12月31日：約人民幣503.23萬元），投資進度為2.09%（2022年12月31日：1.1%）。華寶數字項目累計投入約人民幣2,149.69萬元（2022年12月31日：約人民幣1,758.98萬元），投資進度為35.83%（2022年12月31日：29.3%）。截至2023年12月31日，尚未使用的首次公開募集資金餘額（包括累計收到的利息）約人民幣16.6億元（2022年12月31日：約人民幣16.68億元）。截至2023年12月31日，已使用的首次公開募集資金金額約人民幣9.4億元（2022年12月31日：約人民幣9.01億元），佔2018年首次公開募股資金約人民幣23.1億元的40.8%（2022年12月31日：39.0%）。

Review of the tobacco raw materials business

During the Reporting Period, revenue of the Group's tobacco raw materials business was approximately RMB465 million (2022: approximately RMB454 million), representing a year-on-year increase of 2.3%, and accounting for approximately 14.0% (2022: approximately 11.9%) of the Group's total revenue. The increase in the segment revenue was mainly due to the sales growth of RTL in overseas market. Operating profit of the business segment was approximately RMB90.77 million (2022: operating loss of approximately RMB238 million), representing a year-on-year increase of 63.0% in comparison to the adjusted operating profit of RMB55.68 million (excluding the goodwill impairment of RMB293 million) in 2022; operating profit margin was approximately 19.5%, representing a year-on-year increase of 7.2 percentage points in comparison to the adjusted operating profit margin of 12.3% in 2022. The increase in operating profit and operating profit margin was mainly due to the Group's efforts to reduce production costs and operating expenses.

RTL

RTL includes traditional RTL and HNB RTL. Due to the weak demand for traditional RTL in the domestic market, the output and sales of traditional RTL in China have not increased, and the Group failed to implement scale production of HNB RTL as the market was not open yet. In response to the "One Belt, One Road" Initiative, the Group invested in the construction of a plant in Indonesia for the production of HNB RTL, in order to provide quality products to international customers, and the plant had achieved sales growth. The Group's plant in Indonesia has a total of three production lines, one of which has been put into production and steadily provided some customers with products, and the other two production lines are still under construction and are expected to be completed in the third quarter of 2024, bringing the total production capacity of HNB RTL to 3,000 tonnes. The Indonesian plant has successfully completed customers' inspection in terms of process, management and social responsibility, and is able to provide customers with high-quality products and services in the future, contributing to the development of the Group's international business.

煙用原料業務回顧

報告期內，本集團煙用原料業務銷售收入約人民幣4.65億元(2022年：約人民幣4.54億元)，同比增長2.3%，佔整個集團的收入為約14.0%(2022年：約11.9%)。收入上升主要是由於再造煙葉在海外市場銷售增長。板塊營運盈利約人民幣9,077萬元(2022年：營運虧損約人民幣2.38億元)，與2022年經調整營運盈利人民幣5,568萬元(撇除商譽減值人民幣2.93億元)相比上升63.0%；營運盈利率約19.5%，與2022年經調整營運盈利率12.3%相比上升7.2個百分點。營運盈利和營運盈利率上升是因為集團降低生產成本、減少營運費用。

再造煙葉

再造煙葉包括傳統再造煙葉和加熱不燃燒再造煙葉。由於國內市場對傳統再造煙葉需求疲弱，傳統再造煙葉在國內的產量和銷量並沒有增長，加熱不燃燒再造煙葉則因為市場暫時未開放而不能夠規模化生產。集團響應「一帶一路」倡議，在印度尼西亞投資建設了生產加熱不燃燒再造煙葉的工廠，為國際客戶提供優質產品，並且實現銷售增長。集團在印度尼西亞的工廠一共有三條生產線，其中一條生產線已經投入生產並向部分客戶穩定供貨，另外兩條生產線還在建設中，預計將於2024年第三季度完成建設，使加熱不燃燒再造煙葉的總產能達到3,000噸。印度尼西亞工廠在工藝、管理、社會責任等方面都成功通過了客戶的檢驗，能夠在未來為客戶提供優質的產品和服務，為集團國際業務的開發添磚加瓦。

Tobacco new materials

Due to changes in customer demand and product structure, the sales of tobacco new materials in China declined. In order to boost sales, the sales team developed overseas markets, leading to a significant increase in sales of products in overseas markets. The overseas market has a strong demand for high-quality tobacco new materials products, and the Group has the confidence to further expand its overseas market share and improve the overall business segment performance leveraging its superior product process and quality.

Review of the aroma raw materials business

During the Reporting Period, revenue of the aroma raw materials business of the Group was approximately RMB625 million (2022: approximately RMB924 million), representing a year-on-year decrease of 32.4%, and accounting for approximately 18.9% (2022: approximately 24.1%) of the Group's total revenue. The decrease in segment revenue was mainly attributable to a decline in domestic and foreign market demand. Operating loss of the business segment was approximately RMB83.41 million (2022: operating profit of approximately RMB79.53 million), which was mainly due to lower revenue and the impairment of the segment's goodwill and fixed assets.

During the Reporting Period, the decline in domestic and international market demand was mainly due to the following factors: (1) reduced purchases of customers for the purpose of inventory reduction; (2) the decline in consumption and demand resulting from the sluggish macroeconomy. In addition, to cope with product oversupply, competitors lowered product prices to promote sales, intensifying the industry competition and further resulting in a decline in revenue and profit of the business segment.

In the aroma raw materials business segment, the Group prioritized safe production and sustainable development, and conducted several safety production trainings for employees to enhance their safety awareness and prevent accidents. Additionally, the subsidiaries under the segment updated equipment, improved product process and efficiency and reduced exhaust gas and waste emissions, improving the sustainable development performance of the segment.

Analysis of goodwill impairment of Yancheng Chunzhu CGU

At the end of the reporting period, the Group engaged an independent valuer to conduct an impairment test on the goodwill of Yancheng Chunzhu CGU as at 31 December 2023. Based on the assessment results, Yancheng Chunzhu CGU recognised an impairment of goodwill of approximately RMB28.425 million in the second half of 2023, together with the RMB8.995 million recognised in the first half of 2023, the total impairment of goodwill was RMB37.42 million in 2023.

捲煙新材料

由於客戶需求和產品結構的變化，捲煙新材料在國內的銷售有所下滑。為了提振銷售，銷售團隊開發海外市場，讓產品在海外市場的銷售額有了很大幅度的增長。海外市場對優質捲煙新材料產品需求強勁，集團有信心能夠憑藉產品優質的工藝和質量，進一步拓展海外市場份額，提升板塊的整體表現。

香原料業務回顧

報告期內，本集團香原料業務銷售收入約人民幣6.25億元(2022年：約人民幣9.24億元)，同比下降32.4%，佔本集團的收入為約18.9%(2022年：約24.1%)。板塊收入下降主要是由於國內外市場需求下滑。板塊營運虧損約人民幣8,341萬元(2022年：營運盈利約人民幣7,953萬元)。營運虧損主要是由於收入減少以及板塊商譽和固定資產減值所致。

報告期內，國內外市場需求下降，主要是由兩方面因素造成：一是客戶為了去庫存減少了採購；二是宏觀經濟疲弱導致消費和需求減少。此外，在產品供過於求的情況下，競爭對手通過降價促進銷售，進一步使行業競爭加劇，導致業務板塊的收入和利潤下滑。

香原料板塊將安全生產和可持續發展作為重要事項。板塊對員工進行多次安全生產培訓，提升了大家員工的安全意識，防範了事故發生。同時，板塊各子公司根據自身實際情況更新設備、改善工藝，提升生產效率，減少廢氣和廢物排放，提升板塊可持續發展表現。

鹽城春竹CGU商譽減值的分析

報告期末，集團聘請了獨立評估師為鹽城春竹CGU於2023年12月31日的商譽進行減值測試。根據測試結果，鹽城春竹CGU於2023年下半年確認商譽減值約人民幣2,842.5萬元，連同2023年上半年確認的人民幣899.5萬元，2023年全年共確認商譽減值人民幣3,742萬元。

Background of goodwill impairment of Yancheng Chunzhu CGU

In August 2015, the Group acquired 30% equity in Yancheng Chunzhu from an independent third party at a cash consideration of RMB84 million. In December 2015, the Group acquired a further 30% equity in Yancheng Chunzhu from an independent third party at a cash consideration of RMB84 million, pursuant to which Yancheng Chunzhu became a subsidiary of the Group. The goodwill generated by the Group's acquisition of Yancheng Chunzhu was RMB66.73 million.

Reasons for recognising the impairment of goodwill of Yancheng Chunzhu CGU

Following the acquisition of Yancheng Chunzhu, the Group integrated its competitive advantages with Yancheng Chunzhu and exerted the synergistic effect to improve the revenue and profit of Yancheng Chunzhu. However, there were negative impacts on Yancheng Chunzhu's operations and performance by the occurrence of a series of events such as the COVID-19 pandemic in recent years. Firstly, Yancheng Chunzhu's products consist primarily of low-carbon alcohol, esters, acids, aldehydes and other food flavors, which are mainly exported and sold to companies such as food and daily chemical flavors, feed flavors, pharmaceuticals, healthcare products and chemicals, with customers mainly concentrated in Europe, the United States, Southeast Asia and Japan. In the aftermath of the pandemic, the long period of destocking in the market was attributed to the large inventory of customers, caused by repeated outbreaks worldwide. Secondly, affected by Sino-US trade disputes and rising international transportation prices, there is no competitive advantage in product prices compared to other regions. Thirdly, weak global economy and more cautious and conservative end use consumption had led to falling demand for products. Competition in the market has intensified as peers have adopted price reduction strategies to promote sales. The above factors have resulted in the performance of Yancheng Chunzhu failing to meet the expectation. Based on the principle of prudence and conservatism, with reference to the impairment test report prepared by an independent valuer, the Group has lowered its future profit forecast for Yancheng Chunzhu and recognised a goodwill impairment of approximately RMB37.42 million on Yancheng Chunzhu CGU. Yancheng Chunzhu CGU has a goodwill balance of approximately RMB29.31 million after the impairment was recognised.

鹽城春竹CGU商譽減值的背景

2015年8月，集團以現金對價人民幣0.84億元向獨立第三方收購鹽城春竹的30%股權。2015年12月，集團以現金對價人民幣0.84億元向獨立第三方進一步收購鹽城春竹30%的股權。自此，鹽城春竹成為集團的附屬公司。本集團收購鹽城春竹所產生的商譽約人民幣6,673萬元。

確認鹽城春竹CGU商譽減值的原因

集團於收購鹽城春竹後，整合與鹽城春竹的競爭優勢，發揮協同效應，提升了鹽城春竹的收入和利潤。然而近年，發生了新冠疫情等一系列的事件，對鹽城春竹的經營和業績產生了負面影響。首先，鹽城春竹產品主要是以低碳醇、酯、酸、醛等產品為主的食品香料，以出口銷售為主，主要銷售給食品和日化香精企業、飼料香精企業、部分醫藥公司、保健品公司和化工企業，客戶主要集中在歐美，東南亞，日本等。由於疫情在全球各地多次、反復發生，導致疫情後客戶庫存偏大，市場去庫存週期較長。其次，受中美貿易糾紛，國際運輸價格上漲等因素影響，產品價格相較於其他地區無競爭優勢。第三，全球經濟疲軟，終端消費更加謹慎保守，產品需求下降；同行為促進銷售需要，採取降價策略，加劇了市場競爭。以上因素導致鹽城春竹的業績表現未能夠達到預期。基於審慎和保守的原則，經參考獨立評估師的減值測試報告，集團下調了鹽城春竹在未來的盈利預測，並確認鹽城春竹CGU商譽減值約人民幣3,742萬元。確認減值後，鹽城春竹CGU的商譽餘額為人民幣2,931萬元。

Analysis of goodwill impairment of Jiangxi Xianghai CGU

At the end of the reporting period, the Group engaged an independent valuer to conduct an impairment test on the goodwill of Jiangxi Xianghai CGU as at 31 December 2023. Based on the assessment results, Jiangxi Xianghai CGU recognised an impairment of goodwill of approximately RMB7.552 million in the second half of 2023, together with the RMB5.952 million recognised in the first half of 2023, the total impairment of goodwill was approximately RMB13.504 million in 2023.

Background of goodwill impairment of Jiangxi Xianghai CGU

In September 2017, the Group acquired 95% shares in Jiangxi Xianghai from an independent third party at a cash consideration of RMB25.208 million, pursuant to which Jiangxi Xianghai became a subsidiary of the Group. The goodwill generated by the Group's acquisition of Jiangxi Xianghai was RMB13.504 million.

Reasons for recognising the impairment of goodwill of Jiangxi Xianghai CGU

Following the acquisition, the Group integrated its competitive advantages with Jiangxi Xianghai and exerted the synergistic effect to improve the revenue and profit of Jiangxi Xianghai. To realize the long-term planning and sustainable development of the enterprise, the Group has strengthened the construction of its second phase project with multi-product and multi-capacity capabilities, which has been substantially completed. However, there were negative impacts on Jiangxi Xianghai's operations and performance by the occurrence of a series of events such as the COVID-19 pandemic in recent years. The reduced demand for business in the post-pandemic market was due to changes in the market environment, restrictions on Sino-US trade due to tariff barriers, the Russian-Ukrainian war, the reduction in the momentum of international economic and trade growth, and the insufficient domestic demand due to degradation in consumption. In addition, as Jiangxi Xianghai belongs to the fine chemical industry, it invests heavily in fixed assets such as environmental protection, safety and fire protection, which cannot be fully diluted in the case of poor sales, further reducing the profit margin. The above factors have resulted in the performance of Jiangxi Xianghai failing to meet the expectation. Based on the principle of prudence and conservatism, with reference to the impairment test report prepared by an independent valuer, the Group has lowered its future profit forecast for Jiangxi Xianghai and recognised a goodwill impairment of RMB13.504 million on Jiangxi Xianghai CGU. Jiangxi Xianghai CGU has a goodwill balance of nil after the impairment was recognised.

江西香海CGU商譽減值的分析

報告期末，集團聘請了獨立評估師為江西香海CGU於2023年12月31日的商譽進行減值測試。根據測試結果，江西香海CGU於2023年下半年確認商譽減值約人民幣755.2萬元，連同2023年上半年確認的人民幣595.2萬元，2023年全年共確認商譽減值約人民幣1,350.4萬元。

江西香海CGU商譽減值的背景

2017年9月，集團以現金對價人民幣2,520.8萬元向獨立第三方收購江西香海的95%股份，自此，江西香海成為集團的附屬公司。本集團收購江西香海所產生的商譽為人民幣1,350.4萬元。

確認江西香海CGU商譽減值的原因

集團於收購後整合與江西香海的競爭優勢，發揮協同效應，提高江西香海的收入和利潤。為了企業的長遠規劃發展和實現可持續發展，加強了公司多產品多產能能力的二期項目建設，二期項目已基本完成。由於近年，發生了新冠疫情等一系列的事件，對江西香海的經營和業績產生了負面影響。疫情後由於市場環境的變化，中美貿易存在關稅壁壘限制，俄烏戰爭，國際經濟和貿易增長動能減少，國內消費降級，需求不足，導致市場對於業務相關的需求減少。其次江西香海屬於精細化工行業，對於環保安全消防等固定資產投資較大，在銷售不旺的情況下固定費用不能充分攤薄，進一步壓縮了利潤空間，以上因素導致江西香海的業績表現未能夠達到預期。基於審慎和保守的原則，經參考獨立評估師的減值測試報告，集團下調了江西香海在未來的盈利預測，並確認江西香海CGU商譽減值人民幣1,350.4萬元。確認減值後，江西香海CGU的商譽餘額為零。

Review of the condiment business

During the Reporting Period, revenue of the Group's condiment business was approximately RMB754 million (2022: approximately RMB573 million), representing a year-on-year increase of 31.6%, and accounting for approximately 22.8% (2022: approximately 15.0%) of the Group's total revenue. The revenue growth of the segment was mainly due to a strong recovery in the catering industry leading to increased customer demand for condiments. The operating profit of the business segment was approximately RMB117 million (2022: operating loss of approximately RMB1,117 million), representing a year-on-year increase of 117.3% in comparison to the adjusted operating profit of approximately RMB53.73 million (excluding the goodwill impairment of RMB1,171 million) in 2022. Operating profit margin was 15.5%, representing an increase of 6.1 percentage points in comparison to the adjusted operating profit margin of 9.4% in 2022. The increase in operating profit and operating profit margin was due to the increase in revenue.

In terms of product mix, during the post-pandemic period, consumers pursued cost-effective products, forcing catering enterprises to lower prices to obtain market share, and catering enterprises had a more urgent demand for "cost reduction and efficiency improvement". The soup base products, chicken essence products and sauce products launched by the Group could help customers improve their cooking efficiency, ensure the flavour of dishes and enhance their operating efficiency, and were a supplement to core products such as chicken sauce and mustard, further improving the product mix.

調味品業務回顧

報告期內，本集團調味品業務銷售收入約人民幣7.54億元(2022年：約人民幣5.73億元)，同比增長31.6%，佔本集團收入約22.8%(2022年：約15.0%)。板塊收入增長主要是由於餐飲業強力復蘇帶動客戶對調味品需求上升。板塊營運盈利約人民幣1.17億元(2022年：營運虧損約人民幣11.17億元)，與2022年經調整營運盈利約人民幣5,373萬元(撇除商譽減值人民幣11.71億元)相比，同比增長117.3%；營運盈利率約15.5%，與2022年經調整營運盈利率9.4%相比，同比增加6.1個百分點。營運盈利和營運盈利率的增長主要是由於收入增加。

產品結構方面，後疫情時代的消費者追求性價比，餐飲企業不得不用更加低廉的價格獲取市場份額，餐飲企業對「降本增效」的需求更加迫切。集團推出的湯底產品、雞精產品、醬汁產品能夠幫助客戶提高做菜效率、穩定菜品風味，提升客戶的營運效率。這些產品對雞汁和芥辣兩個核心產品起到了很好的補充作用，完善了產品結構。



The Group launched new products to improve the flavour of clients' dishes

集團推出新產品提升客戶菜品的風味

Management Discussion and Analysis

In terms of sales channel, the sales team seized the opportunity of the recovery of the catering industry to further expand the sales network. As of 31 December 2023, the Group had more than 650 Tier 1 distributors, representing an increase of approximately 250 compared with the corresponding period last year, which made the Group's products available to more customers and promoted the sales revenue growth.

In terms of marketing strategy, the Group developed special marketing activities based on the characteristics of each product and target customers to make every product fully exposed to customers in the market segment and grab market share. The Group organized several chef's presentations to make new and existing chefs aware of product characteristics, changes and application, with an aim to make them users and enhance their brand loyalty.

Review of R&D

During the Reporting Period, the Group's investment in R&D was approximately RMB253 million (2022: approximately RMB266 million). R&D expenses accounted for 7.7% (2022: 7.0%) of revenue, representing a year-on-year increase of 0.7 percentage point. All (2022: 100%) of the R&D expenses were expensed, with no R&D cost capitalised (2022: Nil).

In terms of F&F and Food ingredients, the Group was granted 12 patents, including "A kind of Flavouring and Fragrance for Oral Tobacco and Its Preparation and Application", "A kind of Galangal Flavour and Fragrance and Its Preparation and Application", "A kind of Sandalwood Flavour and Fragrance with High Temperature Resistance and Its Preparation and Application" and "A kind of Vacuum Tank Air Tightness Testing Equipment". These patents cover flavours and fragrances for cigarettes, food, daily chemicals and food ingredients, demonstrating the Group's research and development capabilities in the specific area. The Group's food flavours won the 2023 Mondelez Quality and Food Safety Culture Award, representing the recognition and trust of customers in the Group's products.

管理層討論及分析

銷售渠道方面，銷售團隊把握餐飲行業復蘇的機會，進一步擴大銷售網絡。截至2023年12月31日止，集團一級經銷商數量超過650家，與去年同期相比增加了約250家。經銷商數量的增加讓集團的產品覆蓋到更多的消費者，促進提升銷售收入。

營銷策略方面，集團根據單個產品的特點以及目標客戶，制定了專門的營銷活動，讓單個產品能夠在細分賽道上充分曝光，搶佔市場份額。集團組織了多次廚師推介會，讓新老廚師瞭解產品的特點、變化、應用方式，將他們培養為用戶，並增強他們的品牌忠誠度。

研發回顧

報告期內，本集團投入研發費用約人民幣2.53億元(2022年：約人民幣2.66億元)。研發費用佔銷售收入的比例為7.7%(2022年：7.0%)，同比上升0.7個百分點。研發費用當中全數(2022年：100%)作為費用支出，並無任何研發成本已資本化(2022年：無)。

香精及食品配料方面，集團獲得《一種口含煙用香精及其製備方法和應用》、《一種南薑香精及其製備方法和應用》、《一種耐高溫檀香香精及其製備方法和應用》、《一種真空罐氣密性檢測設備》等12項專利，這些專利涵蓋煙用香精、食品用香精、日化用香精及食品配料，展現了集團在專業領域的研發能力。集團的食品用香精獲得了《2023億滋質量與食品安全獎項》，體現出客戶對集團產品的認可和信任。

Management Discussion and Analysis

管理層討論及分析

In terms of tobacco raw materials, the Group obtained an invention patent of “Quantitative Control System, Control Method and Production System of Thickened Pulp Paper-making Process for RTL” in China, as well as a utility model patent of “HNB Cigarettes, its Preparation Method and HNB Cigarettes System” in Japan. These patents not only represent the competitiveness of the Group in the field of HNB cigarettes, but also lay a solid foundation of intellectual property for the Group to carry out HNB cigarettes business in the future, enabling the Group to protect its own commercial interests. The Group fully utilized its own technology and experience in capsule production, and obtained an invention patent of “A Gastrointestinal Controlled Release Probiotic Strains”, which allowed the Group to better provide high-quality capsule products for probiotic manufacturers and expand more business.

In terms of aroma raw materials, Jiangxi Xianghai obtained a patent of “A Method for Recovering Chloroethane and its Solvent from the Production of Alpha-ethyl Furan Carbinol”. Guangdong Zhaoqing was awarded the “Certificate of Professional, Advanced, Specialized and New SME of Guangdong Province” as well as the “Certificate of Top 50 Technology Innovation Enterprises in Zhaoqing”.

In terms of condiments, the Group explored and innovated in the field of core products and compound condiments, and successively applied for three invention patents, including “A Quality Control Method for Preserving High-sugar Juice Beverage Pulp”, “A Method for Preserving the Flavour of Vegetable Juice-Soy Sauce Compound Condiment at Ambient Temperature Storage and Transportation” and “A Compound Method for Preserving the Tallow Flavor during Sterilization”. The Group obtained a patent of “A kind of Preparation Method of Thermally Processed Concentrated Citrus Fruit Juice with Inhibition of Non-enzymatic Browning”. The patent can effectively inhibit and slow down the browning of fruit juices during storage, extend the storage time and make fruit juice products easier to preserve, which is of significant commercial value to the Group.

煙用原料方面，集團在中國國內獲得了《稠漿造紙法再造煙葉定量控制系統、控制方法和生產系統》發明專利，在日本獲得了《加熱不燃燒煙支及其製備方法和加熱不燃燒煙支系統》實用新型專利。這些專利不僅體現出集團在加熱不燃燒煙領域的競爭力，還為集團在將來開展加熱不燃燒煙業務時奠定了堅固的知識產權基礎，讓集團能夠保護自身的商業利益。集團充分利用自身在膠囊方面的製作技術和經驗，獲得了《一種胃腸道控釋型益生菌株》的發明專利，專利的獲得讓集團能夠更好的為益生菌製造商提供優質的膠囊產品，開拓更多業務。

香原料方面，江西香海獲得了《一種回收 α -乙基呋喃甲醇生產中氯乙烷及其溶劑的方法》專利，廣東肇慶獲得了《廣東省專精特新中小企業證書》和《肇慶市科技創新企業50強證書》。

調味品方面，集團在核心產品和複合調味品領域探索創新，先後申請了三項發明專利，包括《一種高糖型果汁飲料濃漿防腐保鮮的品控方法》、《一種常溫貯運的蔬菜汁-醬油複合調味品風味保持方法》、《一種殺菌過程中動物油脂風味保存的複合方法》。集團獲得了《一種抑制非酶褐變的熱加工濃縮柑橘類果汁的製備方法》，該項專利能夠有效抑制和減緩果汁在儲藏期間的褐變，延長了果汁儲藏時間，使果汁類產品更容易保存，對集團果汁類產品具有重要商業價值。

Management Discussion and Analysis

管理層討論及分析

Human Resources and Corporate Culture Construction

As at 31 December 2023, the Group employed a total of 3,995 (as of 31 December 2022: 3,875) employees in Mainland China, Hong Kong, Germany, Indonesia, Singapore and other places.

After the end of the pandemic, China's economy began to experience a fast followed by slow recovery, which arouse different concerns from various employees in all walks of life about economic prospects and personal professional development, as well as the pressure of cost reduction, efficiency improvement and labor cost control faced by corporates. Amidst the increasing uncertainty of the business environment, the Group continued to provide employees with various benefits and psychological relief trainings to help them relieve their stress and further concentrate on their work. At the same time, according to the business development plan, the Group optimized the compensation structure and provided more support and subsidies to employees in key projects, encouraging them to strive for the Company's business development. The Group kept up with the market trend, organized several special trainings for employees, including ESG case analysis, artificial intelligence development, lean production management, etc. These trainings enriched the knowledge structure of employees, improved their comprehensive work ability, enabled employees to perform various tasks more accurately and efficiently, and improved the operating efficiency of the Group.

The Group's employees are located in different countries and regions at home and abroad. In order to enable them to understand the development of the Group from multiple perspectives, the Group launched a bilingual corporate journal in Chinese and English. In the internal publications, the Group keeps employees informed of the progress of various businesses and projects, shares management methods to improve production efficiency, introduces the culture and customs of different regions, in order to enhance their mutual understanding and improvement. Domestically, the Group organizes different cultural and sports activities every month to make employees relax and enhance mutual trust. Internationally, the Group respects local cultural customs, provides an appropriate working environment for employees, celebrates local holidays, and enhances the brand awareness of the Group, so as to attract more local talents to join the Group in the future and promote the development of the Group's overseas business.

人力資源及企業文化建設

於2023年12月31日，本集團在中國內地、香港、德國、印度尼西亞、新加坡等地共聘用員工3,995人(截至2022年12月31日：3,875人)。

疫情結束後，中國經濟開始復蘇，但是經濟復蘇的速度先快後慢，讓各行各業的員工對經濟前景及個人職業發展都有不同程度的擔憂，企業也面臨著降本增效、控制人力成本的壓力。在不確定性增大的經營環境下，集團維持對員工的各項福利，向員工提供心理舒緩培訓，緩解員工壓力，讓員工能夠集中精力安心工作。同時，集團根據業務發展計劃，優化薪酬結構，向重點項目的員工予以更多支持和補助，使他們能夠鼓足動力，努力為公司業務發展拼搏。集團結合市場趨勢，為員工舉辦了多項主題培訓，包括ESG案例分析、人工智能發展、精益生產管理等，這些培訓豐富了員工的知識結構、提升了員工的綜合工作能力，使員工能夠更加準確、高效地執行各項工作任務，提升了集團的營運效率。

集團的員工分佈在海內外不同國家和地區，為了讓他們能夠從多個角度瞭解集團的發展，集團推出了中英雙語版的企業內刊。在內刊中，集團讓員工瞭解各項業務和項目的進展，分享提升生產效率的管理辦法，介紹不同地區的文化和風俗，使大家能夠增進瞭解，共同進步。在國內，集團在每個月都舉辦了不同的文化和體育活動，使員工放鬆身心，增進互信。在海外，集團尊重當地的文化習慣，為員工提供合適的工作環境，慶祝當地的節假日，提升集團的品牌知名度，從而在未來能夠吸引到更多當地的優秀人才加入集團，推進集團海外業務的發展。

Management Discussion and Analysis

管理層討論及分析

Digital Transformation

The Group has seen great development and progress in the digital transformation. The Group applied the SAP ERP system to every business segment, and the purchasing, warehousing, planning, production, quality, sales and accounting data of each segment could be displayed on the platform. Through the automatic analysis of the data on the platform, the management could understand the business development condition in a timely and accurate manner. The application of the fund management system enabled the Group to monitor and check the existing funds of the Group in real time, and to predict the future fund demand on a rolling basis, thus improving the capital efficiency and management ability of the Group. The product life cycle management system was applied to the Group's overseas research and development center, food flavour management and tobacco flavour formula management, effectively improving the Group's compliance in the process of research and development and avoiding legal and regulatory risks.

The Group has implemented the digital transformation for two years, during which the Group provided several trainings for the management and core employees to emphasize the strategic significance and importance of the digital transformation. The digital transformation team would record and answer employees' issues arising from the application of the digital transformation system, and optimize the system based on the feedback of employees, so as to improve the efficiency for implementation of the digital transformation and contribute to the business development of the Group.

OUTLOOK

Affected by factors such as geopolitical tensions, high debt and interest rates, overseas economic growth may further slow down in 2024, and market demand may further decline. In China, the restoration of consumer confidence remains uncertain. Overall, the risks and challenges facing the domestic and foreign macroeconomy have not diminished.

In the new year, the management of the Group will continue to develop the Group's business prudently, utilize its main resources to invest in projects with high safety margins and stable returns, and continue to reduce costs and increase efficiency through the "Lean Production", further improving operational efficiency and business performance. With the vision of "Flavour Your Life", the Group will make its products more nutritious and healthier through continuous technology and product innovation, and become an advocate of Chinese and even global consumers' health protection.

數字化轉型

數字化轉型工作在集團內部取得了很大的發展和進步。集團將SAP ERP系統覆蓋到了每一個業務板塊，每個板塊的採購、倉儲、計劃、生產、質量、銷售、核算數據都能夠在平台上顯示，通過對平台上數據的自動化分析，管理層能夠及時、準確地瞭解業務發展狀況；資金管理系統的應用讓集團能夠實時監測和查詢集團的資金存量，滾動預測未來的資金需求，提高了集團的資金使用效率和管理能力；產品生命週期管理系統已經被應用到集團海外研發中心、食品用香精管理、煙用香精配方管理，有效提升了集團研發過程中的合規性，規避了法律法規風險。

數字化轉型工作已經在集團進行了兩年。在開展工作的過程當中，集團向管理層及核心員工進行了多次培訓，向他們強調數字化轉型工作的戰略意義及重要性。對員工在使用數字化轉型系統過程中遇到的問題，數字化轉型團隊會予以記錄和解答，並根據員工使用系統的反饋對系統進行優化，提高數字化轉型工作的執行效率，助力集團業務發展。

展望

受到地緣政治局勢緊張、債務和利率高企等因素影響，海外經濟在2024年的增長有可能進一步放緩，市場需求有可能進一步下降。在中國國內，居民消費信心的復蘇依然存在不確定性。總體而言，國內外宏觀經濟面臨的風險和挑戰都並未減少。

在新的一年，集團管理層將繼續以審慎的態度發展集團業務，將主要資源投資於安全邊際高、回報穩定的項目上，並繼續通過「精益生產」降本增效，提高營運效率和業務表現。集團會以「美味生活引領者」為願景，不斷通過技術和產品創新，讓集團的產品更加營養、健康，成為中國乃至世界消費者健康的推動者。

Management Discussion and Analysis

In terms of flavours and fragrance and food ingredients, the Group will seize the opportunity of customer transition regarding international tobacco, food and beverage, demonstrate its own strengths through sufficient communication to acquire more business. In terms of tobacco raw materials, the Group will take the development of overseas markets as the key focus, providing quality RTL, capsules and filters for international customers, striving to be their excellent partner and reliable supplier. In terms of aroma raw materials, the Group will reduce costs and increase efficiency through "Lean Production", enhance the competitiveness of products, develop domestic and overseas markets, and improve business performance. In terms of condiments, the Group will focus on customers, conduct innovation in research and development, products, supply chain and sales, creating value for customers, helping them deal with problems and increasing sales revenue.

FINANCIAL REVIEW

Analysis of annual results for the year ended 31 December 2023

Revenue

The Group's revenue amounted to RMB3,307,839,000 for the year ended 31 December 2023, representing a decrease of 13.6% as compared with RMB3,828,984,000 for the corresponding period last year. The decrease in the revenue was due to a decrease in the revenue of the F&F and Food ingredients segment by 22.0% year-on-year to RMB1,464,433,000 as a result of the changes in the downstream market demand and increased market competition; and a decrease in revenue of the aroma raw materials segment by 32.4% year-on-year to RMB624,686,000 as a result of a decline in demand in both the domestic and overseas markets. However, the decrease was partially offset by a 31.6% year-on-year increase in revenue of the condiment segment to RMB754,060,000 due to increased customer demand as a result of the recovery of the catering industry.

Cost of goods sold

The Group's cost of goods sold amounted to RMB1,838,474,000 for the year ended 31 December 2023, representing a decrease of 5.8% as compared with RMB1,951,421,000 for the corresponding period last year.

管理層討論及分析

香精及食品配料板塊方面，集團將把握國際煙草、食品、飲料客戶轉型的機遇，通過充分溝通展示自身優勢，獲取更多業務。煙用原料板塊方面，集團會把發展海外市場作為主要工作，向國際客戶提供優質的再造煙葉、膠囊、濾棒，成為國際客戶優秀的合作夥伴和可靠的供應商。香原料方面，集團將通過「精益生產」降本增效，增強產品的競爭力，開發國內和海外市場，改善經營表現。調味品方面，集團會以客戶為核心，從研發、產品、供應鏈、銷售上創新，為客戶創造價值，幫助客戶解決問題，提升銷售收入。

財務狀況回顧

截至2023年12月31日止年度的業績分析

營業額

截至2023年12月31日止年度，本集團的營業額達到人民幣3,307,839,000元，較去年同期的人民幣3,828,984,000元減少了13.6%。營業額的減少，是由於產品下游市場需求變化及市場競爭增加，香精及食品配料板塊的營業額同比減少了22.0%至人民幣1,464,433,000元；以及由於國內外市場需求下滑，香原料板塊的營業額同比減少了32.4%至人民幣624,686,000元；但是，由於餐飲業復蘇使客戶需求增加，調味品板塊的營業額同比增加了31.6%至人民幣754,060,000元，而抵銷了部份降幅。

銷售成本

截至2023年12月31日止年度，本集團的銷售成本為人民幣1,838,474,000元，較去年同期的人民幣1,951,421,000元減少了5.8%。

Gross profit and gross profit margin

For the year ended 31 December 2023, the Group's gross profit was RMB1,469,365,000, representing a decrease of RMB408,198,000 or approximately 21.7% as compared with RMB1,877,563,000 for the corresponding period last year. The gross profit margin for the year was approximately 44.4%, representing a decrease of 4.6 percentage points as compared to 49.0% for the corresponding period last year. The decrease in gross profit and gross profit margin was mainly attributable to the decline in revenue for the year as well as changes in the product mix of the Group, and a provision for impairment of "property, plant and equipment" of RMB76,353,000 in total during the year, of which a provision for impairment of plant and equipment of RMB47,062,000 after assessment in Jiangxi Xianghai due to the significantly year-on-year decrease in revenue and gross profit, and a provision for impairment of bearer plant of RMB29,291,000 after assessment in Shanghai Yifang due to the revenue and profit failed to meet the expectation for the year.

Other income and other gains – net

For the year ended 31 December 2023, other income and other gains (net) of the Group was RMB146,608,000, representing a decrease of RMB66,204,000 as compared with RMB212,812,000 for the corresponding period last year. The decrease in other income and other gains was mainly attributable to: (1) the loss from changes in fair value of financial assets at fair value through profit or loss ("FVPL") for the year amounting to RMB8,810,000 (2022: gain of RMB106,052,000), representing a year-on-year decrease of RMB114,862,000, mainly due to the loss from changes in fair value of contingent consideration regarding the acquisition of Shanghai Yifang ("Contingent Consideration") for the year amounting to RMB29,200,000 (2022: gain of RMB63,490,000), representing a year-on-year decrease of RMB92,690,000, as well as the loss from changes in fair value of listed equity investments held in the year amounting to RMB21,824,000 (2022: gain of RMB3,957,000), representing a year-on-year decrease of RMB25,781,000; (2) government grants reaching RMB151,051,000 in the year (2022: RMB126,085,000), representing a year-on-year increase of RMB24,966,000; (3) a loss of RMB24,083,000 recorded last year but not in the current year in respect of the changes in the fair value of previously held interest in a jointly controlled entity upon acquisition as a subsidiary.

毛利和毛利率

截至2023年12月31日止年度，本集團的毛利為人民幣1,469,365,000元，較去年同期的人民幣1,877,563,000元減少了人民幣408,198,000元，減少了約21.7%。本年度的毛利率約為44.4%，比去年同期的49.0%下降了4.6個百分點。毛利和毛利率的下跌，主要由於本年度的營業額有所下降，本集團產品結構有所變化，以及本年度計提「物業、機器及設備」減值撥備共人民幣76,353,000元，其中江西香海由於本年度收入和毛利同比大幅下跌，經評估後計提機器和設備減值撥備人民幣47,062,000元，以及上海奕方由於本年度收入和利潤未如預期，經評估後計提生產性植物減值撥備人民幣29,291,000元。

其他收入及其他收益－淨額

截至2023年12月31日止年度，本集團的其他收入及其他收益(淨額)為人民幣146,608,000元，較去年同期的人民幣212,812,000元減少了人民幣66,204,000元。其他收入及其他收益的減少原因主要包括：(1)本年度以公允價值計量且其變動計入損益之金融資產公允價值變動虧損為人民幣8,810,000元(2022年：收益人民幣106,052,000元)，同比下降了人民幣114,862,000元，主要因為本年度就收購上海奕方而產生的或有業績補償(「或有業績補償」)之公允價值變動虧損為人民幣29,200,000元(2022年：收益人民幣63,490,000元)，同比下降了人民幣92,690,000元，以及本年度持有之上市權益投資之公允價值變動虧損為人民幣21,824,000元(2022年：收益人民幣3,957,000元)，同比減少了人民幣25,781,000元；(2)本年度政府津貼達人民幣151,051,000元(2022年：人民幣126,085,000元)，同比增加了人民幣24,966,000元；(3)去年度錄得之前持有共同控制實體權益於成為附屬公司時之公允價值變動虧損人民幣24,083,000元但本年度沒有。

Selling and marketing expenses

The selling and marketing expenses of the Group comprised mainly travelling expenses, business and markets promotion expenses, agency services expenses, salaries and office expenses, etc. The selling and marketing expenses of the Group for the year ended 31 December 2023 was RMB326,809,000, representing a decrease of 5.1% as compared with RMB344,405,000 for the corresponding period last year. Selling and marketing expenses for the year accounted for approximately 9.9% of the total revenue, representing an increase of 0.9 percentage point as compared with approximately 9.0% for last year. The increase in such ratio was mainly attributable to the Group's increase in the business and marketing expenses in response to the fierce market competition, and the decrease in revenue in the current year.

Administrative expenses

For the year ended 31 December 2023, the Group's administrative expenses amounted to RMB830,866,000, representing an increase of RMB4,907,000 or 0.6% as compared with RMB825,959,000 for the corresponding period last year, similar with that in last year. Administrative expenses for the current year accounted for approximately 25.1% of the total revenue, representing an increase of 3.5 percentage points as compared with approximately 21.6% for the year ended 31 December 2022. The increase in percentage was mainly attributable to the fact that revenue declined at a faster rate than administrative expenses.

Operating profit/(loss)

For the year ended 31 December 2023, the Group's operating profit was RMB378,051,000, representing an increase of RMB986,026,000 as compared with the operating loss of RMB607,975,000 for the year ended 31 December 2022. The increase in operating profit was mainly due to a year-on-year decrease of RMB1,451,208,000 in impairment of goodwill for the current year, which was partially offset by the decrease in gross profit.

銷售及市場推廣開支

本集團銷售及市場推廣開支主要包括差旅費、業務及市場宣傳費、服務代理費、薪金及辦公費用等。本集團截至2023年12月31日止年度的銷售及市場推廣開支為人民幣326,809,000元，較去年同期的人民幣344,405,000元減少了5.1%。而本年度的銷售及市場推廣開支所佔營業總額的比例為約9.9%，較去年度的約9.0%上升了0.9個百分點。該比例的上升主要是因為本年度本集團增加業務及市場推廣費以應對激烈的市場競爭以及營業額下降所致。

行政開支

截至2023年12月31日止年度，本集團的行政開支為人民幣830,866,000元，較去年同期的人民幣825,959,000元增加了人民幣4,907,000元，增加了0.6%，與去年相若。而本年度的行政開支所佔營業總額的比例為約25.1%，較截至2022年12月31日止年度的約21.6%上升了3.5個百分點。該比例的上升主要因為營業額下降的速度快於行政開支下降的速度所致。

營運盈利／（虧損）

截至2023年12月31日止年度，本集團的營運盈利為人民幣378,051,000元，較截至2022年12月31日止年度的營運虧損人民幣607,975,000元，增加了人民幣986,026,000元，營運盈利增加主要因為本年度商譽減值同比減少了人民幣1,451,208,000元，但是被毛利的下跌抵銷了部份影響。

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If the effect of goodwill impairment for the year and last year of RMB56,502,000 and RMB1,507,710,000, respectively, was excluded, the adjusted operating profit for the year would be RMB434,553,000, representing a decrease of RMB465,182,000 or 51.7% compared with RMB899,735,000 (excluding goodwill impairment) for the corresponding period last year, mainly due to the decrease in gross profit as well as other income and other gains (net) for the year. Adjusted operating profit margin for the year would be approximately 13.1%, representing a decrease of 10.4 percentage points from approximately 23.5% (excluding goodwill impairment) for the corresponding period last year, mainly due to the drop in gross profit margin and the increase in administrative expenses as a percentage of revenue for the year.

If goodwill impairment of RMB56,502,000 and RMB1,507,710,000 for the year and last year were excluded respectively, the changes in fair value of Contingent Consideration amounted to a loss of RMB29,200,000 and a gain of RMB63,490,000 for the year and last year were excluded, respectively, and the provision for impairment of property, plant and equipment amounted to RMB76,353,000 and RMB31,774,000 for the year and last year were excluded, respectively, the adjusted operating profit for the year would be approximately RMB540,106,000, representing a decrease of RMB327,913,000 or 37.8% as compared with RMB868,019,000 (excluding goodwill impairment, a gain from changes in fair value of Contingent Consideration and the provision for impairment of property, plant and equipment) for last year.

如果撇除本年度和去年度商譽減值分別為人民幣56,502,000元和人民幣1,507,710,000元的影響，本年度經調整的營運盈利為人民幣434,553,000元，比去年同期的人民幣899,735,000元(撇除商譽減值後)減少了人民幣465,182,000元，減少了51.7%，主要因為本年度毛利以及其他收入及其他收益(淨額)下跌所致。本年度經調整的營運盈利率約為13.1%，比去年同期的約23.5%(撇除商譽減值後)下跌了10.4個百分點，主要因為本年度毛利率下跌以及行政開支所佔營業額的比例上升所致。

如果同時撇除本年度和去年度商譽減值分別為人民幣56,502,000元和人民幣1,507,710,000元，本年度和去年度或有業績補償之公允價值變動分別為虧損人民幣29,200,000元和收益人民幣63,490,000元，以及本年度和去年度物業、機器及設備減值撥備分別為人民幣76,353,000元和人民幣31,774,000元，本年度的經調整營運盈利約為人民幣540,106,000元，比去年度的人民幣868,019,000元(撇除商譽減值，或有業績補償之公允價值變動收益和物業、機器及設備減值撥備)，下跌了人民幣327,913,000元，下跌了37.8%。

Provision for impairment relating to the investment in an associate

For the year ended 31 December 2023, the Group recognised an impairment loss of RMB22,291,000 (2022:RMB139,000,000) for the investment in an associate, being the difference between the fair value of the equity investment in Junjieshang of RMB179,391,000 and its carrying amount as at 30 April 2023. As one of the Group's common director at the subsidiary level retired in April 2023, the Group lost its influence over Junjieshang. In accordance with the relevant accounting standards, the Group designated the equity investment in Junjieshang at fair value to financial assets at fair value through other comprehensive income. The Group engaged an independent valuer to assess the fair value of the equity investment in Junjieshang as at 30 April 2023, which was determined based on VIU by using the estimated future discounted cash flow approach. The key assumptions adopted in the VIU calculation were: (1) the CAGR of revenue for the forecast period of 12% (2022:22.3%), 118.3% (2022:121.2%) and 113.8% (2022:115.4%) for advertising, SaaS e-commerce service and SaaS platform service, respectively; (2) the post-tax discount rate of 25% (2022:25%); and (3) the terminal CAGR of 5% (2022:5%). Impairment was made mainly due to the advertising market was still in the midst of a difficult recovery after pandemic and the intensified competition from peers.

At the end of the reporting period, the Group engaged an independent valuer to assess the fair value of the equity investment in Junjieshang. Based on the assessment results, the Group recognised fair value loss of RMB177,260,000 in other comprehensive income for the year. Considering that the actual advertising orders is much lower than the forecast based on the framework agreement signed in prior year, and the recovery trend of China's advertising market is not significant and is still in the process of recovery, Junjieshang is confronted with huge challenges in developing its existing business and expanding its new business in the face of weakening downstream markets. Therefore, Junjieshang is unable to accurately estimate the operating revenue during the forecast period. Meanwhile, as the Company is a minority

聯營公司投資之減值撥備

截至2023年12月31日止年度，本集團確認聯營公司投資之減值損失人民幣22,291,000元(2022年：人民幣139,000,000元)，乃駿杰尚股權投資於2023年4月30日之公允價值人民幣179,391,000元與其賬面值之間的差異。由於本集團在附屬公司層面的一名共同董事於2023年4月退任，因而導致本集團失去對駿杰尚的影響力。根據相關的會計準則，本集團將以公允價值計量的駿杰尚股權投資分類為「以公允價值計量且其變動計入其他全面收益的金融資產」。本集團聘請了獨立評估師對駿杰尚於2023年4月30日的股權投資進行公允價值評估，此乃使用預計未來現金流量折現法來釐定使用價值。計算使用價值採用的關鍵假設為：(1)廣告，SaaS電商服務和SaaS平台服務於盈利預測期內之收入複合增長率分別為12% (2022年：22.3%)，118.3% (2022年：121.2%) 和113.8% (2022年：115.4%)；(2)稅後貼現率25% (2022年：25%)；及(3)永續期複合增長率5% (2022年：5%)。減值主要因為疫情後廣告市場仍在艱難復蘇中，以及同行競爭加劇所致。

於報告期末，本集團聘請了獨立評估師對駿杰尚的股權投資進行公允價值評估。根據評估結果，本集團本年於其他全面收益中確認公允價值虧損人民幣177,260,000元。考慮到實際的廣告訂單遠低於根據上年簽訂的框架合約而制訂的預測，且中國廣告市場回暖態勢並不顯著，目前仍處於恢復期，同時面對下游市場走弱，駿杰尚在發展現有業務和拓展新業務方面面臨著巨大的挑戰。因此，駿杰尚無法準確估計預測期間的經營收入。同時，由於本公司為駿杰尚的少數股東，未委任董事，亦未參與駿

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shareholder of Junjieshang and has neither appointed directors nor participated in the operation of Junjieshang, it is difficult to quantify the risks it bears in obtaining expected returns. Therefore, the valuer assessed the recoverable amount of Junjieshang based on fair value less cost of disposal ("FVL COD") by using the comparable company method under the market approach. The key assumptions used in the FVL COD calculation were: (1) the enterprise value/sales multiples ("EV/S Multiple") observed from a group of comparable companies engaged in the same business and adjusted by size correction coefficient and financial indicator correction coefficient between the comparable companies and Junjieshang to get the corrected EV/S Multiple of 4.19; and (2) the discount rate for lack of marketability for Junjieshang's industry of 29.5%.

Income tax expenses

The income tax expenses of the Group for the year ended 31 December 2023 was RMB125,442,000, representing a decrease of RMB55,398,000 as compared with RMB180,840,000 for last year. If the effect of goodwill impairment for the year and last year and provision for impairment on the investment in an associate were both excluded respectively, income tax rate of the year would be approximately 25.3%, representing an increase of approximately 5.8 percentage points as compared with approximately 19.5% for last year, which was mainly attributable to the higher than expected withholding income tax on dividends distribution by subsidiaries in Mainland in the year.

Profit/(loss) for the year

For the year ended 31 December 2023, the Group's profit was RMB290,483,000, representing an increase of RMB1,191,533,000 as compared with the loss of RMB901,050,000 for last year. The year-on-year change was mainly due to a year-on-year decrease in impairment of goodwill of RMB1,451,208,000 for the current year, which was partially offset by the decrease in gross profit.

If the effect of goodwill impairment for the year and last year of RMB56,502,000 and RMB1,507,710,000, respectively, was excluded, the profit for the year would be approximately RMB346,985,000, representing a decrease of 42.8% as compared with RMB606,660,000 (excluding goodwill impairment) for the corresponding period last year.

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杰尚的經營，因此難以量化其在獲得預期回報時所承擔的風險。因此，評估師採用市場法下的可比較公司法計算公平價值減出售成本（「公平價值減出售成本」）來釐定駿杰尚的可收回金額。計算公平價值減出售成本採用的關鍵假設為：(1) 觀察從事相同業務的可比較公司之企業價值／銷售額倍數（「企業價值／銷售額倍數」）並以駿杰尚與可比公司的規模修正系數和財務指標修正系數作調整，計算出已修正後的企業價值／銷售額倍數為 4.19；和(2) 駿杰尚所屬行業的缺乏市場流通性折扣率為 29.5%。

稅務開支

截至 2023 年 12 月 31 日止年度，本集團的稅務開支為人民幣 125,442,000 元，較去年度的人民幣 180,840,000 元，減少了人民幣 55,398,000 元。如果同時撇除了本年度和上年度商譽減值和聯營公司投資之減值撥備的影響，本年度所得稅稅率約為 25.3%，較去年度的約 19.5% 增加了約 5.8 個百分點，主要由於本年度國內附屬公司因分派股息而產生的預提所得稅比預期增加所致。

本年度盈利／（虧損）

截至 2023 年 12 月 31 日止年度，本集團盈利為人民幣 290,483,000 元，較去年度的虧損人民幣 901,050,000 元，上升了人民幣 1,191,533,000 元，同比變化主要因為本年度商譽減值同比減少了人民幣 1,451,208,000 元，但是被毛利的下跌抵銷了部份影響。

如果撇除本年度和上年度商譽減值分別為人民幣 56,502,000 元和人民幣 1,507,710,000 元的影響，本年度盈利約為人民幣 346,985,000 元，比去年同期的人民幣 606,660,000 元（撇除商譽減值後）下跌了 42.8%。

If goodwill impairment of RMB56,502,000 and RMB1,507,710,000 for the year and last year, respectively, the changes in fair value of Contingent Consideration of a loss of RMB29,200,000 and a gain of RMB63,490,000 for the year and last year, respectively, the provision for impairment of property, plant and equipment of RMB76,353,000 and RMB31,774,000 for the year and last year, respectively, and the provision for impairment on the investment in an associate of RMB22,291,000 and RMB139,000,000 for the year and last year, respectively, were all excluded, the profit for the year would be RMB474,829,000, representing a decrease of 33.5% as compared with RMB713,944,000 (excluding goodwill impairment, a gain on changes in fair value of Contingent Consideration, provision for impairment of property, plant and equipment and provision for impairment on the investment in an associate) for last year.

Profit/(loss) attributable to the equity holders of the Company

For the year ended 31 December 2023, the profit attributable to the equity holders of the Company was RMB233,633,000, representing an increase of RMB1,288,180,000 as compared with the loss attributable to the equity holders of the Company of RMB1,054,547,000 in the last year. The year-on-year change was mainly attributable to a year-on-year decrease in impairment of goodwill of RMB1,451,208,000 for the current year. However, the impact was partially offset by the decrease in gross profit.

Net current asset value and financial resources

As at 31 December 2023, the net current asset value of the Group was RMB6,975,409,000 (31 December 2022: RMB6,944,129,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 31 December 2023, the Group's cash and bank balances amounted to RMB2,539,493,000 (31 December 2022: RMB4,747,978,000), over 65% of which were held in RMB. In addition, the fair value of outstanding bank wealth management products held by the Group as at 31 December 2023 amounted to RMB3,847,748,000 (31 December 2022: RMB1,594,315,000), which was presented as financial assets at FVPL.

如果同時撇除本年度和去年度商譽減值分別為人民幣56,502,000元和人民幣1,507,710,000元，本年度和去年度或有業績補償之公允價值變動分別為虧損人民幣29,200,000元和收益人民幣63,490,000元，本年度和去年度物業、機器及設備減值撥備分別為人民幣76,353,000元和人民幣31,774,000元，以及本年度和去年度的聯營公司投資減值撥備分別為人民幣22,291,000元和人民幣139,000,000元，本年度盈利為人民幣474,829,000元，比去年度的人民幣713,944,000元(撇除商譽減值，或有業績補償之公允價值變動收益，物業、機器及設備減值撥備和聯營公司投資減值撥備)，下跌了33.5%。

本公司權益持有人應佔盈利/(虧損)

截至2023年12月31日止年度，本公司權益持有人應佔盈利為人民幣233,633,000元，較去年度本公司權益持有人應佔虧損人民幣1,054,547,000元，上升了人民幣1,288,180,000元，同比變化主要因為本年度商譽減值同比減少了人民幣1,451,208,000元，但是被毛利的下跌抵銷了部份影響。

流動資產淨值和財務資源

於2023年12月31日，本集團的流動資產淨值為人民幣6,975,409,000元(2022年12月31日：人民幣6,944,129,000元)。本集團主要透過經營業務提供營運資金，維持穩健財務狀況。於2023年12月31日，本集團的現金及銀行存款為人民幣2,539,493,000元(2022年12月31日：人民幣4,747,978,000元)，其中超過65%是以人民幣持有。此外，本集團於2023年12月31日仍未到期的銀行財富管理產品之公允值為人民幣3,847,748,000元(2022年12月31日：人民幣1,594,315,000元)，此項以公允價值計量且其變動計入損益之金融資產列示。

Bank borrowings and gearing ratio

As at 31 December 2023, the total bank borrowings of the Group amounted to RMB455,250,000 (31 December 2022: RMB677,700,000), all of which were RMB loans, including secured loans due within two years amounting to RMB36,000,000 (31 December 2022: RMB65,000,000 due within one year) and unsecured loans amounting to RMB419,250,000 (31 December 2022: RMB612,700,000) due within one year. During the year, the average annual interest rate for secured loans was 4.2% (year ended 31 December 2022:4.2%), while the average annual interest rate for unsecured loans was 2.9% (year ended 31 December 2022:2.8%). As at 31 December 2023, the Group's debt ratio (total borrowings (including current and non-current borrowings) divided by total equity, excluding non-controlling interests) was 3.6%, representing a decrease of 1.8 percentage points from 5.4% as at 31 December 2022.

Investing activities

The Group's investing activities included the purchase of property, plant and equipment, financial assets investment and merger & acquisition activities related to the strategic development strategies. For the year ended 31 December 2023, the net cash used in investing activities amounted to RMB2,604,686,000, mainly used in the purchase of bank wealth management products. For the year ended 31 December 2022, the net cash generated from investing activities amounted to RMB1,244,039,000.

Financing activities

For the year ended 31 December 2023, the net cash used in the Group's financing activities amounted to RMB674,196,000, mainly comprising of repayment of bank borrowings of RMB855,000,000, payment of cash dividends of RMB252,348,000 to shareholders of the Company, payment of cash dividends of RMB184,030,000 to non-controlling interests, and addition of bank borrowings of RMB632,550,000. For the year ended 31 December 2022, the net cash used in financing activities amounted to RMB997,635,000.

銀行貸款及負債比率

於2023年12月31日，本集團的銀行貸款總額為人民幣455,250,000元(2022年12月31日：人民幣677,700,000元)，全部為人民幣貸款，當中有抵押貸款為人民幣36,000,000元並於兩年內到期償還(2022年12月31日：人民幣65,000,000元並於一年內到期償還)；而無抵押貸款為人民幣419,250,000元(2022年12月31日：人民幣612,700,000元)並於一年內到期償還。於本年度內，有抵押貸款之平均年息率為4.2厘(截至2022年12月31日止年度：4.2厘)，而無抵押貸款的平均年息率為2.9厘(截至2022年12月31日止年度：2.8厘)。於2023年12月31日，本集團之負債比率(總貸款(包括流動及非流動貸款)除以總權益，不含非控制性權益)為3.6%，較於2022年12月31日的5.4%下降了1.8個百分點。

投資活動

本集團的投資活動主要包括購買物業、機器及設備，金融資產投資和與戰略性發展策略有關的收購兼併活動。截至2023年12月31日止年度，投資活動所用的現金淨額為人民幣2,604,686,000元，主要是購買銀行財富管理產品所致。而截至2022年12月31日止年度，投資活動產生的現金淨額為人民幣1,244,039,000元。

融資活動

截至2023年12月31日止年度，本集團融資活動所用的現金淨額為人民幣674,196,000元，主要包括償還銀行貸款人民幣855,000,000元、向本公司股東支付人民幣252,348,000元之現金股息、向非控制性權益支付人民幣184,030,000元之現金股息、及新增銀行貸款人民幣632,550,000元。而截至2022年12月31日止年度，融資活動所用的現金淨額為人民幣997,635,000元。

Trade receivables turnover period

Trade receivables turnover period is calculated on the basis of the average amount of trade receivables as at the beginning of and at the end of a relevant financial period divided by the total revenue for the corresponding period and multiplied by 360 days. The Group generally offers its customers a credit period of approximately 0-180 days, depending on the business volume of, and the length of business relationship with the customers. For the year ended 31 December 2023, the Group's average trade receivables turnover period was 97 days, representing an increase of 8 days as compared with 89 days for the corresponding period last year. The increase was mainly due to the decrease in the Group's average turnover higher than the decrease in average trade receivables during the period.

Trade payables turnover period

Trade payables turnover period is calculated on the basis of the average amount of trade payables as at the beginning of and at the end of a relevant financial period divided by the cost of goods sold for the corresponding period and multiplied by 360 days. Credit periods granted by suppliers to the Group ranged from 0-180 days. For the year ended 31 December 2023, the Group's average trade payables turnover period was 51 days, which basically remained the same as 53 days for the corresponding period last year.

Inventory and inventory turnover period

As at 31 December 2023, the Group's inventory balance amounted to RMB994,592,000, representing a decrease of RMB25,431,000 as compared with the balance of RMB1,020,023,000 as at 31 December 2022. For the year ended 31 December 2023, the Group's inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning of and at the end of a relevant financial period divided by the total cost of goods sold for the corresponding period and multiplied by 360 days) was 197 days, increased by 20 days as compared with 177 days for the corresponding period last year. The increase was mainly due to the fact that the decrease in the Group's average costs of sales exceeded the decrease in average inventory balance during the period.

應收賬周轉期

應收賬周轉期乃通過將有關財政年度之期初及期末的應收貿易賬款平均金額除以相應期間的營業總額再乘以360天計算。本集團一般給予客戶約0至180日的信貸期，根據客戶業務量的大小和業務關係時間長短而定。截至2023年12月31日止年度，本集團的平均應收賬周轉期為97日，比去年同期的89日上升了8日。該指數的上升，主要因為本集團本期間之平均營業額的減幅比平均應收貿易賬款的減幅多。

應付賬周轉期

應付賬周轉期乃通過將有關財政年度之期初及期末的應付貿易賬款平均金額除以相應期間的銷售成本再乘以360天計算。供應商給予本集團的信貸期介乎0至180日。截至2023年12月31日止年度，本集團的平均應付賬周轉期為51日，與去年同期的53日基本保持穩定。

存貨和存貨周轉期

本集團的存貨結餘於2023年12月31日為人民幣994,592,000元，比2022年12月31日的人民幣1,020,023,000元，下降了人民幣25,431,000元。在截至2023年12月31日止年度，本集團的存貨周轉期(將有關財政年度之期初及期末的存貨平均結餘除以相應期間的銷售成本總額再乘以360天計算)為197日，與去年同期的177日上升了20天。該指標的上升，主要是本集團本期間之平均銷售成本的下降幅度比存貨平均結餘的減幅多。

Management Discussion and Analysis

管理層討論及分析

Foreign exchange and exchange rate risk

The principal businesses of the Group are located in Mainland China and the majority of the revenue is denominated in RMB, with the exception of only a certain amount of imported raw materials and equipment which are denominated in foreign currency such as USD or EUR. The Group's bank deposits are mainly denominated in RMB, USD and HKD. Management concurs with the views of the People's Bank of China on the RMB exchange rate, that is, conditionally maintaining RMB exchange rate generally stable at an adaptive and balanced level.

Pledge of assets

During the year ended 31 December 2023, certain buildings and right-of-use assets of Shanghai Yifang Group with total carrying values of RMB39,245,000 were used as collateral for bank borrowings of RMB36,000,000 (31 December 2022: buildings and right-of-use assets of Shanghai Yifang Group with total carrying values of RMB17,662,000 used as collateral for bank borrowings of RMB65,000,000). Apart from the above-mentioned, the Group had no pledged assets as at 31 December 2023.

Capital Commitments

As at 31 December 2023, the Group had capital commitments in respect of the purchase of property, plant and equipment, right-of-use assets, intangible assets and investments in a jointly controlled entity and financial assets at FVPL, contracted for but not provided in the financial statements amounting to approximately RMB140,455,000 (31 December 2022: RMB215,563,000).

Contingent liabilities

According to the information available to the Board, the Group had no significant contingent liabilities as at 31 December 2023 and 2022.

外匯及匯率風險

本集團的主要業務均在中國內地，大部份收入都以人民幣結算，僅部份進口原料及設備以美元或歐元等外幣結算。本集團持有的銀行存款主要為人民幣、美元及港幣，管理層認同中國人民銀行對人民幣匯率的看法，即人民幣匯率有條件繼續在合理均衡水準上保持基本穩定。

資產抵押

在截至2023年12月31日止年度，本集團以上海奕方集團賬面值為人民幣39,245,000元的物業及使用權資產作為人民幣36,000,000元(2022年12月31日：上海奕方集團賬面值為人民幣17,662,000元的物業及使用權資產作為人民幣65,000,000元)銀行貸款之抵押。除此以外，本集團於2023年12月31日沒有其他被抵押的資產。

資本承擔

於2023年12月31日，本集團就已訂約購買的物業、機器及設備、使用權資產、無形資產、於一共同控制實體及以公允價值計量且其變動計入損益之金融資產之投資但並未於財務報表撥備的資本承擔約人民幣140,455,000元(2022年12月31日：人民幣215,563,000元)。

或然負債

根據可供董事會查閱的資料，本集團於2023年及2022年12月31日並無任何重大的或然負債。

EXECUTIVE DIRECTORS

Ms. CHU Lam Yiu, aged 54, the Chairlady of the Board, CEO, Executive Director and the Chairlady of Nomination Committee of the Company. Ms. Chu has been a member of the Board since March 2004. Ms. Chu is the mother of Mr. LAM Ka Yu (the Co-Chairman of the Board and an Executive Director of the Company) and Ms. LAM Ka Yan (an Executive Director and a member of the Nomination Committee of the Company). Ms. Chu is also a director of the Company's principal subsidiaries marked with "C1" as set out in Note 37 to the consolidated financial statements. Ms. Chu has extensive experience in formulating strategies and making executive decisions on business operation, investments and market development. She was a member of the Fourth and Fifth Chinese People's Political Consultative Conference Committee (Shenzhen, Guangdong Province). Ms. Chu, through the corporations controlled by her, is the beneficial owner of Company as set out on page 109 of this annual report headed under Directors' Interests in Shares, Underlying Shares and Debentures.

Mr. LAM Ka Yu, aged 31, the Co-Chairman of the Board and an Executive Director of the Company. Mr. Lam has been a member of the Board since November 2013. Mr. Lam is the son of Ms. CHU Lam Yiu (the Chairlady of the Board, CEO, Executive Director and Controlling Shareholder of the Company), and the brother of Ms. LAM Ka Yan (an Executive Director and a member of the Nomination Committee of the Company). Mr. Lam is also a director of the Company's principal subsidiaries marked with "L1" and the legal representative of those companies marked with "L2" as set out in Note 37 to the consolidated financial statements. Mr. Lam was educated in the United Kingdom and the United States of America. For corporate management experiences, Mr. Lam is currently a managing director and legal representative of a private company, which is engaged in e-commerce business in China. He previously served as a director and the general manager of a company which is engaged in advertising media business in China.

執行董事

朱林瑤女士，54歲，本公司董事會主席、首席執行官、執行董事及提名委員會主席，自2004年3月起出任董事會成員。朱女士為林嘉宇先生(本公司董事會聯席主席及執行董事)及林嘉妍女士(本公司執行董事及提名委員會委員)之母。朱女士亦是載於綜合財務報表附註37內有「C1」符號之本公司主要附屬公司的董事。朱女士擁有企業營運、投資及市場拓展之策略制定及決策方面之豐富經驗。彼曾擔任中國人民政治協商會議廣東省深圳市第四及第五屆委員會委員。朱女士，透過受其控制的公司，實益擁有本公司股份，詳情已載於本年報第109頁標題為董事於股份、相關股份及債券之權益。

林嘉宇先生，31歲，本公司董事會聯席主席及執行董事，自2013年11月起出任董事會成員。林先生為朱林瑤女士(本公司董事會主席、首席執行官、執行董事及控股股東)的兒子並為林嘉妍女士(本公司執行董事及提名委員會委員)之胞兄。林先生亦是載於綜合財務報表附註37內分別有「L1」及「L2」符號之本公司主要附屬公司的董事及法定代表人。林先生於英國及美國接受教育。就企業管理經驗方面，林先生目前於一家主要在中國經營電子商務業務的私人公司擔任董事長及法定代表人，彼曾於一家在中國經營廣告傳媒業務的公司擔任董事及總經理職務。

Mr. XIA Liqun, aged 57, an Executive Director, Vice Chairman, President and a member of the Remuneration Committee of the Company. Mr. Xia has been a member of the Board since September 2006. Mr. Xia is also a director of the Company's principal subsidiaries marked with "X1" and the legal representative of those companies marked with "X2" as set out in Note 37 to the consolidated financial statements. Mr. Xia holds a Bachelor's degree in economics and is a certified accountant, certified tax specialist and certified appraiser in China. Mr. Xia has over 20 years of financial and corporate management experience. He previously worked in domestic accounting firms in China and was a senior management member of a foreign invested enterprise in China. Mr. Xia is currently the honorary chairman of the Shanghai Food Additive & Batching Association.

Mr. POON Chiu Kwok, aged 61, an Executive Director, Vice President and the Company Secretary of the Company. Mr. Poon has been a member of the Board since March 2004. Mr. Poon was awarded the postgraduate diploma in laws by the University of London. He holds a Bachelor's degree in laws, a Bachelor's degree in business studies and a Master's degree in international accounting. He is a fellow of CPA Australia Ltd., The Chartered Governance Institute, and The Hong Kong Chartered Governance Institute and a member of its Technical Consultation Panel, and a fellow member of the Hong Kong Securities and Investment Institute. Mr. Poon has extensive experience and knowledge in areas of compliance, corporate finance and corporate governance of listed companies.

Ms. LAM Ka Yan, aged 26, an Executive Director and a member of the Nomination Committee of the Company. She has been a member of the Board since February 2022 where she is involved in the formulation and implementation of the Group's strategy and involved in the strategic direction and positioning of the Group's innovative businesses. Ms. Lam had joined the Group in July 2020 where she was engaged in the sales and marketing of the Group's condiment segment. Ms. Lam is the daughter of Ms. CHU Lam Yiu (the Chairlady of the Board, CEO, Executive Director and Controlling Shareholder of the Company), and the sister of Mr. LAM Ka Yu (the Co-chairman of the Board and an Executive Director of the Company). Ms. Lam obtained a bachelor's degree in economics from Columbia University (U.S.).

夏利群先生，57歲，本公司執行董事、副主席、總裁及薪酬委員會委員，自2006年9月起出任董事會成員。夏先生亦是載於綜合財務報表附註37內分別有「X1」及「X2」符號之本公司主要附屬公司的董事及法定代表人。夏先生持有經濟學學士學位及中國註冊會計師、註冊稅務師及註冊評估師資格。夏先生擁有逾二十年財務及企業管理方面經驗。彼曾任職於中國內地會計師事務所和擔任中國之外商投資企業高層管理職位。夏先生現擔任上海市食品添加劑和配料行業協會名譽會長。

潘昭國先生，61歲，本公司執行董事、副總裁及公司秘書，自2004年3月起出任董事會成員。潘先生獲倫敦大學授予法學研究生文憑；擁有法學學士學位、商業學學士學位和國際會計學碩士學位。彼為澳洲會計師公會之資深註冊會計師、特許公司治理公會及香港公司治理公會資深會員及其技術諮詢小組的成員，彼亦是香港證券及投資學會資深會員。潘先生於上市公司之合規、企業財務及治理方面擁有多年經驗。

林嘉妍女士，26歲，本公司執行董事及提名委員會委員，自2022年2月起出任董事會成員，並參與本集團之戰略制訂和實施及參與本集團創新產業之戰略方向及定位。林女士於2020年7月加入本集團，當時參與本集團調味品板塊之銷售和營銷工作。林女士為朱林瑤女士(本公司董事會主席、首席執行官、執行董事及控股股東)的女兒並為林嘉宇先生(本公司董事會聯席主席及執行董事)之胞妹。林女士持有美國哥倫比亞大學之經濟學學士學位。

Ms. CHOY Man Har, aged 57, an Executive Director of the Company. She has been a member of the Board since February 2022. Ms. Choy joined the Group since 2006 and has held various positions within the Group. She has been the deputy chief financial officer of the Group since 2018 and was mainly responsible for the financial reporting and financial management of the Group. Ms. Choy has over 30 years of experience in accounting and financial management related disciplines. Before joining the Group, Ms. Choy worked in quasi-governmental organizations in Hong Kong. Ms. Choy holds a bachelor degree in Business Administration of the Chinese University of Hong Kong and is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, a fellow member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEE Luk Shiu, aged 66, an Independent Non-executive Director, the chairman of both of the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Lee has been a member of the Board since May 2006. Mr. Lee is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lee has over 30 years of experience in commercial accounting and corporate finance. Mr. Lee has principally engaged in corporate finance and regulatory aspects in the Hong Kong Stock Exchange. He was an assistant vice president of the Listing Division of the Hong Kong Stock Exchange, and his duties included regulating and monitoring the Hong Kong listed companies in relation to their compliance with the Listing Rules and processing new listing applications. He also served as a senior consultant of an investment bank for more than 5 years.

蔡文霞女士，57歲，本公司執行董事，自2022年2月起出任董事會成員。蔡女士自2006年加入本集團，曾於本集團擔任多個職務。2018年起任本集團副首席財務官，主要負責本集團的財務報告和財務管理工作。蔡女士擁有逾30年會計及財務管理相關經驗。加入本集團前，蔡女士曾在香港的半官方機構工作。蔡女士持有香港中文大學工商管理學士學位，為英國特許公認會計師公會資深會員、香港會計師公會資深會員、英國特許治理學會資深會員及香港公司治理公會資深會員。

獨立非執行董事

李祿兆先生，66歲，本公司獨立非執行董事、審核委員會和薪酬委員會主席及提名委員會委員，自2006年5月起出任董事會成員。李先生為香港會計師公會會員。李先生在商業會計及企業融資方面擁有超過三十年經驗，曾主要從事香港聯交所之企業融資及監管事宜。李先生曾任職香港聯交所上市科助理副總監，其職責包括規管及監督香港上市公司有關遵守上市規則的情況及處理新上市申請之程序。彼亦曾擔任一間投資銀行的高級顧問逾五年時間。

Mr. Jonathan Jun YAN, aged 61, an Independent Non-executive Director and a member of each of the Audit Committee and Nomination Committee (appointed in February 2022) of the Company. Mr. Yan has been a member of the Board since May 2019. Mr. Yan graduated from University of Technology, Sydney with a Master of Management. Mr. Yan previously served as the Director of the MBA (Mandarin International) Education Centre of the University of Technology, Sydney from 1998 to 2000, the General Manager of Insearch Consulting (Shanghai) Ltd. from 2001 to 2005, the General Manager of Ecole Fashion Consulting (Beijing) Ltd. from 2006 to 2013 and the Director of Global Finance Development Education Center of PBC School of Finance, Tsinghua University from 2013 to 2020. Mr. Yan is the president of China Global Philanthropy Institute (CGPI) since September 2020.

Mr. HOU Haitao, aged 43, is an Independent Non-executive Director and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He has been a member of the Board since May 2022. Mr. Hou has over 13 years of experience in the investment banking industry. Mr. Hou holds a master's degree in accounting. Since 2008, Mr. Hou has been working in different securities companies in China. He is a senior professional in the capital market. He has presided over the listing and capital operation of many companies and has extensive experience in the capital market.

SENIOR MANAGEMENT

Ms. YUAN Xiaoqin, aged 55, a president of Huabao Flavours, joined the Group since August 2006. Ms. Yuan is also a director of the Company's principal subsidiaries marked with "YX1" and the legal representative of those companies marked with "YX2" as set out in Note 37 to the consolidated financial statements. Ms. Yuan holds an MBA degree and is a qualified engineer. Before joining the Group, Ms. Yuan served as an executive in a Hong Kong listed state-owned enterprise. She has over 20 years of experience in senior management position. Ms. Yuan is currently the deputy director of China Association of Fragrance Flavour and Cosmetic Industries, deputy director of China Association of Bakery & Confectionery Industry, chairman of the Food Additives and Ingredients Industry Association in Shanghai City and consultant of the Federation of Industry and Commerce in Chaoyang District, Shantou City. She was a representative of the People's Congress in Shantou City, Guangdong Province and a member of the National Committee of the Chinese People's Political Consultative Conference in Chaoyang District, Shantou City.

Jonathan Jun YAN 先生，61歲，本公司獨立非執行董事、審核委員會及提名委員會（於2022年2月獲委任）委員，自2019年5月起出任董事會成員。YAN先生畢業於悉尼科技大學，管理學碩士。YAN先生於1998年至2000年在悉尼科技大學商學院擔任中文國際MBA教育中心主任；於2001年至2005年任英世企諮詢（上海）有限公司總經理；於2006年至2013年任意國時尚管理諮詢（北京）有限公司總經理；於2013年至2020年任清華大學五道口金融學院全球金融發展教育中心主任並於2020年9月至今擔任深圳國際公益學院院長。

侯海濤 先生，43歲，為本公司獨立非執行董事、審核委員會、提名委員會及薪酬委員會委員，自2022年5月起出任董事會成員。侯先生於投資銀行行業擁有逾13年經驗。侯先生擁有會計學碩士學位。侯先生於2008年至今，任職於國內不同的證券公司，為資本市場資深專業人士，曾主持多家公司上市及資本運作，具有豐富的資本市場經驗。

高級管理層

袁肖琴 女士，55歲，華寶股份總裁，自2006年8月起加入本集團。袁女士亦是載於綜合財務報表附註37內分別有「YX1」和「YX2」符號之本公司主要附屬公司的董事及法定代表人。袁女士持有工商管理碩士學位及工程師資格。袁女士在加入本集團前，在一家香港上市之中國國有企業擔任管理職務，擁有超過二十年的高層行政經驗。袁女士現兼任中國香料香精化妝品工業協會副理事長、中國焙烤食品糖製品工業協會副理事長、上海市食品添加劑和配料行業協會會長、汕頭市潮陽區工商業聯合會顧問。彼曾擔任廣東省汕頭市人民代表大會代表及汕頭市潮陽區政協委員。

Mr. ZHAO Dexu, aged 47, a vice president of the Group, joined the Group since July 2020. Mr. Zhao is also a director of the Company's principal subsidiaries marked with "ZD1" and the legal representative of those companies marked with "ZD2" as set out in Note 37 to the consolidated financial statements. Mr. Zhao graduated with a Master's degree in Computer Science from The Brandenburg University of Technology Cottbus-Senftenberg in Germany and had previously worked in Germany. Mr. Zhao was selected as an "overseas high level talent" of Jiangsu Province and as a "high-end foreign talent" in Shanghai. He was presented the "2012 Best Value CIO Award" in 2012 and was named as one of China's digital transformation leader in 2018 and 2019. Since 2019, he also serves as the sixth batch of postgraduate advisor of Jiangsu Province and an industry professor of Jiangsu University. Before joining the Group, Mr. Zhao held executive position in large diversified organizations. He has extensive experiences in the fields of corporate management, strategic and information management.

Mr. Alan DAVIES, aged 76, the chief flavourist of Huabao Flavours and general manager of Aromascape Development Centre in Germany, joined the Group since February 2007. Mr. Davies is also a director of the Company's principal subsidiaries marked with "AD1" as set out in Note 37 to the consolidated financial statements. Mr. Davies holds a Higher National Diploma in food science of Grimsby College of Technology, United Kingdom. Mr. Davies served as a senior flavourist in charge of creation and applications in a number of world renowned flavours and fragrances companies and tobacco factory, including BBA, Carreras Rothmans, Dragoco and Symrise. Mr. Davies has over 50 years of experience in tobacco flavours.

Mr. REN Miao, aged 44, a vice president of Huabao Flavours, joined the Group since September 2016. Mr. Ren is also a director of the Company's principal subsidiaries marked with "RM1" as set out in Note 37 to the consolidated financial statements. Mr. Ren graduated from Taiyuan University of Technology with a bachelor's degree in Machinery Design, Manufacturing and Automation. Prior to joining the Group, Mr. Ren held several executive positions such as marketing director, vice president, etc. at various companies, and has extensive practical experience in marketing strategy management.

趙德旭先生，47歲，集團副總裁，自2020年7月起加入本集團。趙先生亦是載於綜合財務報表附註37內分別有「ZD1」和「ZD2」符號之本公司主要附屬公司的董事及法定代表人。趙先生畢業於德國科特布斯勃蘭登堡工業大學，獲計算機科技學碩士學位，並曾在德國工作。趙先生曾入選江蘇省海外高層次人才及上海市外籍高層次人才。趙先生於2012年獲選「2012年度最具價值CIO」並於2018年度及2019年度為中國數字化轉型領軍人物。由2019年起，趙先生同時兼任江蘇省第六批研究生導師類產業教授及江蘇大學產業教授。趙先生在加入本集團前，曾在多家大型多元化控股集團擔任高管職務。彼在企業管理、戰略與企業數字化轉型等領域擁有豐富經驗。

Alan DAVIES先生，76歲，華寶股份首席調香師，德國Aromascape研發中心總經理，自2007年2月起加入本集團。Davies先生亦是載於綜合財務報表附註37內有「AD1」符號之本公司主要附屬公司的董事。Davies先生持有英國Grimsby College of Technology的食品科學高級國家文憑，亦曾任職多家國際知名的香精香料公司和煙廠，包括BBA、Carreras Rothmans、Dragoco及Symrise，期間擔任高級調香師及主管開發和應用，Davies先生擁有超過五十年的煙用香精香料經驗。

任淼先生，現年44歲，華寶股份副總裁，自2016年9月起加入本集團。任先生亦是載於綜合財務報表附註37內有「RM1」符號之本公司主要附屬公司的董事。任先生畢業於太原理工大學機械設計製造及其自動化專業，本科學歷。任先生在加入本集團前曾在多家企業擔任行銷總監、副總裁等行政職務，並在市場營銷戰略管理方面擁有豐富的實戰經驗。

Mr. GAO Xu, aged 40, the president of Tobacco Raw Materials Business Division and general manager of the Company's subsidiaries namely, Shanghai Huabao Biological Technology Co., Ltd., Guangdong Jinye and Hunan Jishou Minzu Materials Co., Ltd, joined the Group since April 2007. Mr. Gao is also a director of the Company's principal subsidiaries marked with "GX1" and the legal representative of those companies marked with "GX2" as set out in Note 37 to the consolidated financial statements. Mr. Gao holds a bachelor's degree in Food Science and Engineering from Nanjing University of Finance and Economics and a master's degree in Food Science from Jiangnan University. Since joining the Group in 2007, Mr. Gao has held different positions, namely technician of tobacco flavour market service center, deputy general manager of Yunnan Tianhong Flavor and Fragrance Co., Ltd., assistant to the chairman of Guangdong Jinye, vice president of Tobacco Raw Materials Business Division and president of Tobacco Raw Materials Business Division. He has extensive operational and managerial experience in tobacco raw materials.

Ms. LI Xiaojun, aged 54, a vice president of Huabao Flavours, joined the Group since June 2000. Ms. Li is also a director of the Company's principal subsidiaries marked with "LX1" and the legal representative of those companies marked with "LX2" as set out in Note 37 to the consolidated financial statements. Ms. Li holds a bachelor's degree and is a qualified Intermediate Accountant. After joining the Group, Ms. Li served as a financial manager in the Group and presidents of several subsidiaries. Since August 2020, she is also the chairman of Amber (XiaMen) Fragrance Co., Ltd. (a subsidiary of the Group listed on the National Equities Exchange and Quotations). Ms. Li has about 20 years of extensive experiences in the field of corporate management.

高旭先生，現年40歲，本公司煙用原料事業部總裁，兼任本公司附屬公司上海華寶生物物科技有限公司、廣東金葉及湖南吉首市民族煙材有限公司總經理，自2007年4月起加入本集團。高先生亦是載於綜合財務報表附註37內分別有「GX1」和「GX2」符號之本公司主要附屬公司的董事及法定代表人。高先生畢業於南京財經大學食品科學與工程專業，獲工學學士學位，後就讀於江南大學食品科學專業，獲工學碩士學位。高先生自加入本集團以來，歷任煙用香精市場服務中心技術員，雲南天宏香精有限公司副總經理，廣東金葉董事長助理，煙用原料事業部副總裁，煙用原料事業部總裁等職務。高先生在煙用原料相關領域有豐富的經營管理經驗。

李小軍女士，54歲，華寶股份副總裁，自2000年6月起加入本集團。李女士亦是載於綜合財務報表附註37內分別有「LX1」和「LX2」符號之本公司主要附屬公司的董事及法定代表人。李女士擁有本科學歷及中級會計師資格。李女士加入本集團之後，歷任集團財務經理及下屬企業總經理。她亦由2020年8月至今擔任廈門琥珀香精股份有限公司(本集團下屬公司並於全國中小企業股份轉讓系統上市)董事長，在企業營運方面擁有逾二十年豐富經驗。

Corporate Governance Report

企業管治報告

Corporate governance refers to the rules and incentives by which the management of a company is directed and controlled to maximize the profitability and long-term value of the firm for shareholders while taking into account the interest of other legitimate stakeholders (UK Cadbury Report 1992). The Board recognises the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices aiming at a high level of transparency and accountability. The Company is committed to continuously improving its corporate governance practices as part of its own corporate culture.

企業管治乃引導及監控公司管理層之規則及動力，以為股東取得已兼顧其他合法持份者之權益的最大企業盈利及長期價值(英國Cadbury報告1992)。董事會重視良好企業管治常規之重要性及益處，並已採納若干企業管治及披露常規，力求提高透明度及問責水平。本公司將不斷致力於提升企業管治乃本公司企業文化之一部份。

CORPORATE GOVERNANCE CODE

Save and except as disclosed below, the Company had complied with the code provisions in the CG Code and, where appropriate, adopted the recommended best practices as set out in the CG Code throughout the financial year ended 31 December 2023 (the "Financial Year").

企業管治守則

除下文所披露者外，於截至2023年12月31日止財政年度(「本財政年度」)，本公司已遵守企業管治守則之守則條文，並在適當的情況下採納企業管治守則所載之建議最佳常規。

The Company has not fully complied with the code provisions C.2.1 and F.2.2 in Part 2 of the CG Code as the performance of the chairman's duties by Ms. Chu has been affected to a certain extent since late January 2022 as Ms. Chu was placed under residential surveillance at a designated location (指定居所監視居住). For details, please refer to the section headed "Investigation Against Directors" of this report. The responsibilities of Ms. Chu's duties as Chairlady and CEO under code provision C.2.1 in Part 2 of the CG Code for the period from 1 January 2023 to 2 July 2023 (Ms. Chu had fully resumed her duties on 3 July 2023) were shared and undertaken substantially by the Co-Chairman (Mr. LAM Ka Yu), Vice Chairman & President, the Vice President & Company Secretary and other directors including presiding over the daily business meetings and meetings of the board of directors, participating in general meeting of shareholders, and implementing the formulated business strategies, etc. In addition, due to the reasons discussed above, Ms. Chu did not attend the annual general meeting of the Company held on 15 May 2023 in accordance with code provision F.2.2 in Part 2 of the CG Code.

本公司未能完全遵守企業管治守則第2部分守則條文第C.2.1條及F.2.2條的規定，由於朱女士自2022年1月下旬起被執行指定居所監視居住，因此彼主席職責的履行受到了一定影響。詳情請參閱本報告「對董事的立案調查」一節。於2023年1月1日至2023年7月2日期間(朱女士已於2023年7月3日恢復正常職責)，企業管治守則第2部分守則條文第C.2.1條項下朱女士的主席及首席執行官職責基本上由聯席主席(林嘉宇先生)、副主席兼總裁、副總裁兼公司秘書和其他董事共同承擔，包括主持日常業務會議及董事會會議、參與股東大會及執行已制定的業務戰略等。此外，鑒於上述原因，朱女士並未根據企業管治守則第2部分守則條文第F.2.2條的規定出席本公司於2023年5月15日舉行的股東週年大會。

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. The Directors will continue to review and, where appropriate, improve the standard operations of the Company on the basis of the experience and regulatory changes to enhance the confidence of the Shareholders, and to safeguard Shareholders' interest for assuring healthy business developments.

CORPORATE'S CULTURE AND STRATEGY

The Group is committed to developing a culture that is built on its vision, spirit, core values and mission which create corporate culture that builds consensus (凝聚共識) and inspires progress (激勵奮進). Upholding the corporate vision of "Flavour your life" (美味生活引領者), the Group's business development has been around its spirit of "Innovative, pragmatic, loyal and cooperative" (創新、務實、忠誠、協作) since its inception, in which "client first, value creation and shared achievements" (客戶至上、價值創造、共享共贏) have been integrated into all business operations from sourcing, production, transportation, through to the sales and customer services. More information about the Company's vision, spirit, core values and mission are available on the Company website (www.huabao.com.hk).

The Group has a set of prudent and continuous strategic planning procedures to identify and evaluate potential opportunities and challenges faced by the Group and formulate action plans for the Group to create sustainable long-term value for shareholders. The Group's strategy is based on the concentric and diversified development strategy of flavors and fragrances as the "core", with the development concept of "green, healthy and nutrition" (綠色、健康、營養), to create a taste-related consumer goods industry cluster with flavors and fragrances as the "core", and a delicious life in the large catering sector's ecological platform as two wings, with the long-term development goal of becoming a diversified industrial holding group of taste-related consumer goods.

提升企業管治水平並非僅為應用及遵守企業管治守則，乃為推動及發展具道德與健全的企業文化。為保證業務健康發展，董事將按經驗及監管條例之變動，持續檢討並在適當的情況下提升本公司之規範運作，以加強股東信心和保障股東利益。

企業文化與戰略

本集團致力於發展建立在其願景、精神、核心價值觀和使命之上的文化，打造凝聚共識、激勵奮進的企業文化。本集團秉承「美味生活引領者」的願景，自成立以來圍繞「創新、務實、忠誠、協作」的精神發展其業務，將「客戶至上、價值創造、共享共贏」的理念逐步融入從採購、生產、運輸，到銷售和客戶服務的所有業務營運中。有關公司願景、精神、核心價值觀和使命的更多信息，請訪問公司網站 (www.huabao.com.hk)。

本集團設有一套審慎周全及持續的戰略規劃程序，以識別和評估集團面對的潛在機遇與挑戰，並為集團制定行動計劃，為股東創造可持續的長遠價值。本集團的戰略是以香精香料為核心的同心多元化發展戰略，以「綠色、健康、營養」為發展理念，打造香精香料為「核心」的味覺系消費品產業集群，以及大餐飲板塊的美味生活產業生態平台為兩翼，以成為味覺系消費品多元化實業控股集團作為長期發展目標。

Corporate Governance Report

During the quarterly, semi-annual and annual business meetings, each business segment makes partial adjustments to business objectives and strategic measures based on actual business analysis and submits them to the group management for discussion and approval, and monitors and evaluates the implementation of the strategic plan in a timely manner.

THE BOARD

Board Composition

The Company has a well-balanced Board. As of date of this report, the Board comprises six Executive Directors and three INEDs. The members of the Board are as follows:

Executive Directors

Ms. CHU Lam Yiu (*Chairlady and CEO*)
Mr. LAM Ka Yu (*Co-Chairman*)
Mr. XIA Liqun (*Vice Chairman and President*)
Mr. POON Chiu Kwok (*Vice President and Company Secretary*)
Ms. LAM Ka Yan
Ms. CHOY Man Har

Independent Non-executive Directors

Mr. LEE Luk Shiu
Mr. Jonathan Jun YAN
Mr. HOU Haitao

There is no relationship (including financial, business, family or other material relationship) between any members of the Board, except for Ms. CHU Lam Yiu being the mother of both Mr. LAM Ka Yu and Ms. LAM Ka Yan (all are Executive Directors of the Company). Biographies of the Directors are set out on pages 36 to 39 of this annual report. The present Board has experience, expertise, and qualifications in aspects of production and operation, management, accounting and finance and regulatory both in Hong Kong and China. One out of three INEDs possesses recognised professional qualification in accounting. The INEDs bring independent judgment, professional knowledge and experience appropriate for the Board's deliberations. All Directors have relevant qualifications in relevant field of expertise and have exhibited personal and professional ethics and integrity. The diversity of experiences and backgrounds enable the Board to enhance better corporate governance and performance standard and to bring in valuable contributions and objective advice for the development of the Group's businesses.

企業管治報告

本公司在各季度、半年度及年度經營會議中，各業務板塊結合經營實際分析，對經營目標及戰略舉措進行局部調整，並呈報集團管理層研討審批，適時對戰略規劃執行情況進行監測與評估。

董事會

董事會成員

本公司有一個均衡的董事會。於本報告日期，董事會由六名執行董事及三名獨立非執行董事組成。董事會成員如下：

執行董事

朱林瑤女士(*主席兼首席執行官*)
林嘉宇先生(*聯席主席*)
夏利群先生(*副主席兼總裁*)
潘昭國先生(*副總裁兼公司秘書*)
林嘉妍女士
蔡文霞女士

獨立非執行董事

李祿兆先生
Jonathan Jun YAN 先生
侯海濤先生

董事會成員之間並無任何關係(包括財務、業務、家屬或其他重大關係)，除了朱林瑤女士為林嘉宇先生及林嘉妍女士(均為本公司執行董事)的母親。董事履歷載於本年報第36至39頁。現時之董事會於生產營運、管理、會計及金融以及香港和中國規管方面具有經驗、專長及資格。三名獨立非執行董事當中一名擁有認可的會計專業資格。獨立非執行董事為董事會議事提供適當專業的知識、經驗及獨立判斷。所有董事在其專業範圍內擁有相關資歷，並顯示了個人專業操守和誠信。董事會的多元化經驗及背景可提升良好企業管治表現及標準，並為本集團業務發展帶來寶貴貢獻及客觀建議。

During the Financial Year, the Board met the requirements of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the Board, with at least one independent non-executive director possessing appropriate qualification, or accounting or related financial management expertise (in compliance with Rule 3.10 of the Listing Rules).

The Company has received, from each of the INEDs, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the INEDs are considered to be independent pursuant to the Listing Rules.

Chairlady and Chief Executive Officer

Ms. CHU Lam Yiu ("Ms. Chu") is the Chairlady of the Board (responsible for the management of Board's operation and development of the Group's strategic planning) and Executive Director of the Company. She took up the position of CEO (responsible for important management and business decisions making of the Group) since 2013. The Board believes that Ms. Chu, by taking up the roles of the Chairlady and CEO concurrently, is beneficial to the business development and management of the Group. Upon the appointment as Co-Chairman of the Group of Mr. LAM Ka Yu ("Mr. Lam") in 2022, Mr. Lam and Ms. Chu were jointly responsible for the management of the Board's operation and development of the Group's strategic planning.

Mr. XIA Liqun as Vice Chairman and President, is responsible for the daily operational management of the Group and reports to the Chairlady and CEO directly. With the support of Mr. Lam as Co-Chairman, Mr. XIA Liqun as the Vice Chairman and President, Mr. POON Chiu Kwok as the Vice President and Company Secretary, the Chairlady shall ensure that all Directors are properly briefed on issues arising at board meetings and receive adequate, complete, reliable and timely information for making decisions.

於本財政年度內，董事會符合上市規則有關委任佔董事會成員人數至少三分之一的獨立非執行董事，並且其中至少一名獨立非執行董事須具備適當的專業資格，或具備相關適當的會計或相關的財務管理專長之規定（遵守上市規則第3.10條的規定）。

根據上市規則第3.13條，本公司已獲得各獨立非執行董事之年度獨立性確認書。董事會已評估彼等之獨立性，並認為全體獨立非執行董事根據上市規則均被視為獨立。

主席與首席執行官

朱林瑤女士（「朱女士」）為本公司董事會主席（負責領導董事會的運作及本集團的戰略規劃）兼執行董事，彼自2013年起兼任首席執行官（負責本集團重大管理及業務決策）職務。董事會相信朱女士同時出任主席及首席執行官之職，有利於本集團的業務發展及管理。自林嘉宇先生（「林先生」）於2022年獲委任為本集團之聯席主席後，林先生聯同朱女士共同負責領導董事會的運作及本集團的戰略規劃。

夏利群先生兼任副主席及總裁，負責本集團日常營運管理工作，並直接向主席兼首席執行官匯報。主席在聯席主席林先生、副主席兼總裁夏利群先生、副總裁兼公司秘書潘昭國先生的支持下，須確保所有董事就於董事會會議提出的事項得到適當說明，並獲得充足完整、可靠和及時的資料以作出決策。

Roles and Responsibilities of Directors

The primary objective of the Board is to maximize the profitability of the Company and to safeguard and enhance long-term value of the Company for the Shareholders. To this end, the Board assumes the responsibilities for leadership and management of the Company and oversees the businesses, strategic development direction, financial performance and corporate governance of the Group. All new board members have been given information on the general business background and policy of the Company on joining the Board. All Directors have been provided with regular trainings by external experienced lawyers to update and refresh the applicable legal and other regulatory requirements and enhance the knowledge and skills required by directors to perform their duties.

The Board, working side-by-side with the Chairlady and Co-Chairman, is collectively responsible for formulating and approving the business strategies of the Company, setting objectives for management, overseeing its performance and assessing the effectiveness of management strategies. The Executive Directors are responsible for the day-to-day management of the Company's operations and conduct meetings with senior management of the Group at which operational issues and financial performance are evaluated. The Board is also responsible for developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors and reviewing the Company's compliance with the code of conduct and disclosure in the corporate governance report.

The Bye-laws set out the responsibilities and proceedings of the Board. Significant operational policies have to be discussed and approved by the Board. To enable the Directors to meet their obligations, an appropriate organizational structure is in place with clearly defined responsibilities and limits of authority.

董事的角色和責任

董事會之主要目的乃為股東創造本公司最大利潤，提高和保護其長期價值。為此，董事會負有領導和管理本公司，監察本集團業務及策略發展方向、財務表現和企業管治的責任。所有加入董事會的新成員均獲有關本公司一般業務背景和政策之資料。全體董事均獲經驗豐富的外聘律師提供定期培訓，以更新適用法規及監管規定要求和增進董事履行職責時所需的知識技能。

董事會與主席及聯席主席並肩工作，共同負責制定審批公司的業務策略、為管理層設立目標、監督業務表現和評估管理策略的有效性。執行董事負責公司日常業務管理，彼等與集團的高級管理人員開會，評估各項業務運作及財務表現。董事會亦負責制定、審查和監督適用於員工和董事的行為守則和合規手冊，並審查公司對行為守則的遵守情況和企業管治報告中的披露。

公司細則載有關於董事會責任及議事程序的條文。重大業務政策均須經董事會討論和審批。為確保董事履行職責，公司設有適當的組織架構和清晰的責任和權限。

Corporate Governance Report

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for the Directors and senior management of the Company in respect of legal action that may be brought against them in the course of execution of their duties in good faith.

Board Meetings

The Board conducts scheduled board meetings on a quarterly basis to discuss strategies and business issues, including financial performance of the Group. Details of attendance of the Directors at the meetings are set out on page 71 of this annual report.

Notices of board meeting are given to each member of the Board at least 14 days prior to the meeting, whereby the Director can put forward his/her proposed items into the agenda. The agenda and the relevant board papers are then circulated to the Directors at least 3 days before a board meeting is convened to enable them to make informed decisions at the meeting.

Drafts of the board minutes and board committee meeting minutes are circulated to all Directors and the relevant board committee members respectively for their review and comments before finalization. The final version of such minutes will be kept by the Company Secretary and are open for inspection by the Directors and committee members. If a Director has an interest in a matter to be considered at a board meeting, the Board will ensure that an adequate number of independent directors are involved in the consideration of the relevant resolutions, and the relevant director(s) having an interest in the matter will abstain from voting.

Every Director is entitled to have access to Board papers, relevant materials and have unrestricted access to advice and services of the Company Secretary/Legal Department and Compliance Department of the Company with a view to ensuring that board procedures and all applicable rules and regulations are followed. Directors are able to seek independent professional advice as and when required at the Company's expense. INEDs are encouraged to take an active role in board meetings and serve on the sub-board committees.

During the Financial Year, the Co-Chairman has held a meeting with the INEDs without the presence of other Directors.

企業管治報告

董事及高級職員責任保險

本公司已就董事及本公司之高級管理層，在真誠善意地執行職責時可能招致任何法律訴訟，為彼等安排適當保險保障。

董事會會議

董事會每季舉行預定的董事會會議，討論政策和業務事宜，包括本集團財務表現。董事出席會議的紀錄載於本年報第71頁。

本公司會在會議舉行前最少十四日向各董事會成員派發董事會會議通告，而董事可將其建議項目加入會議議程。會議議程及有關會議文件會在董事會會議舉行前最少三日供董事傳閱，以便彼等在會上作出知情決定。

董事會及董事委員會會議紀錄的初稿於定稿前，分別會提交董事及有關董事委員會成員審閱和表達意見，會議紀錄最後版本由公司秘書保管，可供所有董事及委員會委員查閱。如個別董事在董事會會議擬考慮的事項中存有利益，該(等)董事需放棄投票，董事會將確保有足夠的獨立董事參與會議並作出決策。

各董事均有權查閱董事會文件、有關資料，以及不受限制地取得公司秘書／本公司法務部及合規部的意見及服務，確保董事會程序及所有適用規則及規例均獲得遵守。董事亦可在有需要時徵求獨立專業意見，有關費用由本公司支付。本公司鼓勵獨立非執行董事積極參與董事會會議，並擔任董事會轄下委員會委員。

於本財政年度期間，聯席主席已與獨立非執行董事舉行一次會議，其他董事並無出席該會議。

Directors' Interests and Securities Transactions

The Company has adopted the Model Code as the code of conduct regarding dealing in the securities of the Company by the Directors. Having made specific enquiries of all Directors, the Company has received their written confirmations that they have complied with the required standard as set out in the Model Code throughout the Financial Year. Full details of the Directors' interests in the Shares are set out on page 109 of this annual report.

Delegation of Directors

The Board may from time to time delegate all or any of its powers that it may think fit and proper to a director or member of senior management of the Company. The Board has formulated specific rules and policies on such delegation of power to facilitate efficient operation of the Company and is supported by three committees which are the Remuneration Committee, Audit Committee and Nomination Committee.

Changes in Information in respect of Directors

In accordance with Rule 13.51B (1) of the Listing Rules, the changes to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 25 August 2023 (being the date of approval of the Company's 2023 Interim Report) to 26 March 2024 (being the date of approval of this report) are set out below:

- 1) Mr. POON Chiu Kwok ("Mr. Poon") retired as independent non-executive director of Yuanda China Holdings Limited (Hong Kong stock code: 02789) with effect from 9 September 2023.
- 2) Mr. Jonathan YAN retired as independent non-executive director of Haisco Pharmaceutical Group Co. Ltd. (stock code: 002653.SZ) with effect from 26 August 2023.

BOARD COMMITTEES

The Company has maintained the Remuneration Committee, Audit Committee and Nomination Committee. Each of these committees has specific written terms of reference which deal clearly with their authority and duties. The chairman of the committees will report their findings and make recommendations to the Board after each meeting.

董事權益和進行證券交易

本公司已採納標準守則，作為董事進行本公司證券交易的操守準則。經向全體董事作出特定查詢後，本公司已收到全體董事書面確認彼等在本財政年度整年內均已遵守標準守則所規定之標準。董事權益詳情載列於本年報第109頁。

董事權力轉授

董事會亦可不時將其所有或任何權力轉授予其認為合適及適當的本公司董事或高級管理層成員。董事會在薪酬委員會、審核委員會及提名委員會三個委員會支持下就有關授權制定清晰明確的規則及政策，使本公司更有效地營運。

董事資料更新

根據上市規則第13.51B(1)條，按照第13.51(2)條(a)至(e)和(g)段要求，於2023年8月25日(為通過本公司2023年之中期報告當日)至2024年3月26日(為通過本報告當日)期間，本公司的董事資料變動載列如下：

- 1) 潘昭國先生(「潘先生」)退任遠大中國控股有限公司(香港股份代號：02789)獨立非執行董事，自2023年9月9日起生效。
- 2) Jonathan YAN先生退任海思科醫藥集團股份有限公司(股份代號：002653.SZ)獨立非執行董事，自2023年8月26日起生效。

董事委員會

本公司設有薪酬委員會、審核委員會和提名委員會。各委員會已訂明書面職權範圍，清晰確定其責任和授權。委員會主席在每次會議後向董事會匯報和作出建議。

Remuneration Committee

As of the date of this report, the Remuneration Committee consists of two INEDs, namely Mr. LEE Luk Shiu (the chairman of Remuneration Committee) and Mr. HOU Haitao, and one Executive Director, Mr. XIA Liqun.

The Remuneration Committee's responsibilities include making recommendations for approval by the Board with respect to matters relating to the remuneration of Executive Directors and senior management. In discharging its responsibilities, the Remuneration Committee has performed the following works:

- To review and make recommendations on the Company's policies and structure for the remuneration of the Executive Directors and senior management for approval by the Board;
- To evaluate remuneration packages of the Executive Directors by reference to market conditions, performance of the Group and the individual and corporate goals and objectives as set by the Board from time to time, and make recommendations on the remuneration of the INEDs for the Board's approval; and
- To review and evaluate the Company's share option scheme and share incentive scheme (if any).

The terms of reference of the Remuneration Committee was published on the Company's website at www.huabao.com.hk and on the Hong Kong Stock Exchange's website at www.hkexnews.hk.

Directors will abstain from voting in determining their own remuneration packages. During the Financial Year, the Remuneration Committee met three times to, among other things, review the emolument packages of the Directors and senior management. The individual attendance of Remuneration Committee members at meetings is set out on page 71 of this annual report. Details of the emolument of the Directors are set out in Note 39 to the consolidated financial statements while details of the Share Option Scheme and Share Incentive Scheme to the Directors and senior management are set out on pages 84 to 98 and pages 105 to 107 of this annual report.

薪酬委員會

於本報告日期，薪酬委員會由二名獨立非執行董事，即李祿兆先生(為薪酬委員會主席)和侯海濤先生，連同一名執行董事夏利群先生組成。

薪酬委員會之主要職責包括就有關執行董事及高級管理層的薪金事宜向董事會作出推薦意見，以備董事會通過。為履行其職責，薪酬委員會已進行下列工作：

- 檢閱本公司之執行董事及高級管理層之薪酬政策及其架構並作出推薦意見，以備董事會通過；
- 參考市場水平、本集團業務表現及董事會不時訂立之個別及企業目標及目的，評估執行董事之薪酬組合，並就獨立非執行董事之薪酬作出推薦意見以備董事會通過；及
- 審閱及評估本公司之購股權計劃及股票激勵計劃(如有)。

薪酬委員會的職權範圍已刊登於本公司網站 www.huabao.com.hk 和香港聯交所網站 www.hkexnews.hk。

董事須就釐定彼等薪酬組合時放棄投票。於本財政年度內，薪酬委員會就(其中包括)審閱本公司董事和高級管理層的薪酬組合召開3次會議。各薪酬委員會委員出席會議的紀錄載於本年報第71頁。董事之薪金詳情載於綜合財務報表附註39，而購股權計劃及股票激勵計劃詳情亦載於本年報第84至98頁及第105至107頁。

Audit Committee

As of the date of this report, the Audit Committee comprises three INEDs, namely Mr. LEE Luk Shiu (the chairman of Audit Committee), Mr. Jonathan Jun YAN and Mr. HOU Haitao.

The principal responsibilities of the Audit Committee include assisting the Board in maintaining a high standard of corporate governance, developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board, particularly by providing independent review of the effectiveness of the Company's financial reporting process and material internal controls, including financial, operational, compliance and risk management controls, and to maintain good and independent communications with the management as well as auditors of the Company. The Audit Committee is also responsible for performing the corporate governance duties set out in the terms of reference under code provision A.2.1 in Part 2 of the CG Code as delegated by the Board including but not limited to developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of the Directors and senior management, and the Company's policies and practices on compliance with legal and regulatory requirements. In discharging its responsibilities, the Audit Committee has performed the following work:

- To review the financial budget and planning including the annual and interim financial statements and results announcements during the financial year/for the reporting period;
- To discuss with the external auditors and the management on possible accounting risks;
- To review the effectiveness of the Group's financial controls, corporate governance, internal controls and risk management systems;
- To review the sufficiency of manpower, resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions;
- 審閱財政年度／報告期內之財務預算及籌資計劃，包括全年及中期財務報表及業績公佈；
- 與外聘核數師及管理層就潛在會計風險作出討論；
- 檢討本集團之財務監控、企業管治、內部監控及風險管理系統之有效性；
- 檢討處理本公司會計、內部審核及財務匯報職能方面的人手、資源、員工資歷、經驗及接受的培訓課程及有關預算是否充足；

審核委員會

於本報告日期，審核委員會由三名獨立非執行董事，即李祿兆先生(為審核委員會主席)、Jonathan Jun YAN先生和侯海濤先生組成。

審核委員會主要職責為協助董事會維持高水平企業管治，制定及檢討本公司的企業管治政策及常規，並向董事會提出建議，尤其是就本公司的財務匯報流程之有效性和重大內部監控包括財務、運作、合規和風險控制提供獨立意見，以及與本公司管理層及核數師保持良好及獨立的溝通。審核委員會已獲董事會授權，負責履行載列於職權範圍內有關企業管治守則第2部分守則條文第A.2.1條之職能包括但不限於制定和檢討本公司企業管治政策和常規、董事和高級管理人員持續專業發展的培訓，以及本公司遵守法律和監管要求的政策和常規。履行其職責時，審核委員會已進行下列工作：

Corporate Governance Report

- To approve the audit fees and terms of engagement of the external auditors;
- To review the independence of the external auditors and make recommendations to the Board on the re-appointment of the external auditors; and
- To review and monitor the Company's policies and practices on compliance with corporate governance and other legal and regulatory requirements, and to report to the Board on their decisions or recommendation.

The terms of reference of Audit Committee was published on the Company's website at www.huabao.com.hk and on the Hong Kong Stock Exchange's website at www.hkexnews.hk.

The Audit Committee meets regularly with the Company's external auditors to discuss accounting issues and reviews the effectiveness of risk management and internal control systems.

During the Financial Year, the Audit Committee met three times to, among other things, review the financial reports for 2022 audited annual results and 2023 interim results (including the Company's compliance with the CG Code and the contents disclosed in the Corporate Governance Report) and the effectiveness of the Group's risk management and internal controls system. The individual attendance of Audit Committee members at meetings is set out on page 71 of this annual report. Members of the Audit Committee were satisfied with the effectiveness of the Company's risk management and internal control systems and the financial reporting disclosures.

The Audit Committee of the Company has reviewed the Group's audited annual results for the Financial Year.

The external auditor has attended the Audit Committee meetings to discuss the issues arising from the audit and financial reporting matters.

企業管治報告

- 批准外聘核數師之核數費用及委任任期；
- 審閱外聘核數師之獨立性及就續任外聘核數師向董事會作出推薦意見；及
- 檢討及監察本公司在遵守企業管治及其他法律及監管規定方面的政策及常規，並向董事會匯報其決定或建議。

審核委員會的職權範圍已刊登於本公司網站 www.huabao.com.hk 和香港聯交所網站 www.hkexnews.hk。

審核委員會與公司的外聘核數師定期開會討論會計問題，並檢討風險管理及內部監控系統之有效性。

於本財政年度內，審核委員會舉行三次會議以（其中包括）審閱2022年度之經審核全年業績及2023年度之中期業績之財務報告（包括本公司遵守企業管治守則情況和於企業管治報告中披露的內容）以及檢討本集團之風險管理及內部監控系統之有效性。各審核委員會委員出席會議的紀錄載於本年報第71頁。審核委員會委員對本公司之風險管理及內部監控系統之成效和財務報告的披露表示滿意。

本公司審核委員會已審閱本集團本財政年度之經審核全年業績。

外聘核數師出席了審核委員會會議討論審核及財務報告中出現的問題。

Nomination Committee

As of the date of this report, the Nomination Committee comprises two Executive Directors, Ms. CHU Lam Yiu (the Chairlady of Nomination Committee), and Ms. Lam Ka Yan and three INEDs, namely Mr. LEE Luk Shiu, Mr. Jonathan Jun YAN and Mr. HOU Haitao.

The principal responsibilities of the Nomination Committee include formulating nomination policy for the Board's consideration and implementing the Board's approved nomination policy, considering the development targets and strategies of the Company, with due regard to the structure, size and composition (including the skills, knowledge and experience) and the board diversity policy, identifying individuals suitably qualified to become Board members, selecting or making recommendations to the Board on the selection of individuals nominated for directorships, assessing the independence of independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive and monitoring the implementation of the board diversity policy and review such policy, as appropriate, to ensure its effectiveness.

The nomination process is summarized as follows:

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

提名委員會

於本報告日期，提名委員會由二名執行董事，朱林瑤女士(為提名委員會主席)和林嘉焯女士和三名獨立非執行董事，即李祿兆先生、Jonathan Jun YAN先生和侯海濤先生組成。

提名委員會之主要職責為制定提名政策供董事會考慮，並執行經董事會批准的提名政策，考慮公司發展目標策略，適當考慮架構、人數及組成(包括技能、知識及經驗方面)及董事會成員多元化政策，物色具備合適資格可擔任董事的人士、挑選提名有關人士出任董事或就此向董事會提出建議、評核獨立非執行董事的獨立性、就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議，以及監察董事會成員多元化政策的執行及適當檢討該政策，以確保其持續有效。

提名流程概述如下：

- (a) 委任新董事
 - (i) 提名委員會及／或董事會在接獲委任新董事的建議及候選人的履歷資料(或相關詳情)後，應依據上文所載標準評估有關候選人，以釐定有關候選人是否合資格出任董事。
 - (ii) 如有關流程產生一名或多名理想候選人，提名委員會及／或董事會應根據本公司之需求及每名候選人的資歷調查(如適用)按優先順序對彼等進行排名。
 - (iii) 提名委員會隨後應建議董事會委任合適的候選人擔任董事職務(如適用)。

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

(b) Re-election of Director at general meeting

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

During the Financial Year, the Nomination Committee held one meeting and all committee members were present at the meeting. The Nomination Committee has determined the policy for the nomination of Directors, the nomination procedures, process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship and senior management.

Pursuant to the Bye-laws of the Company, all Director are appointed by the Board, whether to fill a casual vacancy or as an addition to the Board, shall hold office until the next annual general meeting at which time they must retire and be subject to re-election. Although all the Directors were not appointed for a specific term, every Director shall, in accordance with bye-law 84 of the Bye-laws, retire from office by rotation no later than the third annual general meeting of the Company since their last appointment or re-election and are eligible for re-election.

- (iv) 對於任何由股東提名於本公司股東大會上參選董事之人士，提名委員會及／或董事會應根據上述所載標準評估有關候選人，以釐定有關候選人是否合資格出任董事。

(b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及彼等於董事會的參與度及表現。
- (ii) 提名委員會及／或董事會亦應檢討並確定退任董事是否持續符合上述標準。
- (iii) 提名委員會及／或董事會隨後應就有關於股東大會上建議重選董事向股東提出建議。

於本財政年度內，提名委員會曾舉行一次會議，全體委員會成員均出席該次會議。提名委員會已釐定提名董事之政策，以及提名委員會選拔及推薦董事及高級管理人員候選人所採納之提名程序、流程及標準。

根據本公司之公司細則，全體獲董事會委任之董事（不論為填補臨時空缺或作為董事會新增成員）將任職至下屆股東週年大會為止，屆時彼等須退任並膺選連任。雖然所有董事的委任均沒有指定任期，根據公司細則第84條，所有董事須於其上次獲委任或重選後不超過第三屆本公司股東週年大會上輪值告退，並符合資格膺選連任。

The Board recommended the re-appointment of the Directors standing for re-election at the forthcoming AGM. The Company's circular to be despatched to the shareholders will contain detailed information of the Directors standing for re-election.

The terms of reference of the Nomination Committee was published on the Company's website at www.huabao.com.hk and on the Hong Kong Stock Exchange's website at www.hkexnews.hk.

DIVERSITY

Board Diversity Policy

The Company adopted a board diversity policy (the "Board Diversity Policy") in September 2013 which sets out the approach to achieve diversity on the board by considering a number of factors and measurable objectives, including without limitation, gender, age, cultural and educational background, professional skills, knowledge, experience and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and background of the Board. Appointments of Board members shall be based on merit, and candidates will be assessed based on objective criteria. The Company will also take into account factors based on its own business model and specific needs from time to time.

In considering the Board's succession, the Nomination Committee will also consider through different channels, among others, engaging independent professional search firm(s) to help identify potential candidates for Directors, as and when appropriate. Since 2004, there have been at least two female Directors on the Board (also the target of the Board). The Board will continue to take opportunities to increase the proportion of female members, wherever possible. As of 31 December 2023, the Board consists of three female Directors and six male Directors (31 December 2022: three female Directors and six male Directors), and female representation remained at about 33 per cent of the Board (31 December 2022: 33 per cent).

The Nomination Committee will monitor the implementation of the Board Diversity Policy, review the Board Diversity Policy at least on an annual basis, and report to the Board on their decisions or propose recommendations on any amendments for the Board's review and approval, in order to ensure the effectiveness of the Board Diversity Policy.

董事會建議於下屆股東週年大會上重新委任膺選連任之董事。本公司向股東寄發之通函將載有有關膺選連任董事之詳情。

提名委員會的職權範圍已刊登於本公司網站 www.huabao.com.hk 和香港聯交所網站 www.hkexnews.hk。

多元化

董事會成員多元化政策

本公司於2013年9月採納之董事會成員多元化政策(「董事會成員多元化政策」)載列董事會為達致成員多元化而採取的方針，當中會考慮多項因素及可計量目標，包括但不限於性別、年齡、文化及教育背景、專業技能、知識、經驗及服務任期方面，以確保董事會的才能、技能、經驗及背景有恰當的比重及權衡。董事會成員的委任均以用人唯才為原則，在考慮人選時以客觀條件進行評估，本公司亦會根據本身的業務模式及與時並進的特定需要去考慮各種因素。

在考慮董事會的繼任人選時，提名委員會在適當時候也會考慮通過不同渠道一包括聘請獨立人事顧問幫助物色潛在的董事候選人。自2004年起，本公司董事會女性董事都不少於二人(也是董事會的目標)，董事會一直關注提高女性成員的比例。截至2023年12月31日，董事會由三名女性董事和六名男性董事(2022年12月31日：三名女性董事和六名男性董事)組成，使女性代表仍佔董事會的約33%(2022年12月31日：33%)。

提名委員會將監察董事會成員多元化政策的執行，並至少每年檢討一次，向董事會匯報其討論決定或提出任何修訂建議，並交由董事會審批，以確保董事會成員多元化政策持續有效。

During the Financial Year, the Nomination Committee has reviewed the board structure, the diversity of Board members and the commitment of Directors and making recommendations to the Board. The Nomination Committee considered that the composition of the Board is well balanced and diversified in terms of gender, age, educational background, professional skills and experience, and diversity of the Board and the Board Diversity Policy, to ensure the Board's composition complies with the CG Code with an appropriate mix of skills, experience and diversity that are relevant to the Company's strategy, governance and business and contribute to the Board's effectiveness and efficiency. The implementation of the Board Diversity Policy for the Financial Year was considered effective. It meets the needs of the business operations and development of the Group.

In addition, the Board is of the view that every Director has dedicated sufficient time and attention to the affairs of the Company. Each Director had disclosed to the Company at the time of his/her appointment of the directorships held in other listed companies or nature of offices held in public organizations and other significant commitments. The Company has also requested Directors to provide in a timely manner any change in such information. The individual attendance of Nomination Committee members at meetings is set out on page 71 of this annual report.

Gender Diversity

The Group is committed to achieving gender diversity to eliminate any form of gender discrimination, including but not limited to recruitment, remuneration, training and promotion, and keeps reviewing gender equality within the Group regularly and taking corrective actions to improve gender balance. As of 31 December 2023, the number of employees of the Group (including senior management) consisted of 2,503 male or 62.7% and 1,492 female or 37.3% (31 December 2022: 2,492 male or 64.3% and 1,383 female or 35.7%). The Group strives to achieve gender diversity in order to enjoy the benefits of accessing a wider talent pool and boosting creativity and innovation. For details, please refer to the ESG report for the Financial Year.

於本財政年度內，提名委員會檢討董事會的架構、成員的多元化和董事履行職務的情況，並向董事會提出建議。提名委員會認為董事會的組成結構平衡得宜，不論在性別、年齡、教育背景、專業技能及經驗，以及董事會成員的多元化及董事會成員多元化政策上均呈現多元化，從而確保董事會的組成結構符合企業管治守則規定，具備與本公司的戰略、管治及業務相關的技能、經驗及多元化背景，令董事會發揮成效及提升效率。本財政年度，董事會成員多元化政策已有效執行。董事會的組成結構亦配合集團的業務運作及發展需求。

此外，董事會確認每名董事均已投入足夠時間及精神處理公司之事務。每名董事於接受委任時均會向公司披露於其他上市公司之董事職務或於公眾組織所擔任之職位性質以及其他重大承擔。公司亦已要求董事適時向公司提供該等資料之任何變動。各提名委員會委員出席會議的紀錄載於本年報第71頁。

性別多元化

本集團致力實現性別多元化，以消除任何形式的性別歧視，包括但不限於招聘、薪酬、培訓及晉升，並定期檢討本集團內的性別平等，並採取糾正措施以改善性別平衡。於2023年12月31日，本集團員工人數(含高級管理人員)分別為2,503名男性或62.7%和1,492名女性或37.3%(2022年12月31日：2,492名男性或64.3%和1,383名女性或35.7%)。本集團致力實現性別多元化，以享受更廣泛的人才庫和促進創造力和創新的好處，詳情請參閱本年度ESG報告。

BOARD INDEPENDENCE

The Company recognises that Board independence is pivotal in good corporate governance and board effectiveness. The Board has established the following mechanisms to ensure that independent views and input are available to the Board:

(i) Composition

The Board ensures the appointment of at least three INEDs and at least one-third of its members being INEDs (or such higher threshold as may be required by the Listing Rules from time to time), with at least one INED possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, INEDs will be appointed to Board Committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

(ii) Independent Assessment

Independent non-executive Directors enhance the effectiveness and decision-making of the Board by providing objective judgement, a constructive and complementary attitude to management and their independence is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration.

Independence confirmations from INEDs are to be submitted to the Company in writing annually or upon appointment to the Board.

Each INED is required to inform the Company as soon as practicable if there is any change in his or her personal particulars that may affect his or her independence. No such notification was received during the Financial Year.

Every Nomination Committee member will be abstained from assessing his/her own independence. The Nomination Committee affirmed that all INEDs continued to demonstrate strong independence in judgement and were free from any business or other relationship which could interfere with their ability to discharge their duties effectively, and they therefore all remained independent.

董事會獨立性

本公司深知董事會獨立性對良好的企業管治及董事會效能至關重要。董事會已制定下列機制，以確保董事會可獲得獨立的觀點及意見：

(i) 組成

董事會致力確保委任至少三名獨立非執行董事及當中至少三分之一成員為獨立非執行董事(或上市規則不時規定的更高人數下限)，而至少一名獨立非執行董事具備適當專業資格，或會計或有關財務管理之專業知識。此外，本公司將按上市規則之規定及切實可行情況下委任獨立非執行董事加入董事會委員會，以確保取得獨立觀點。

(ii) 獨立評估

獨立非執行董事通過向管理層提供客觀判斷、持建設和互補的態度來提高董事會的有效性和決策能力，並在任命時、每年以及在情況需要重新考慮的任何其它時間評估其獨立性。

獨立非執行董事的獨立確認書將每年以書面形式或在董事會獲委任時提交予本公司。

每位獨立非執行董事如其個人資料有任何變動可能影響其獨立性，須在切實可行範圍內盡快通知本公司。在本財政年度內沒有收到此類通知。

每位提名委員會成員均放棄評估其自身的獨立性。提名委員會確認，所有獨立非執行董事在判斷上繼續表現出很強的獨立性，不存在任何可能影響其有效履行職責的業務或其他關係，因此他們都保持獨立。

Where the Board proposes a resolution to elect an individual as an Independent non-executive Director at the general meeting, the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting will set out the reason why the Board believes he/she should be elected and the reasons why it considers him/her to be independent.

(iii) Board Decision Making

All Directors are encouraged to express freely their views and constructive challenges during the Board/ Board Committees meetings. Directors (including INEDs) are entitled to seek further information from the management on the matters to be discussed at Board meetings and, where necessary, independent advice from external professional advisers at the Company's expense.

A Director (including INED) who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

The chairman/co-chairman would hold meetings with the INEDs without the presence of other directors at least annually.

During the Financial Year, the Board at all times met the requirements of the Listing Rules relating to the appointment of Independent Non-executive Directors as mentioned in item (i) above.

The Company has received confirmation in writing of independence from each of the INEDs and considers them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgement.

During the Financial Year, the Co-Chairman has held one meeting with the INEDs without the presence of other Directors.

The Board, through its Nomination Committee, had reviewed and considered that the above mechanism is effective in ensuring that independent views are conveyed to the Board.

若董事會擬於股東大會上提呈決議案選任個別人士為獨立非執行董事，有關股東大會通告所隨附的致股東通函及／或說明函件中，將會列明董事會認為應選任該名人士的理由以及他們認為該名人士屬獨立人士的原因。

(iii) 董事會的決策能力

本公司鼓勵全體董事於董事會／董事委員會會議上直抒己見並提出建設性挑戰。董事(包括獨立非執行董事)有權就董事會會議上討論事項向管理層尋求進一步資料，及如有需要，可尋求獨立專業意見，費用概由本公司承擔。

倘董事(包括獨立非執行董事)於合約、交易或安排中擁有重大利益，則不得就批准該合約、交易或安排之董事決議案進行投票，亦不得計入該會議的法定人數。

主席／聯席主席至少每年在沒有其他董事出席的情況下與獨立非執行董事舉行會議。

於本財政年度內，董事會始終均符合載列於上述第(i)項有關上市規則就委任獨立非執行董事之規定。

本公司已接獲各獨立非執行董事發出之獨立性確認函，並認同獨立非執行董事乃獨立於管理層，且並無任何足以重大干預彼等進行獨立判斷之關係。

於本財政年度內，聯席主席已在沒有其他董事出席的情況下與獨立非執行董事舉行一次會議。

董事會已透過其提名委員會檢討，並認為上述機制可有效確保獨立意見能傳達至董事會。

RISK MANAGEMENT, INTERNAL CONTROL AND CULTURE

The Board has full responsibility for maintaining an integrated and effective risk management and internal control systems of the Group, which includes the establishment of a defined management structure with specified limits of authority. The internal control system is designed to assist in the achievement of business objectives of the Group, safeguarding assets against unauthorized use or disposition, ensuring the proper maintenance of accounting records for the provision of reliable financial information for internal use or for publication and ensuring compliance with relevant legislation and regulation. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The internal control measures and system (embedded in the operations of the Company and forms part of the Group's culture) includes:

- effectiveness and efficiency of operations;
- capability in responding quickly to evolving risks to the business arising from factors within the Company and to the changes in business environment; and include procedures for reporting immediately to appropriate management levels regarding any significant control weakness that are identified together with details of corrective action being undertaken;
- reliability of financial reporting; and
- compliance with applicable laws and regulations.

The key procedures that the Board established to provide effective internal controls are as follows:

Organizational Structure and Risk Management

An appropriate organizational structure is in place with defined operating policies and procedures as well as responsibility and lines of authority.

The Company has set out Internal Audit Department with scope of works advised by the Audit Committee.

風險管理、內部監控及文化

董事會全權負責維持健全和有效的集團風險管理及內部監控系統，包括制定管理層架構及其相關之權限。內部監控系統旨在協助達成本集團業務目標、保護資產以防未經授權之使用或處理、確保會計紀錄得以妥善保存，以便提供可靠的財務資料供內部使用或對外發放，並確保遵守相關法例與規則，為無重大失實陳述或損失提供合理的、非絕對的保證。內部監控措施及系統已嵌入本公司營運和成為本集團的牢固文化之一，當中包括：

- 營運的效益及效率；
- 能對由本公司內在因素所產生的業務風險及對營商環境的改變迅速作出反應，並包括向合適的管理層即時匯報經確認的任何重大監控弱點，及應採取的修正行動的程序；
- 財務報告的可靠性；及
- 遵守適用的法律和法規。

董事會為有效的內部監控已設立的主要程序，如下：

組織結構及風險管理

本集團設有適當的組織結構和明確的營運政策和程序以及責任和授權。

本公司設立內部審計組，其工作範疇經由審核委員會建議。

Corporate Governance Report

企業管治報告

The Legal Department and Compliance Department are led by professional legal staff and professional company secretary respectively. Together with other business functions (including Internal Audit Department) of the Group, the Legal Department and Compliance Department monitor and assess risk regularly, boost related management standards and evaluate investment projects. The Company has a long-term engagement with reputable international law firm as its annual retainer counsel for provision of legal advice relating to compliance of Listing Rules and regulatory requirements.

Managing ESG risks with risk management framework

The effective management of ESG risks is a key focus of the Company's risk management activities. Particularly, ESG risks have been managed alongside with other relevant business and operational risks under the risk management framework. Moreover, the enhancement for scope and process of the risk management and internal control systems will be continued to provide more timely and transparent information on the status of ESG risks.

Authority and Control

The Executive Directors and senior management are delegated with respective levels of authorities to carry out the corporate strategies and policies and related matters formulated by the Board.

Budgetary Control and Financial Reporting

The Group implements a comprehensive budget management and the overall financial budget is executed upon approval by the Board. Relevant procedures have been established to assess, review and approve major capital and recurring expenditures, and regular review and make comparison between operating results and the budget.

The Group has established appropriate internal control procedures to ensure accurate and complete accounting and management records are kept on a timely basis. Examination and review are carried out regularly to ensure that the financial statements are properly prepared in conformity with the generally accepted accounting principles, the Group's accounting policies and the applicable laws and regulations.

本集團的法務部及合規部，其分別以專業法務人員及專業公司秘書為首。連同其他業務部門（包括內部審計部門），法務部及合規部定期監測和評估風險、提升相關管理水平和評估投資項目。本公司長年聘用著名國際律師事務所作為其常年法律顧問，就上市規則和監管要求的合規性提供法律意見。

按風險管理框架管理 ESG 風險

ESG 風險的有效管理乃本公司進行風險管理活動的重點。尤其是，ESG 風險與其他相關業務及營運風險一併於風險管理框架項下進行管理。此外，繼續加強風險管理及內控系統的範圍及流程，將便於就 ESG 風險狀況提供更為及時且透明的資料。

授權和監控

授予執行董事和高級管理層適當的權力執行企業政策及策略和董事會制定的相關事項。

預算控制和財務匯報

本集團實施全面預算管理，總財務預算經董事會批准後執行。已設有相關程序評估、檢討和批准重大資本支出和經常性支出，和定期審閱和比較經營業績與預算。

本集團設有適當的內部監控程序確保按時準確地和完整地記錄財務會計賬目。定期檢查和檢討確保會計報表按一般公認會計準則、本集團會計政策和適用的法律規則等編製。

Risk Management and Internal Control Review

During the Financial Year, the Internal Audit Department had carried out an annual review on the internal control system including financial, operational and compliance control, and risk management functions. The review adopts a risk-based approach to create and review the effectiveness of an internal control system and includes the following works:

- (i) To follow up on individual matters concerning the improvement of the internal control system in accordance with the guidance and suggestions of independent directors and the external auditor of the Company;
- (ii) To carry out a high level review on the internal control system of new members/businesses of the Group, by integrating the internal control framework set out by The Committee of Sponsoring Organizations of the Treadway Committee ("COSO"), the China Internal Auditing Standards, the basic internal control standards and complementary guidelines of the Group, etc. as basic requirements;
- (iii) To arrange site visit and perform focused walk through test on the internal control system of members of the Group on risk control priority basis pursuant to the risk control principles mentioned above; and
- (iv) To design and review the questionnaires on the effectiveness of the risk management and internal control systems submitted by the head offices of the Group, subsidiaries, business sectors of the Company.

The Company has adopted a set of risk management and internal control policies and procedures to safeguard the Group's assets, to ensure proper maintenance of accounting records and reliability of financial information, and to ensure compliance with relevant laws and regulations.

The Executive Directors and senior management of the Company received local, market, and operations-related information regularly while their understanding of the risk assessment is enhanced through the regular senior management meetings, at which they discuss cases of the potential risk management and operation of individual business segments.

風險管理及內部監控評估

於本財政年度內，內部審計部門對內部監控系統(包括財務、營運和合規監控和風險管理功能)進行年度評估。評估採用風險導向方式塑造和檢討內部控制系統成效，包括下列工作：

- (i) 按照獨立董事及本公司外聘核數師的指導意見及建議，跟進提升內部監控系統的個別事項；
- (ii) 結合The Committee of Sponsoring Organizations of the Treadway Committee(「COSO」)內部控制框架、《中國內部審計準則》、本集團內部控制基本規範和配套指引等作基本要求，對集團新成員或業務的內部監控系統進行高層次檢查；
- (iii) 按風控優先依據到訪本集團之廠房和根據上述的風控原則對其內部監控系統進行專項穿行測試；和
- (iv) 設計及檢查集團總部、各附屬公司及事業部門就風險管理及內部監控系統的有效性提交的調查表格。

本公司已採納一套風險管理及內部監控政策及程序，以保障本集團資產，確保會計記錄妥善保存及財務資料的可靠性，以及確保遵守相關法律及法規。

本公司的執行董事及高級管理層定期都會收到資料(包括地方、市場及經營相關的消息)，透過定期的高級管理層會議討論有關潛在的風險管理及個別業務板塊經營情況，以增加執行董事及高級管理層對風險評估的認知。

Identification, assessment and management:

- The head of each department such as the Investment Department, Finance Department, Legal Department and Compliance Department of the Company will inform and report to the relevant Directors regarding the factors that have impact on the profit and price based on the nature of business and their own experience. During the course of execution, the concerned project teams of the Company will handle relevant documents and report to the relevant personnel (including the Directors).
- As for the matters as required to be disclosed under the Listing Rules, the Compliance Department will present the issues to the Board for review and discussion, and the Legal Department and Compliance Department will separately inform relevant members of the project team that dealing in the shares of the Company is prohibited.

Review prior to the transactions:

- Generally, the prescribed price sensitive information reporting forms regarding the daily operation and connected transactions of the Company will be circulated to relevant departments at the beginning of every month by the Finance Department, and the Finance Department will combine and submit the forms to the Compliance Department for overall review in the middle of each month, ensuring that there are no material omissions. The Legal Department will also assist to regularly confirm with the Compliance Department for any material contracts (if any).

During the Financial Year, Internal Audit Department has presented its review report and make recommendations to the Audit Committee and the Audit Committee has discussed with the management and reported the progress of the work plan and related findings, particularly those related to new members of the Group to the Board at board meeting.

辨認、評估及管理：

- 本公司的部門主管(包括投資部、財務部、法務部及合規部)會根據業務性質及自身經驗，針對那些對盈利或價格有影響的因素知會有關董事及作出匯報。當有關的項目執行中時，本公司相關專案小組會處理專案文件，並向有關人員(包括董事)匯報情況。
- 若按上市規則需要披露的事項，合規部門將提呈董事會審閱及審議，同時法務部及合規部會分別通知項目組有關成員禁止買賣本公司股份。

截至交易前的檢查：

- 本公司的日常經營及關連交易的價格敏感資訊表，通常於每月初經由財務部發出給相關部門，並於每月中旬由財務部匯總到合規部做總體檢查，確認並無任何重大遺漏，而法務部亦會協助定期向合規部確認有關重大合同事項(如有)。

於本財政年度內，內部審計部門已向審核委員會提交其評估報告和工作建議，審核委員會已與管理層討論，並在董事會會議上向董事會提交其工作計劃進展和相關發現，尤其是關於本集團新成員。

Measures to further enhance Internal Control Systems and Corporate Governance practices

In compliance with the requirements of the Listing Rules and for the purpose of reinforcing the Group's internal control system, the Company has established a whistleblowing policy and system for employees to raise concerns, in a confidential manner, with the Audit Committee about possible irregularities in financial reporting, internal control or other matters related to the Company. The Audit Committee is responsible for reviewing the relevant policy and system regularly. The Company had established an anti-fraud leadership team, aimed at strengthening the guidance, organization and coordination of anti-fraud and whistle-blowing works to reinforce standard operations and risk management and issued the "Anti-Fraud, Bribery and Whistleblowing Policy" ("反舞弊、賄賂與舉報制度") accordingly.

The Directors has further strengthened corporate governance practices, including execution of the internal reporting policy throughout the Group in monitoring the operation and business developments of the Company so as to capture potentially price-sensitive information on an on-going basis, monitoring the continuing disclosure obligation. The Board has further strengthened corporate governance practices by establishing lending policy to monitor its credit level. In addition, the annual retainer counsel of the Company has provided the Directors (existing and new board members) and the relevant senior executives with trainings on Listing Rules, regulatory requirements and analysis of enforcement cases at least twice a year.

During the Financial Year, the Internal Audit Department of the Company has carried out internal control audits in respect of those risk areas, such as business operation, financial system, project investment and management, corporate governance, etc., and also head offices, business sectors and certain subsidiaries of the Group. The Internal Audit Department has reported to the Directors in respect of the effectiveness of the risk management and internal control system and significant risks. The Board reviewed and evaluated the effectiveness of risk management and internal control systems of the Company and its subsidiaries by considering reviews performed by the Audit Committee with the assistance of the management team, the Internal Audit Department and the external auditors.

提升內部監控制度及企業管治常規的措施

為符合上市規則要求及進一步完善本集團的內部監控制度，本公司已設立舉報政策和系統，讓僱員可暗中向審核委員會就有關本公司之財務匯報、內部監控或其他方面的違規事宜提出關注，而審核委員會負責定期檢討有關政策及系統。本公司成立了集團反舞弊工作領導小組，旨在加強對反舞弊與舉報工作的指導、組織及協調以加強規範運作及風險管理，並相應發佈了「反舞弊、賄賂與舉報制度」。

董事會已進一步加強企業管治常規，包括監控本集團營運和業務發展的內部匯報實施制度，以便按月記錄潛在股價敏感資料，監察持續披露責任。董事會進一步提升企業管治常規就對外貸款制定政策監測借貸水平。此外，本公司常年法律顧問每年至少兩次為董事（原有及新加入的董事）和相關高級管理層提供上市規則、法規要求和執法案例分析的培訓。

於本財政年度內，本公司內部審計部門就業務營運、財務系統、項目投資管理、公司治理等風險領域，以及集團總部、事業部及若干下屬企業進行了內部控制審計。內部審計部門就風險管理及內部監控系統的有效性和重大風險向董事進行了匯報。董事會透過審核委員會並且在管理層以及內部審計部門和外聘核數師的協助下對本公司及其附屬公司之風險管理及內部監控系統之成效進行檢討及評估。

As a result of the above measures and upon review, the Board confirms, and management has also confirmed to the Board, that the Group's risk management and internal control systems are effective and adequate (including the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions are adequate) and have complied with the CG Code provisions on risk management and internal control throughout the Financial Year and up to the date of this annual report.

Handling and Dissemination of Inside Information

For the purposes of handling and disseminating inside information in accordance with the Listing Rules and the SFO, the Company has in place a policy on handling and dissemination of inside information (the "Policy") which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to price the listed securities of the Company with the latest available information. This Policy also provides guidelines to staff of the Company to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

根據上述的措施及檢討結果，董事會確認，及管理層亦向董事會確認，本集團之風險管理及內部監控制度均有效和充足(包括本公司在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是足夠的)，並於本財政年度整年內及截至本年報日期已遵守企業管治守則中有關風險管理及內部監控制度之守則條文。

內幕消息的處理及傳播

為根據上市規則及香港法例第571章《證券及期貨條例》處理及傳播內幕消息，本公司已製定處理及傳播內幕消息的政策(「政策」)規定有關及時處理及傳播內幕消息的程序及內部控制，以免任何人處於特權交易地位，並留出時間讓市場為本公司的上市證券根據最新的可用信息定價。該政策亦為公司員工提供指導，以確保存在適當的保障設施，以防止公司違反法定披露要求。該政策還包括適當的內部控制及報告系統，以識別及評估潛在的內部信息。

TRAINING

Directors' Training

All Directors participated in appropriate continuous professional development and provided the Company with their records of training they received during the Financial Year. Directors participated in the training which included reading regulatory updates, attending seminars or conducting training sessions and exchanging views.

培訓

董事培訓

於本財政年度內，所有董事均已參與合適之持續專業發展，並已向公司提供所接受培訓之紀錄。董事參與的培訓，包括閱讀最新監管資料，以及出席專題研討會或作培訓交流。

Attend seminars/conduct training sessions and exchange views 出席專題研討會／作培訓交流

Executive Directors

Ms. CHU Lam Yiu
Mr. LAM Ka Yu
Mr. XIA Liqun
Mr. POON Chiu Kwok
Ms. LAM Ka Yan
Ms. CHOY Man Har

執行董事

朱林瑤女士
林嘉宇先生
夏利群先生
潘昭國先生
林嘉妍女士
蔡文霞女士

Yes	有
Yes	有
Yes	有
Yes	有
Yes	有
Yes	有

Independent Non-executive Directors

Mr. LEE Luk Shiu
Mr. Jonathan Jun YAN
Mr. HOU Haitao

獨立非執行董事

李祿兆先生
Jonathan Jun YAN 先生
侯海濤先生

Yes	有
Yes	有
Yes	有

Company Secretary's Training

Mr. POON Chiu Kwok, the Executive Director, Vice President and Company Secretary of the Company, is responsible for assisting the Board for facilitating communications among Directors as well as ensuring that the Board's policy and procedures are followed properly. The Company Secretary also provides professional advice and services to the Board on corporate governance and other matters. He is also responsible for organizing general meetings and facilitating the induction and professional development of Directors.

During the Financial Year, Mr. Poon has complied with Rule 3.29 of the Listing Rules by taking not less than 15 hours of continuing professional training.

公司秘書培訓

本公司執行董事、副總裁兼公司秘書潘昭國先生負責協助董事會，確保董事會成員之間有良好交流溝通及董事會之政策和程序得到適當的遵循。公司秘書亦向董事會提供企業治理事宜等方面之專業意見及服務，並負責舉行公司股東大會事宜，以及安排董事之入職培訓及專業發展。

於本財政年度內，潘先生已遵守上市規則第3.29條，接受不少於15小時之持續專業培訓。

ACCOUNTABILITY AND AUDIT

Directors' Responsibility in Preparing Financial Reporting

The Board is responsible for the preparation and timely publication of financial statements. In preparing the financial statements, relevant statutory requirements have been complied with, applicable accounting standards in force in Hong Kong have been adopted, appropriate accounting policies have been applied on a consistent basis, going concern basis has been adopted and reasonable and prudent judgments and estimates have been made.

Auditors' Report and Remuneration

The Company's external auditors are PricewaterhouseCoopers. There has been no change in the Company's external auditors for the preceding three years.

The external auditors have a primary responsibility for auditing and reporting on the financial statements. The Auditors' Report to the Shareholders is set out on pages 121 to 130 of this annual report.

During the Financial Year, the remuneration paid/payable to the Company's auditors (including statutory auditors of the subsidiaries) in relation to audit services and non-audit services provided to the Group are as follows:

Nature of Services	服務性質	Amount 金額 (RMB'000) (人民幣千元)
Audit services	核數服務	
– for the audit of the Group	– 集團審計	7,032
– for the statutory and other audits of the subsidiaries	– 子公司法定及其他審計	2,328
Non-audit services	非核數服務	311

Please also refer to Note 27 to consolidated financial statement set out on pages 241 to 242 of this annual report for details of Auditors' Remuneration.

問責和審核

董事編製財務報表的責任

董事會負責編製並準時刊發財務報表。編製財務報表時，有關法律法規已獲遵守，香港現行的適用會計準則已獲採納，適當的會計政策持續地予以應用，持續經營基準已獲採納，以及合理和謹慎的判斷和估算已獲應用。

核數師報告和酬金

本公司外部核數師為羅兵咸永道會計師事務所。過去三年內本公司之外部核數師並無任何變動。

外部核數師主要職責為就財務報表核數及作出報告。致股東之核數師報告載於本年報第 121 至 130 頁。

於本財政年度內，就本公司核數師(包括附屬公司法定的核數師)向本集團提供之核數及非核數服務，已付/應付核數師之費用如下：

服務性質	Amount 金額 (RMB'000) (人民幣千元)
核數服務	
– 集團審計	7,032
– 子公司法定及其他審計	2,328
非核數服務	311

核數師酬金詳情請參考載於本年報第 241 至 242 頁綜合財務報表附註 27。

SHAREHOLDERS' RIGHTS

Shares with voting rights in the Company are ordinary shares. The number of issued ordinary shares as at 31 December 2023 was 3,229,926,876. Details of share capital of the Company are set out in Note 19 to the consolidated financial statements on page 232 of this annual report. Shareholders holding issued ordinary shares of the Company were set out below:

Category/Name	類別／名稱	Full details can be found on the following page of this report 詳細資料載 於本年報 以下頁數	Total number of issued Shares held 合共持有 已發行 股份數目	Percentage of the issued share capital 佔已發行 股本百分比
Ms. CHU Lam Yiu (Note)	朱林瑤女士(附註)	Pages 109 to 110 第109至110頁	2,293,408,900	71.00%
Public	公眾人士		936,517,976	29.00%
Total	合計		3,229,926,876	100.00%

Note:

As defined in the Listing Rules, any person (including a holder of depositary receipts) who is or group of persons (including any holder of depositary receipts) who are together entitled to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Codes on Takeovers and Mergers and Share Buy-backs as being the level for triggering a mandatory general offer) or more of the voting power at general meeting of the Company.

Procedures by which shareholders may convene a special general meeting

Pursuant to bye-law 58 of the Bye-laws, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting ("SGM") to be called by the Board for the transaction of any business transaction specified in such requisition.

股東權利

賦有投票權的股份均為本公司普通股股份。於2023年12月31日，已發行普通股股份數目為3,229,926,876股。本公司股本詳情載於本年報第232頁綜合財務報告附註19內。持有本公司已發行普通股之股東如下：

附註：

按上市規則釋義，任何有權在本公司股東大會上行使或控制行使30%（或《公司收購、合併及股份回購守則》不時規定會觸發強制性公開要約所需的其他百分比）或30%以上投票權的人士（包括預託證券持有人）。

股東可召開股東特別大會的程序

按公司細則第58條，於遞呈要求之日期持有不少於賦有本公司股東大會表決權之本公司繳足股本十分之一之股東，於任何時候均有權透過向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會（「股東特別大會」），以處理有關要求中指明之任何事項。

The requisition shall state clearly the matters required to be considered and approved at the SGM and must be signed by the requisitioner(s) (with contact details) and submitted to the Board in written form to the Company's principal place of business in Hong Kong at least 21 days before the proposed date of the SGM.

The SGM shall be held within 2 months after the deposit of such requisition. If the Directors do not within 21 days from the date of the deposit of the requisition proceed to convene a meeting, the requisitionists may themselves do so in accordance with the provisions of Section 74(3) of the Companies Act 1982 of the laws of Bermuda (as amended) (the "Companies Act"), but any meeting so convened shall not be held after the expiration of 3 months from the said date.

Shareholders' right to propose resolutions at general meeting

Pursuant to Sections 79 and 80 of the Companies Act, (i) any number of shareholders representing not less than one-twentieth (5%) of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the general meeting to which the requisition relates; or (ii) not less than 100 shareholders, may submit to the Company a written request stating the resolution intended to be moved at AGM or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.

The written request/statement must be signed by all the requisitionists and may consist of several documents in like form, each signed by one or more of the requisitionists, and must be deposited at the Company's principal place of business in Hong Kong, not less than 6 weeks before the AGM in case of a requisition requiring notice of a resolution or not less than one week before the general meeting in case of any other requisition. Provided that if an AGM is called for a date 6 weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

有關要求須清楚列明擬於股東特別大會上考慮及批准的事項和聯絡詳情，並經遞呈要求人士簽署後以書面形式通知董事會，在建議召開股東特別大會日期至少21天前遞交至本公司於香港的主要營業地點。

股東特別大會應於遞呈該要求後兩個月內舉行。倘董事未能於接獲要求當日起計21天內召開該大會，遞呈要求人士可以按照1982年百慕達公司法(經修訂)(「公司法」)第74(3)條之規定召開該大會，惟據此召開的任何股東大會不得於遞呈要求當日起計三個月屆滿後舉行。

股東於股東大會上提呈議案的權利

根據公司法第79及80條，(i)於遞呈要求日期持有不少於全體股東總投票權(賦有於要求所涉股東大會上之投票權)二十分之一(5%)之股東(不論人數)；或(ii)不少於100名股東，可向本公司遞呈書面要求並列明擬於股東週年大會上動議的決議案，或就於特定股東大會提呈之任何決議案所述的事項或處理的事務作出不少於1,000字的書面陳述。

該書面要求／陳述必須由所有遞呈要求人士簽署(可由多份格式相似並各自經一名或多名遞呈要求人士之文件組成)，並須於股東週年大會舉行前至少六個星期(如屬要求決議案通告的要求)或股東大會舉行前至少一個星期(如屬任何其他要求)前遞交至本公司於香港的主要營業地點。倘股東週年大會在該要求書遞交後六個星期或較短時間內召開，則該要求書雖然並非在指定時間內遞交，但就此而言，亦須當作已恰當地遞交。

Shareholders' right to propose a person for election as a director

Shareholders shall have the right to propose a person for election as a director at the Company's general meeting. Please refer to the detailed procedures for such right on the Company's website www.huabao.com.hk.

Making enquiries by Shareholders

Shareholders shall have the right to examine the relevant information of the Company according to the Bye-laws. Shareholders should direct their questions about their shareholdings to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited. Shareholders may also direct questions or requests for information through the Company's website at www.huabao.com.hk or by contacting the Head of Investor Relations Department of the Company (email: ir@huabao.com.hk).

ACCESSIBLE AND TRANSPARENT COMMUNICATION WITH SHAREHOLDERS

The Company has reviewed the implementation and effectiveness of the Shareholders' Communication Policy during the Financial Year. Since there have been no changes to the existing Shareholders' Communication Policy and given there is no barrier for the shareholders to communicate their views to the board as a whole, the Company considered that such Shareholders' Communication Policy remains effective.

In addition to the on-going Investor Relation Department's efforts mentioned in the next section, the Board values the importance of communications with the Shareholders. The Company uses a range of communications tools, such as AGM, annual report, various notices, announcements and circulars, to ensure its Shareholders are kept well informed of key business imperatives of the Company.

The Company has maintained a website www.huabao.com.hk for corporate communication with its Shareholders and the general public. All corporate communications required under the Listing Rules are displayed and can be downloaded (for documents published in the previous 7 years) from the Company's website and there is established procedure to ensure timely update in compliance with the Listing Rules.

股東建議人士參選董事的權利

股東有權於本公司股東大會上建議人士參選董事，有關權利的詳細程序可於本公司網站 www.huabao.com.hk 上查閱。

股東查詢

根據本公司之公司細則，股東有權查閱有關本公司之資料。若股東對其名下持股有任何問題，可向本公司之香港股份過戶登記分處卓捷時有限公司提出。股東亦可透過本公司網站 www.huabao.com.hk 或聯絡本公司之投資者關係部主管(電郵：ir@huabao.com.hk)作出提問或要求索取資料。

與股東緊密及具透明之溝通

本財政年度內，本公司已檢討股東溝通政策的實施及有效性。由於現有的股東溝通政策並無變動，且鑑於股東在向整個董事會傳達意見時沒有障礙，本公司認為該股東溝通政策仍然有效。

除下文所述投資者關係部門持續努力的結果外，董事會重視與股東溝通的重要性。本公司採用多項溝通工具，包括股東週年大會、年報、各類通告、公告及通函等，確保股東明瞭公司的主要業務策略。

公司設有網站 www.huabao.com.hk，作公司通訊用途。上市規則規定的所有公司通訊(過去七年刊發的文件)均可於公司網站瀏覽及下載，公司亦已制訂程序確保資料的披露將會根據上市規則適時更新。

Open Communications

The Group is committed to acting in good faith and in the best interests of its Shareholders at all times and in all areas of its operations. The Group actively promotes open communication and full disclosure of all information needed to protect and maximize transparency.

Shareholders' Communication Policy

The Shareholders' Communication Policy of the Company (the "**Shareholders' Communication Policy**") is available for viewing on the Company's website at www.huabao.com.hk.

The Shareholders' Communication Policy was reviewed by the Board during the Financial Year to ensure its effectiveness and continues to be adopted in the forthcoming financial year. Taking into account the steps taken at the general meetings, the handling of queries received and the multiple communication channels in place, the Board is of the view that such policy is effective and has been properly implemented during the Financial Year.

開明的溝通

本集團本著真誠原則，全方位為股東最佳利益而行事。本集團積極提倡開明的溝通，確保以最大透明度對各類所需資料進行全面披露。

股東通訊政策

本公司之股東通訊政策(「**股東通訊政策**」)可於公司網站 www.huabao.com.hk 上查閱。

於本財政年度內，董事會已檢討股東通訊政策以確保其有效性，並於下一財政年度繼續採用。考慮到於股東大會上採取的措施、對收到的查詢的處理情況及多個現有溝通渠道，董事會認為該政策屬有效且已於本財政年度獲適當實施。

Shareholders' Meetings held during the Financial Year

The general meeting provides a forum for the Board to communicate with the Shareholders. To facilitate enforcement of the Shareholders' rights, significant issues were dealt with under separate resolutions at the general meeting, including the election and re-election of individual Director. Details of general meeting(s) held during the Financial Year are summarized as follows:

Meeting 會議	Date 日期	Venue 地點	Resolutions 決議案
AGM 股東週年大會	15 May 2023 2023年5月15日	Room 1, United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong 香港 金鐘道95號 統一中心十樓統一 會議中心室一	<ol style="list-style-type: none"> To receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31 December 2022; 省覽截至2022年12月31日止年度經審核財務報表、董事會報告及核數師報告； To declare the special dividend for the year ended 31 December 2022; 宣派截至2022年12月31日止年度的特別股息； To re-elect and elect Directors and to authorize the Board to fix their remunerations; 重選及選舉董事，並授權董事會釐定彼等之酬金； To re-appoint the auditors and to authorize the Board to fix their remunerations; and 續聘核數師，並授權董事會釐定其酬金； 及 To grant general mandates to buy back shares, to issue shares and to exercise the buy-back mandate 授予一般授權以回購股份、發行股份及行使回購授權。

於本財政年度內舉行的股東大會

股東大會為董事會與股東提供一個溝通論壇。為方便股東在股東大會上行使權利，重要事宜乃根據個別決議案於股東大會上處理，包括選舉及重選個別董事。於本財政年度內舉行之股東大會總括如下：

MERGERS & ACQUISITIONS

No material mergers and acquisitions of the Group were carried out during the Financial Year.

收購合併

於本財政年度內，本公司沒有進行任何重大收購合併項目。

CONTINUING CONNECTED TRANSACTIONS

Details of the continuing connected transactions of the Company are set out on pages 116 to 119 of this annual report.

持續關連交易

本集團之持續關連交易詳情載於本年報第116至119頁。

ATTENDANCE RECORD

Details of attendance of the Directors (either in person or through telephone conferences) at Board meetings, meetings of Board committees and general meetings during the Financial Year are set out below:

出席記錄

各董事於本財政年度內親自出席或透過電話會議方式出席董事會會議、董事委員會會議及股東大會的出席率詳情載列如下：

No. of meeting held	會議次數	Board Meeting(s) 董事會會議	Audit Committee Meeting(s) 審核委員會會議	Remuneration Committee Meeting(s) 薪酬委員會會議	Nomination Committee Meeting(s) 提名委員會會議	Annual General Meeting(s) 股東週年大會
		31	3	3	1	1
Executive Directors	執行董事					
Ms. CHU Lam Yiu (<i>Chairlady and CEO</i>) (Note 1)	朱林瑤女士(主席兼首席執行官)(附註1)	19/31	N/A不適用	N/A不適用	0/1	0/1
Mr. LAM Ka Yu (<i>Co-Chairman</i>)	林嘉宇先生(聯席主席)	31/31	N/A不適用	N/A不適用	N/A不適用	1/1
Mr. XIA Liqun (<i>Vice Chairman and President</i>)	夏利群先生(副主席兼總裁)	31/31	N/A不適用	3/3	N/A不適用	1/1
Mr. POON Chiu Kwok (<i>Vice President and Company Secretary</i>)	潘昭國先生(副總裁兼公司秘書)	31/31	N/A不適用	N/A不適用	N/A不適用	1/1
Ms. LAM Ka Yan	林嘉妍女士	31/31	N/A不適用	N/A不適用	1/1	1/1
Ms. CHOY Man Har	蔡文霞女士	31/31	N/A不適用	N/A不適用	N/A不適用	1/1
Independent Non-executive Directors	獨立非執行董事					
Mr. LEE Luk Shiu	李祿兆先生	31/31	3/3	3/3	1/1	1/1
Mr. Jonathan Jun YAN	Jonathan Jun YAN先生	31/31	3/3	N/A不適用	1/1	1/1
Mr. HOU Haitao	侯海濤先生	31/31	3/3	3/3	1/1	1/1

Note:

- Ms. Chu had resumed her duties since 3 July 2023.

附註：

- 朱女士於2023年7月3日起恢復履職。

MAJOR CHANGES TO THE BYE-LAWS

During the Financial Year, the Company did not make any amendments to the Company's Bye-laws. An up-to-date version of the Bye-laws is available on the websites of the Company and the Stock Exchange. Shareholders may refer to the Bye-laws for further details of the rights of shareholders.

公司細則重大變更

於本財政年度內，本公司並無對本公司之公司細則作出任何修訂。最新版本的公司細則可於本公司及聯交所網站查閱。有關股東權利之更多詳情，股東可參閱公司細則。

Investor Relations Report

投資者關係報告

The Company is committed to upholding an open and proactive investor relations strategy with an aim at optimizing the knowledge and understanding of the investment community with respect to the Company's corporate mission and vision, development strategies, competitive position in the industry and operating and financial performance, so as to enable public investors to make informed decisions on their investments. The Company fulfils the above-mentioned through a designated Investor Relations Department.

The Investor Relations Department acts as an intermediary between the Company and public investors. The Company abides by the basic and fair disclosure guidelines to ensure that communication with Shareholders, investors and media is conducted in a fair manner and that no material non-public information is made available to any individual on a selective basis.

INVESTOR RELATIONS REVIEW

During the Current Reporting Period, the Company proactively communicated with investors by multiple channels to convey its latest developments, performance, and strategic goals so that investors could have a better understanding of the Group and sets solid foundation for the Group's activities in the capital market in the future. Investor relations activities conducted by the Group are as follows,

Details	Frequency
Results Conference Call	2

- **Annual general meeting**

It is important that the Shareholders have access to clear and meaningful data which enables them to have a constructive dialogue with the Company. Shareholders can raise any questions and comments on the performance or future business directions of the Company and on any resolutions to be considered at the AGM. The Company's co-chairman and the Audit Committee's Chairman were present in person or through telephone/video conferences and available to answer questions raised at the AGM.

本公司致力維持公開及積極的投資者關係策略，旨在有效令投資社群知悉及理解有關本公司之企業宗旨及願景、發展策略、業內競爭狀況及營運和財務表現，以致投資大眾能為彼等的投資作出知情決定。本公司透過特設的投資者關係部門以取得達致。

投資者關係部門為本公司及投資大眾的橋樑。本公司按照公平披露的基本原則，以確保與股東、投資者及傳媒之溝通以一個公平方式進行，及並無以選擇性準則向任何個別人士提供重大非公眾信息。

投資者關係工作回顧

本報告期，本公司透過一系列投資者關係活動，將公司業務的最新進展、成績、戰略目標傳遞予投資者，以強化投資界對本公司的瞭解，為本公司未來在資本市場的活動奠定良好的基礎。本公司開展的投資者關係活動如下：

活動詳情	次數
業績電話會議	2

- **股東週年大會**

對股東而言，能夠取得清晰及有效數據十分重要，他們可借此與本公司建立有效溝通。股東可就本公司之表現、未來業務方針及於股東週年大會將予審議之任何決議案提出任何詢問及發表評論。年內，本公司董事會聯席主席及審核委員會之主席已親自出席或通過電話／視像會議方式出席股東週年大會，並解答所提出的問題。

Investor Relations Report

- **Detailed financial statements**

The Company attaches great importance to annual reports and interim reports, put a lot of resources for these two reports' preparation, and uses them as one of the major communication bridges between the Company and investors.

Through this approach, the latest information of the Group can be transmitted to investors, aiming to convey the Group's comprehensive strategy, operating principles, business and financial performance and future prospects in a detailed and accurate manner.

- **E-Communication via Websites of the Company and Professional Investor Relations Website**

The Company's website at www.huabao.com.hk contains information such as important corporate data, biographical details of Directors, organizational structure and press releases.

In addition, the Company also has professional investor relations website (<http://huabao2.aconnect.com.hk/sc/home.aspx>) to publish interim and annual reports, announcements and circulars that enables the Company's shareholders and members of the investment community to have timely access to the most updated information about the Company.

INVESTOR RELATIONS CONTACTS

For inquiries, please contact:
Investor Relations Department
Huabao International Holdings Limited
Suite 3008
30th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Telephone: (852) 2877 8999
Fax: (852) 2511 8229
E-mail: ir@huabao.com.hk

投資者關係報告

- **詳盡的財務報告**

本公司高度重視年度報告和中期報告，投放大量資源編製，並將其作為本公司與投資者之間的主要溝通橋樑之一。

通過此途徑將本公司最新的資訊傳遞給投資者，務求詳盡準確地傳達本公司全方位的戰略、經營方針、業務及財務表現和未來展望。

- **透過公司網站及專業投資者關係網站進行電子溝通**

本公司網站為 www.huabao.com.hk，載有重要之企業數據、董事履歷、組織架構、公司新聞等信息。

此外，本公司亦設有專業投資者關係網 <http://huabao2.aconnect.com.hk/sc/home.aspx>，刊發中期及年度報告、公告及通函等信息，讓本公司股東及投資社群適時取得有關本公司之最新信息。

投資者關係聯絡

如有查詢，請聯繫：
香港
灣仔
港灣道18號
中環廣場
3008室
華寶國際控股有限公司
投資者關係部

電話：(852)2877 8999
傳真：(852)2511 8229
電郵：ir@huabao.com.hk

Investor Relations Report

投資者關係報告

Information for investors (as at 29 December 2023)

1. Huabao International Holdings Limited

Board Lot Size	1,000 shares
Number of shares issued	3,229,926,876 shares
Market capitalization (based on the closing price of HKD 2.49 per share on 29 December 2023)	Approximately HKD8.043 billion
Stock code	
The Stock Exchange of Hong Kong Limited stock code	00336

Reuters ticker 336.HK

Bloomberg ticker 336.HK

2. Huabao Flavours & Fragrances Company Limited (a non-wholly owned subsidiary of the company listed on the ChiNext of the Shenzhen Stock Exchange)

Board Lot Size	100 shares
Number of shares issued	615,880,000 shares
Market capitalization (Based on the closing price of RMB21.41 per share on 29 December 2023)	Approximately RMB13.186 billion
Stock code	
ChiNext of Shenzhen Stock Exchange stock code	300741

Reuters ticker 300741.SZ

Bloomberg ticker 300741: CH

投資者數據(於二零二三年十二月二十九日)

1. 華寶國際控股有限公司

每手買賣單位股數	1,000 股
已發行股份數目	3,229,926,876 股
市值(以二零二三年 十二月二十九日 收市價每股港幣 2.49 元計算)	約港幣 80.43 億元
股份代號	
香港聯合交易所 股份代號	00336

路透社股份代號 336.HK

彭博社股份代號 336.HK

2. 華寶香精股份有限公司(本公司的一間於深圳證券交易所創業板上市的非全資子公司)

每手買賣單位股數	100 股
已發行股份數目	615,880,000 股
市值(以二零二三年 十二月二十九日 收市價每股人民幣 21.41 元計算)	約人民幣 131.86 億元
股份代號	
深圳證券交易所 創業板股份代號	300741

路透社股份代號 300741.SZ

彭博社股份代號 300741: CH

Investor Relations Report

投資者關係報告

Financial Calendar

Closing date for transfer of shares for Annual General Meeting	9 May 2024 (Thursday) to 14 May 2024 (Tuesday) (both days inclusive)
Annual General Meeting	14 May 2024 (Tuesday)
Ex-dividend date	6 June 2024 (Thursday)
Closing date for transfer of shares for proposed final dividend and special dividend	11 June 2024 (Tuesday) to 12 June 2024 (Wednesday) (both days inclusive)
Date of payment of proposed final dividend and special dividend for the fiscal year ended 31 December 2023	28 June 2024 (Friday)
Financial year-end date	31 December

財務日誌

股份截止過戶日期 (股東週年大會)	二零二四年五月九日 (星期四)至二零二四年五月十四日 (星期二)(首尾兩日包括在內)
股東週年大會	二零二四年五月十四日 (星期二)
除淨日	二零二四年六月六日 (星期四)
股份截止過戶日期 (派發建議之期末及特別股息)	二零二四年六月十一日 (星期二)至二零二四年六月十二日 (星期三)(首尾兩日包括在內)
派發建議截至二零二三年十二月三十一日止財年之期末及特別股息日期	二零二四年六月二十八日 (星期五)
財政年度結算日	十二月三十一日

Directors' Report

The Board is pleased to present its annual report together with the audited consolidated financial statements for the year ended 31 December 2023 (the "Financial Year").

ACQUISITIONS AND DISPOSALS

Save as disclosed in this annual report, the Company did not undertake any material acquisition and disposal of subsidiaries, associates and joint ventures during the Financial Year.

BUSINESS REVIEW

The principal activity of the Company is investment holding and the Group is principally engaged in the R&D, production, distribution and sales of flavours and fragrances, and food ingredients, tobacco raw materials, aroma raw materials and condiment products in the PRC. The activities of the Company's principal subsidiaries are set out in Note 37 to the consolidated financial statements. Further discussion and analysis of the operating activities of the Group during the Financial Year, and an indication of likely future developments in the Group's business, as required by Schedule 5 of the Hong Kong Companies Ordinance, can be found in the sections headed "Chairman's Report" and "Management Discussion and Analysis" as set out on pages 8 to 9 and pages 10 to 35 of this annual report respectively. Such discussion forms part of this directors' report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. To the best of knowledge and belief, the Directors consider that the following are the key risks and uncertainties identified by the Group as at the date of this report.

董事會報告

董事會欣然提呈其年報及截至2023年12月31日止年度(「本財政年度」)之經審核綜合財務報表。

收購及出售

除本年報所披露者外，於本財政年度期間，本公司並無進行任何重大收購或出售附屬公司、聯營公司及合營企業。

業務回顧

本公司之主要業務為投資控股，而本集團主要在中國從事研究及發展、生產、分銷及銷售香精及食品配料、煙用原料、香原料及調味品產品。本公司之主要附屬公司的業務載於綜合財務報表附註37。按香港公司條例附表5要求，本集團於本財政年度內經營活動的進一步討論及分析，以及對本集團業務未來可能發展的指標，分別載於本年報第8至9頁及第10至35頁的「主席報告書」和「管理層討論及分析」。該等討論構成本董事會報告的一部份。

主要風險及不明朗因素

本集團之財務狀況、經營業績和業務前景可能由許多風險和不明朗因素直接或間接地影響本集團業務。就董事的所知及所信，認為本集團截至本報告日期的主要風險和不明朗因素如下。

The risk of downstream industry control and policies on tobacco industry

Following the promulgation and implementation of the PRC Advertising Law in 2015, the restrictions on tobacco marketing have in turn become more rigid, and consequently the room for marketing the tobacco market becomes narrower. On the other hand, the tax-induced price hike policy has raised the consumption tax and wholesale price, and subsequently escalated the consumption cost of cigarettes, which to a certain extent has suppressed the demand for cigarette consumption. With the tightening of tobacco control policies by the international health organizations and local governments, and the increased awareness of the public on health and tobacco control, it is possible that the production and sales volumes of cigarette will further decline in the future, which in turn will cause the reduction of revenue and operating profit of the tobacco-related products of the Company. In this regard, the Company will continue to pay attention to the impacts of industry and policy changes on the business, and will adjust our business and development strategies in a timely manner.

The risk of consumer behaviour changes and the impact on the downstream industries

With the continuous progress of society and the improvement of people's living standards, consumers have increased their awareness of health and environment protection. On the other hand, the age structure and level of consumers continue to evolve. New consumption trend as well as consumption concept and consumption behaviour keep changing. The demand for the Group's downstream tobacco, food, daily chemical industry continues to change, thus affecting the Group's flavours and fragrances and food ingredients related products and we may face the risk of market share shrinking. The Company will continue to focus on and enhance the insight into consumer behaviour, and further optimize the product structure to meet the requirements of a new generation of consumers.

下遊行業管控機制及政策對煙草行業影響的風險

繼2015年中國《廣告法》的頒佈和實施，對煙草行銷的限制更加嚴厲，煙草市場行銷的空間正變得越來越窄。另一方面，提稅順價政策提高了捲煙的消費稅和批發價，均在一定程度上抑制了捲煙消費需求的增長。隨著國際衛生組織和各地區政府部門加強控煙政策，以及民眾對健康控煙意識的不斷增強，不排除未來捲煙的產銷量進一步下滑，從而導致本公司煙草相關產品收入及營業利潤下降。本公司會持續關注行業及政策變化對業務的影響，適時調整業務及發展策略。

消費者行為改變對下遊行業影響的風險

隨著社會的不斷進步和人民生活水準的提升，消費者的健康的要求和環保意識有所提高；另一方面，消費者年齡結構和層次不斷演變，新的消費趨勢不停變換、新的消費理念不斷產生，消費者的消費行為亦隨之變化，對集團下游煙草、食品、日化行業的需求不斷變化，進而影響本公司的香精及食品配料產品的市場需求，可能面臨市場份額縮減的風險。本集團會持續關注及提升對消費者行為的洞察力，進而進一步優化產品結構滿足新一代消費者的需求。

Food safety and food policy risk

At present, the PRC implements an authorized management system for the food industry, and the major laws, regulations and standards involved are the Food Safety Law of the PRC and the Announcement on the Licence for Production of Food Additives. At the same time, international organizations such as the International Standards Organization (ISO), the Codex Alimentarius Commission (CAC), and the International Organization of the Flavor Industry (IOFI) have formulated and promulgated product standards and industry norms to provide industry management systems and the basis for formulating the relevant industry standards.

To a certain extent, the new policy will increase the operating costs of enterprises. Should there be any further changes in the above policies and standards, it will have a direct impact on the Company's future development. The Company will continue to make corresponding adjustment, investment and improvement in product structure, production technology and product performance and other aspects to ensure our products and operation comply with food safety standards. Although the Company has established a strict food safety control system, because the Company has many production and operation links, and involves transportation and storage links, once the Company and customers are negligent, food safety problems may occur, which will have an adverse impact on the Company.

The risk of environmental protection

With the increased awareness on the environmental protection by the society, the government's continuous improvement in environmental protection may lead to more stringent environmental protection standards and requirements in the future; if the Company is unable to upgrade the production facilities in time to improve the handling of wastage so as to comply with the more stringent environmental standards and the requirements for environmental protection, it will have an adverse impact on the Company's production and operations.

食品安全及食品政策的風險

目前，中國對食品行業實行授權管理制度，主要涉及的法律、法規及標準有《中華人民共和國食品安全法》及《關於食品添加劑生產許可工作的公告》等。與此同時，國際標準組織(ISO)、國際食品法典委員會(CAC)、國際食用香料工業組織(IOFI)等國際性組織制定並頒佈了產品標準及行業規範，為行業管理制度、制定行業標準提供了相應依據。

有關政策將在一定程度上增加公司的營運成本，若上述政策及標準發生任何進一步變化，則將對本公司的未來發展產生直接影響。本公司會持續針對上述變化及時在產品結構、生產技術及產品性能等方面做出相應調整、投入及完善，以確保產品及營運符合食品安全標準。雖然公司建立了嚴格的食品安全控制體系，但由於公司生產經營環節眾多，且涉及運輸和倉儲環節，一旦公司及客戶有所疏忽，食品安全問題可能發生，將對公司產生不利影響。

環保風險

隨著社會對環境保護的日益重視，政府對環境保護力度的不斷加強，可能在未來出現更為嚴格的環保標準、提出更高的環保要求；本公司須及時對生產設施進行升級改造以提高排放處理能力，以應對及滿足更為嚴格的環保標準和環保要求，否則給本公司生產經營帶來不利影響。

Directors' Report

The risk of core technology and formula leakage

The Group, having always highly valued R&D work, owns a state-certified enterprise technology centre and an overseas R&D centre. Through long-term development, the Group has developed numerous core technologies and flavours and fragrances formulas which have intellectual property rights. The Group faces the risk of technology leakage since there are difficulties in protecting most of the Group's core technologies, especially flavours and fragrances formulas, by using patents so that the Group had to rely on its confidentiality mechanisms for protection. The Group has adopted extremely stringent confidentiality measures to some of the core technologies and strictly follows those measures. The Group implements process segregation to important production aspects which only allows the core formulas of the various flavours and fragrances products to be known to a few core technicians (who had been bound by Confidentiality Agreements), thereby minimizing and controlling the risk of core technology and formula leakage.

Risk of fluctuations in raw material prices

During the Financial Year, due to the imbalance of supply and demand and imported inflation caused by the epidemic, the prices of certain raw materials fluctuated violently and increased significantly. The Company will continue to dynamically track the price trend of major raw materials, adjust raw material reserves in a timely manner according to price changes, optimize inventory management, and flexibly implement the strategy of determining production based on sales. In order to reduce the impact of the international epidemic on the cost of imported raw materials, the Company has carried out the localization of suppliers to reduce the dependence on imported raw materials. At the same time, the Company continuously improves the technical level, increases the added value of products, and then increases the gross profit margin of products, so as to ensure the profitability of the Company.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group plays an important role in protecting our environment and is committed to minimizing our impact on the environment and natural resources. We educate and train our employees on environmental issues and proper handling of hazardous substances and require adherence to corporate guidelines on environmental protection measures. Our plants have basically installed equipment and procedures designed to comply with the requirements in business operation.

董事會報告

核心技術和配方失密的風險

本集團向來高度重視技術研發工作，擁有國家認定企業技術中心，並在境外設有研發中心。經過長期發展，本集團已開發出大量具有自主智慧財產權的核心技術和香精配方。由於本集團大部分核心技術特別是香精配方訣竅難以通過專利保護，依賴於本集團的保密機制來保護，本集團面臨技術失密的風險。本集團對部份核心技術採取了極為嚴密的保密措施，並嚴格執行；對關鍵生產環節實行工序隔離，各類香精產品的核心配方構成僅由數名核心技術人員掌握，並與之簽訂《保密協議》，將核心技術失密風險加以有效控制。

原材料價格波動的風險

報告期內，因疫情造成的供需失衡及輸入性通漲，個別的原材料價格波動劇烈、漲幅較大。本公司將持續對主要原材料的價格走勢進行動態跟蹤，根據價格變化及時調整原材料儲備，優化庫存管理，靈活實行以銷定產戰略。為降低國際疫情對於進口原料成本的影響，本公司進行供應商本土化的工作，減少對於進口原料的依賴。同時，本公司通過不斷提升技術水準，提高產品附加值，進而提升產品毛利率，保障本公司盈利能力。

環境政策及表現

本集團在保護環境方面，致力將集團對環境和天然資源造成的影響減至最低。我們為員工提供有關環境問題及妥善處理危險物品的教育和培訓，並要求遵從有關環境保護措施的公司指引。我們的廠房基本上已安裝設備和設有流程，旨在符合業務經營要求。

Directors' Report

In addition, the Group installed video conference and telephone conference facilities for convening board meetings, committee meetings and management meetings. It enhances the efficiency of business travelling and convening meetings for the management so as to reduce the energy consumption.

The Group promotes awareness towards environmental protection to the employees. It implements green office practices such as utilizing emails for internal and external communication, adopting e-filing in server; minimizes documents printing and copying; and reduces energy consumption by switching off lightings and electrical appliances when not in use.

We have completed our Environmental, Social and Governance (“ESG”) report which contains our ESG information in 2023 and the requirements under the ESG Reporting Guide of the Listing Rules. For details, please refer to the ESG report published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and of the Company (www.huabao.com.hk).

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors recognise that employees, customers, suppliers and business partners are the keys to the sustainable development of the Group.

Regarding employee salary and incentive system, the Group has formulated a set of remuneration system referenced to the market to attract and retain key personnel and talents with appropriate skills, experience and competence which would complement and meet the corporate and business objectives of the Group. The Group ensures all employees are reasonably remunerated and the remuneration packages of employees are reviewed regularly and necessary adjustments are made from time to time to the remuneration packages to align with the market standards. Further details on the Group's staff are set out in the “Human Resources and Corporate Culture Construction” section of this report.

董事會報告

另外，本集團已安裝視頻會議和電話會議設施以召開董事會會議、委員會會議和管理層會議，此舉有助提升管理層開會出差的效率，從而減少耗能。

本集團亦推動僱員提升環保意識，實施各項綠色辦公室措施，例如利用電郵作內部和外部溝通、在伺服器採用電子存檔、減少打印和複印文件，以及關掉不使用的照明和電器以減少耗能。

本集團已完成環境、社會及管治（「環境、社會及管治」）報告，當中載列我們於2023年度在環境、社會及管治方面的資料，並已遵照上市規則有關環境、社會及管治指引的要求。詳情請參考登載於香港聯交所網站(www.hkexnews.hk)及本公司網站(www.huabao.com.hk)年度的《環境、社會及管治報告》。

與僱員、客戶及供應商的關鍵關係

董事認同，僱員、客戶、供應商及業務合作夥伴為本集團可持續發展的關鍵。

在員工薪酬及激勵機制方面，本集團根據市場化的原則擬定了一套薪酬制度，吸引及挽留關鍵人員及擁有適合技能、經驗及能力的人才，以補充及滿足本集團的企業及業務目標。本集團確保所有僱員有合理報酬及定期審閱僱員薪酬，於必要時調整薪酬待遇以與市場標準保持一致。本集團員工相關的資訊詳見本報告「人力資源及企業文化建設」章節。

Directors' Report

The Group adheres to its core value of "client first" for years to maximize client value, maintains good relationship with its customers and suppliers, and has ongoing communication with the customers and suppliers through various channels such as telephone, emails and physical meetings to obtain their feedback and suggestions. Besides, the Group has entered into related agreements to promote probity and environmental protection with respective suppliers and conducted an evaluation of its suppliers, with a view to maintaining business relationships with suppliers and customers based on principle of mutual benefit.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has complied with the requirements under the Companies Act 1981 of Bermuda (as amended from time to time), the Listing Rules and the SFO relating to, among other things, the information disclosure and corporate governance.

SEGMENT INFORMATION

An analysis of the Group's performance for the Financial Year by business segment is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Financial Year are set out in the consolidated income statement on page 133 of this annual report.

Dividend Policy

The Group is committed to sharing its development and achievements with Shareholders through proactive, stable and sustainable dividend policy. The Group would strive to strike a balance between the short-term dividend returns and long-term development of the Group prudently. When considering the dividend policy, the Group will comprehensively observe the macro-economic operation, the competition pattern of the industry and the Group's own development strategy. Under the premise of ensuring that the Group has sufficient working capital and capital expenditure to implement the development strategy, the Group will distribute surplus funds to Shareholders and reward their support for the Group.

In general, the Company will declare/propose dividends semi-annually when the Board approves the interim results and the annual results. If the Company pays dividends, the dividend payout ratio is expected to remain at 30% or above of the profit attributable to the equity holders of the Company for the whole year.

董事會報告

本集團多年來堅持「客戶至上」的核心價值觀，以為客戶創造最大價值為己任，與客戶及供應商保持良好關係，並具有各種渠道，如電話、電郵及實體會議與客戶及供應商持續溝通，以取得其反饋及建議。另外，本集團與個別供應商訂有促進廉潔及環保的相關協定，並對供應商進行評估，以期與客戶及供應商保持互惠互利的業務合作關係。

遵守法律和法規

本公司已遵守百慕達 1981 年公司法(經不時修訂)、上市規則和證券及期貨條例(其中包括)資料披露和企業管治之要求。

分部資料

於本財政年度，本集團按業務分部劃分之表現分析載於綜合財務報表附註 5。

業績及分派

本集團於本財政年度之業績載於本年報第 133 頁之綜合收益表。

股息政策

本集團致力於透過積極穩健及可持續的派息政策，努力在短期的股息回報與長期的公司發展之間達致平衡，與股東共同分享本集團的發展和成就。在考慮派息政策時，本集團將綜合觀察宏觀經濟運行情況、行業競爭格局以及自身發展戰略，在確保本集團具備充足營運資金和資本性開支以落實發展戰略的前提下，將盈餘資金派發給股東，回報股東的支持。

一般而言，本公司將在董事會批准中期業績和年度業績後每半年宣派／建議派發股息。本公司如派息，派息比率預計維持於全年本公司權益持有人應佔盈利的 30% 或以上。

Directors' Report

董事會報告

Proposed Final Dividend and Special Dividend

The Board proposes to declare a final dividend of HK0.8 cent per Share (2022: nil) and a special dividend of HK4.2 cents per Share (2022: HK5.1 cents per Share) both in cash, amounting to approximately RMB23.416 million (2022: nil) and RMB122.935 million (2022: approximately RMB147.1 million) respectively for the Financial Year, which is expected to be paid on 28 June 2024 to Shareholders whose names appear on the register of members of the Company on 12 June 2024. The payment of the final dividend and special dividend is subject to Shareholders' approval at the AGM which is scheduled to be held on 14 May 2024.

CLOSE OF REGISTER OF MEMBERS FOR AGM

In order to determine the entitlement of Shareholders to attend and vote at the AGM which is scheduled to be held on 14 May 2024, the register of members of the Company will be closed from 9 May 2024 to 14 May 2024, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 8 May 2024. Shareholders whose names are recorded in the register of members of the Company on 14 May 2024 are entitled to attend and vote at the 2024 AGM.

CLOSE OF REGISTER OF MEMBERS FOR PAYMENT OF FINAL AND SPECIAL DIVIDENDS

In order to determine Shareholders who qualify for the proposed final and special dividends, the register of members of the Company will be closed from 11 June 2024 to 12 June 2024, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 7 June 2024. Shareholders whose names are recorded in the register of members of the Company on 12 June 2024 are entitled to receive the final and special dividends in cash for the Financial Year.

建議派發期末股息及特別股息

董事會建議向於2024年6月12日名列本公司股東名冊之股東宣派本財政年度之現金期末股息每股港幣0.8仙(2022年：無)及特別股息每股港幣4.2仙(2022年：每股港幣5.1仙)，分別約人民幣0.23416億元(2022年：無)及人民幣1.22935億元(2022年：約人民幣1.471億元)，並預期於2024年6月28日派發，但有待在訂於2024年5月14日舉行的股東週年大會上獲股東批准派發該期末股息及特別股息。

暫停辦理股份過戶登記手續－股東週年大會

為確定股東有權出席本公司訂於2024年5月14日舉行之股東週年大會並在會上投票，本公司將由2024年5月9日至2024年5月14日止(首尾兩日包括在內)暫停辦理股份過戶登記手續。所有填妥的過戶表格連同有關股票最遲須於2024年5月8日下午4時30分前送達本公司之香港股份過戶登記分處卓佳登捷時有限公司，地址為香港夏慤道16號遠東金融中心17樓。於2024年5月14日記錄於本公司股東名冊的股東均有權出席2024年股東週年大會及於會上投票。

暫停辦理股份過戶登記手續－派發期末及特別股息

為確保股東有資格獲派建議之期末及特別股息，本公司將由2024年6月11日至2024年6月12日止(首尾兩日包括在內)暫停辦理股份過戶登記手續。所有填妥的過戶表格連同有關股票最遲須於2024年6月7日下午4時30分前送達本公司之香港股份過戶登記分處卓佳登捷時有限公司，地址為香港夏慤道16號遠東金融中心17樓。於2024年6月12日記錄於本公司股東名冊的股東均有權收取本財政年度之現金期末及特別股息。

Directors' Report

RESERVES

Movements in the reserves of the Group and the Company during the Financial Year are set out in the consolidated statement of changes in equity on pages 135 to 136 and in Note 21 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the distributable reserves of the Company amounted to approximately RMB4,316 million (2022: approximately RMB4,408 million).

DONATIONS

Charitable and other donations made by the Group during the Financial Year amounted to approximately RMB0.30 million (2022: approximately RMB0.84 million).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group are set out in Note 6 to the consolidated financial statements.

SHARE CAPITAL

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 272 to 273.

董事會報告

儲備

本集團及本公司於本財政年度之儲備變動載於年報第 135 至 136 頁之綜合權益變動表及綜合財務報表附註 21。

可供分派之儲備

於 2023 年 12 月 31 日，本公司之可供分派儲備約人民幣 43.16 億元(2022 年：約人民幣 44.08 億元)。

捐款

本集團於本財政年度作出慈善及其它捐款合共約人民幣 30 萬元(2022 年：約人民幣 84 萬元)。

物業、機器及設備

本集團物業、機器及設備之變動詳情載於綜合財務報表附註 6。

股本

本公司之股本變動詳情載於綜合財務報表附註 19。

優先購買權

本公司之公司細則或百慕達法例中概無有關優先購買權之條文，規定本公司須按比例向現有股東發售新股份。

五年財務摘要

本集團過去五個財政年度之業績及資產與負債概要載於年報第 272 至 273 頁。

SHARE OPTION SCHEME

Pursuant to a share option scheme (the "2016 Share Option Scheme") adopted on 9 August 2016 ("Adoption Date"), the 2016 Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date. The following is a summary of the 2016 Share Option Scheme:

(a) Purpose

The 2016 Share Option Scheme aims at encouraging the participants to make contributions to and promote benefits of the Group, developing and maintaining business relationships with participants for the benefit of the Group.

(b) Participants

The Directors may, in accordance with the provisions of the 2016 Share Option Scheme and the Listing Rules, invite person(s) who or which is/are eligible to participate as grantee(s) and receive options under the 2016 Share Option Scheme, and to take up share options to subscribe for Shares.

(c) Maximum number of shares available for subscription

The total number of share options to be granted under the 2016 Share Option Scheme shall not exceed 10% of the issued Shares of the Company as at 9 August 2016. Upon approval by the Shareholders, the Company may renew the Scheme Mandate Limit, provided that each renewal shall not exceed 10% of the issued Shares as at the date of approval by the Shareholders, and a circular regarding the proposed renewal of the Scheme Mandate Limit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules. The aggregate maximum number of Shares which may be issued upon exercise of share options granted under the 2016 Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time. Accordingly, the total number of shares available for issue under the 2016 Share Option Scheme shall not exceed 310,665,796 shares, which represents 9.62% of the total shares in issue as at the date of this annual report.

購股權計劃

根據本公司於2016年8月9日(「採納日期」)採納的一項購股權計劃(「2016購股權計劃」)，2016購股權計劃自採納日期起十年內有效。2016購股權計劃的摘要載列如下：

(a) 目的

2016購股權計劃旨在激勵參與者為本集團作出貢獻及促進利益，為與可對本集團有利之參與者發展及維持業務關係。

(b) 參與者

董事可根據2016購股權計劃之條文及上市規則邀請合資格以承授人身份參與2016購股權計劃及據此獲得購股權之人士接納購股權以認購股份。

(c) 可供認購之最多股份數目

根據2016購股權計劃批授的購股權總數，不得超逾2016年8月9日本公司已發行股份的10%。在獲得股東批准後，本公司可更新計劃授權限額，惟每一次更新的計劃授權限額，均不得超逾股東批准更新限額該日已發行股份之10%；及須遵照上市規則第17章有關條文規定之方式將建議更新計劃授權限額之通函寄發予股東，該通函其中載有上述條文所規定之資料。因按照2016購股權計劃及本公司任何其他購股權計劃授出之購股權獲行使及將獲行使，而將予發行之最多股份數目不可超逾不時已發行股份總數之30%。因此，根據2016購股權計劃可供發行的股份總數將不超過310,665,796股，佔本年報日期已發行股份總數的9.62%。

(d) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options under the 2016 Share Option Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company. Any excess over 1% shall be subject to the approval of the Shareholders at general meeting with such participant and his/her close associates abstaining from voting and the Company shall issue a circular pursuant to relevant provisions of Chapter 17 of the Listing Rules.

(e) Time of acceptance and exercise of a share option

The grantee may accept the offer of the share option within 30 business days from the date of the offer letter issued by the Company. The grantee shall pay HKD1 as consideration for accepting the offer of the share option granted. The grantee may subscribe for Shares during such period as may be determined by the Board (the said period shall not in whatever case be later than the last day of the 10-year period after the day on which the offer relating to the option is duly approved by the Board in accordance with the 2016 Share Option Scheme (subject to early termination).

(f) Minimum period for which an option must be held before it can be exercised

Unless the Directors determine otherwise and state in the offer of the grant of option to the grantee, the 2016 Share Option Scheme does not provide for any minimum period for which share options must be held before it can be exercised. The 2016 Share Option Scheme does not set out the vesting period of options granted or to be granted.

(g) Basis for determining the exercise price

The exercise price of share option granted pursuant to the 2016 Share Option Scheme shall be determined by the Board and shall be at least the higher of (i) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date of offer, which must be a business day; (ii) the average closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the Shares.

(d) 各參與者可獲授權益上限

各參與者於任何12個月期間內因行使其獲授購股權(包括根據2016購股權計劃已行使及尚未行使之購股權)而已發行及將發行之股份總數，不得超過本公司已發行股本之1%。如授出之數目超逾1%，則須於股東大會上取得股東批准，而有關參與者及其緊密聯繫人士須放棄投票，而本公司亦須按照上市規則第17章有關條文之規定發出通函。

(e) 接納及行使購股權之期限

承授人可於本公司發出的要約函件當日起計30個營業日內接納購股權要約，而接納批授購股權要約時，須支付港幣1元的代價。承授人可於董事會釐定之期間內認購股份(該期間無論如何最遲於董事會根據2016購股權計劃正式批准有關購股權要約當日後十年期間之最後一日屆滿(可提前終止))。

(f) 購股權可予行使前須持有之最短期間

除非董事另行決定並於向承授人授出之購股權要約中表明，否則2016購股權計劃並無條文規定購股權可予行使前須持有之最短期間。2016購股權計劃並未載明已授出或計劃授出的期權的歸屬期。

(g) 釐定行使價的基準

根據2016購股權計劃所批授的購股權，其行使價須由董事會釐定，惟不得低於下列各項中之較高者：(i)購股權要約日期(必須為營業日)香港聯交所每日報價表所列之股份收市價；(ii)在緊接要約日期前五個營業日在香港聯交所每日報價表所列收市價的平均數；及(iii)股份面值。

(h) Movement in share options under the 2016 Share Option Scheme

The table below summarises the movement in shares options under the 2016 Share Option Scheme since the adoption thereof and up to the date of this report.

Grantee and description 承授人及身份	Number of options granted ⁽ⁱ⁾ 授出的購股權數目 ⁽ⁱ⁾	Date of grant (day/month/year) 授出日期 (日/月/年)	Date of vesting (day/month/year) 歸屬日 (日/月/年)	Exercise period (day/month/year) ⁽ⁱⁱ⁾ 行權期間 (日/月/年) ⁽ⁱⁱ⁾	Exercise price* (HK\$ per share) 行使價* (每股港元)	Lapse date 失效日期
*Independent Business Consultant *獨立業務顧問	11,000,000	6/5/2019	5/11/2019	5/11/2019–30/6/2020	3.708	30/6/2020
*Being service provider with options granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue *屬於任何12個月期內獲授超逾已發行的相關類別股份0.1%的期權的服務提供者				5/5/2020–30/6/2020		30/6/2020

i) The number of options granted is 11,000,000 shares options, each share option entitling the Grantee to subscribe for one ordinary share of HK\$0.10 in the share capital of the Company. The closing price per Share immediately before the date on which the options were granted was HK\$3.73.

ii) The share options granted were exercisable in two tranches (50% of share options granted in each), with the first tranche exercisable from 5 November 2019 to 30 June 2020 (both days inclusive) and the second tranche exercisable from 5 May 2020 to 30 June 2020 (both days inclusive).

iii) The above granted options lapsed on 30 June 2020 and no options were exercised.

The above Grantee is not a director, chief executive or substantial shareholder of the Company, or an associate of any of them.

(h) 2016 購股權計劃項下的期權變動

下表載列了自採納2016購股權計劃起至本報告日期該計畫項下購股權的變動情況。

(i) 授出的購股權數目為11,000,000份購股權，承授人可憑藉每股購股權認購1股本公司股本中每股0.10港元的普通股股份。緊接購股權授出當日每份股份收市價為3.73港元。

(ii) 所授出的購股權可分兩批行使(每批可行使50%的已授予的購股權)，第一批可於2019年11月5日至2020年6月30日(包括首尾兩天)行使，第二批可於2020年5月5日至2020年6月30日(包括首尾兩天)行使。

(iii) 上述已授出購股權於二零二零年六月三十日失效，且無購股權獲行使。

以上承授人並非本公司董事、最高行政人員或主要股東或任何彼等之聯繫人。

Save as disclosed above, no other share options were granted to the following persons under the 2016 Share Option Scheme since the adoption thereof and up to the date of this report:

- i) each of the directors, chief executive or substantial shareholders of the Company, or their respective associates;
- ii) each participant with options granted in excess of the 1% individual limit;
- iii) each related entity participant or service provider with options granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue of the Company;
- iv) the five highest paid individuals during the financial year; and
- v) other employee participants, related entity participants and service providers.

For further details of the above movement, please refer to the announcement of the Company dated 6 May 2019.

(i) The life of the 2016 Share Option Scheme and Others

The 2016 Share Option Scheme will remain in force for ten years starting from 9 August 2016 (can be terminated before expiration). As at the date of this report, the remaining life of the 2016 Share Option Scheme is less than 3 years.

At the beginning and at the end of the Reporting Period, and up to the date of this report, there were no share options outstanding under the 2016 Share Option Scheme and there were no share options granted, vested, exercised, cancelled or lapsed during the Financial Year.

除上文所披露者外，自2016購股權計劃採納之日起至本報告日期，並無根據該計劃向下列人士授出其他購股權：

- (i) 每名董事、最高行政人員或主要股東又或其各自的聯繫人；
- (ii) 每名獲授期權超逾1%個人限額的參與人；
- (iii) 每名於任何12個月期內獲授超逾本公司已發行的相關類別股份0.1%的期權的關連實體參與者或服務提供者；
- (iv) 財政年度內總薪酬最高的五名個人；及
- (v) 其他僱員參與者、關連實體參與者及服務提供者。

有關上述變動的進一步詳情，請參閱本公司日期為2019年5月6日的公告。

(i) 2016購股權計劃的有效期及其他

2016購股權計劃於2016年8月9日起計十年內有效(可提前終止)。於本報告日期，該2016購股權計劃剩餘期限不足三年。

於本報告期間開始及終結時及至本報告日，無任何於2016購股權計劃項下尚未被行使的購股權，亦於本財政年度內無批授出、獲歸屬、行使、註銷或失效的購股權。

Directors' Report

The 2016 Share Option Scheme itself did not specify number of share options available for grants to the following participants in any financial year:

- i) each of the directors, chief executive or substantial shareholders of the Company, or their respective associates;
- ii) each participant with options to be granted in excess of the 1% individual limit;
- iii) each related entity participant or service provider with options to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue of the Company;
- iv) the five highest paid individuals during the financial year; and
- v) other employee participants, related entity participants and service providers.

董事會報告

2016購股權計劃並未載明可於任何財政年度向下列人士授予的期權的數目：

- (i) 每名董事、最高行政人員或主要股東又或其各自的聯繫人；
- (ii) 每名將獲授期權超逾1%個人限額的參與人；
- (iii) 每名於任何12個月期內將獲授超逾本公司已發行的相關類別股份0.1%的期權的關連實體參與者或服務提供者；
- (iv) 財政年度內總薪酬最高的五名個人；及
- (v) 其他僱員參與者、關連實體參與者及服務提供者。

SHARE INCENTIVE SCHEME – HUABAO FLAVOURS SHARE INCENTIVE SCHEME

Pursuant to the written resolutions of the directors of Huobao Flavours passed on 30 August 2023 and 8 December 2023, respectively, Huobao Flavours, an indirect non-wholly-owned subsidiary as well as a principal subsidiary of the Company, approved, adopted and implemented a share incentive scheme (the "Huobao Flavours Share Incentive Scheme") in which directors, senior management, core management, technical and business personnel of Huobao Flavours (including its controlling subsidiaries) and such other personnel (all of whom being directors or employees of Huobao Flavours and/or its controlling subsidiaries) as the board of directors of Huobao Flavours may deem necessary to be incentivized pursuant to the provisions of the Huobao Flavours Share Incentive Scheme ("Incentive Participants") will be entitled to participate.

股票激勵計劃－華寶股份股票激勵計劃

根據華寶股份董事分別於2023年8月30日及2023年12月8日通過的書面決議案，本公司的一家間接非全資附屬公司及主要附屬公司華寶股份批准、採納及實施股票激勵計劃（「華寶股份股票激勵計劃」），其中根據華寶股份股票激勵計劃條文，華寶股份（包括其控股附屬公司）的董事、高級管理人員、核心管理、技術、業務人員以及華寶股份董事會認為需要激勵的其他人員（均為華寶股份及／或其控股附屬公司的董事或員工）（「激勵對象」）均有權參與。

Directors' Report

The Huabao Flavours Share Incentive Scheme was adopted for the issuance of a total of 16,950,000 restricted shares ("Restricted Shares"), representing approximately 2.75% of the total share capital of Huabao Flavours of 615,880,000 shares as at the date of this report. The total number of underlying shares involved in all the share incentive schemes in force will not in aggregate exceed 10.00% of the total share capital of Huabao Flavours. The aggregate number of Huabao Flavours' shares granted to any Incentive Participant under the Huabao Flavours Share Incentive Scheme through all the share incentive schemes in force shall not exceed 1.00% of the total share capital of Huabao Flavours.

The Huabao Flavours Share Incentive Scheme constitutes the grant of awards over new shares of a principal subsidiary (within the meaning of Rule 17.14 of the Listing Rules) of the Company and therefore is also subject to compliance with the requirements set out in Chapter 17 of the Listing Rules.

Summary of Terms

Purpose of the Huabao Flavours Share Incentive Scheme

The purpose of the Huabao Flavours Share Incentive Scheme is to further establish and improve the long-term incentive mechanism of Huabao Flavours, attract and retain outstanding talents, fully mobilize the enthusiasm of the directors, senior management, core management, technical and business personnel of Huabao Flavours and such other personnel (all of whom being directors or employees of Huabao Flavours and/or its controlling subsidiaries) as the board of directors of Huabao Flavours may deem necessary to be incentivized as well as effectively combine the interests of shareholders and Huabao Flavours with the personal interests of the core team, so that all parties will jointly focus on the long-term development of Huabao Flavours, and on the premise of fully protecting the interests of shareholders of Huabao Flavours.

Restricted Shares and their Ranking

The incentive instrument adopted under the Huabao Flavours Share Incentive Scheme is Restricted Shares (Class II Restricted Shares) and the source of the underlying shares involved is the A shares in the ordinary share capital of Huabao Flavours issued to the identified Incentive Participants.

董事會報告

所採納之華寶股份股票激勵計劃合共發行16,950,000股限制性股票(「限制性股票」)，佔華寶股份於本年報日期已發行股本總額615,880,000股股份的約2.75%。全部在有效期內的股票激勵計劃所涉及的標的股票總數累計未超過華寶股份股本總額的10.00%。華寶股份根據華寶股份股票激勵計劃，通過全部在有效期內的股票激勵計劃授予任何激勵對象的股份總數不得超過華寶股份股本總額的1.00%。

華寶股份股票激勵計劃乃授予本公司主要附屬公司(定義見上市規則第17.14條)新股份之獎勵，因此亦須遵守上市規則第17章所載規定。

條款概述

華寶股份股票激勵計劃的目的

華寶股份股票激勵計劃旨在進一步建立、健全華寶股份的長效激勵機制，吸引和留住優秀人才，充分調動華寶股份的董事、高級管理人員、核心管理、技術、業務人員以及華寶股份董事會認為需要激勵的其他人員(均為華寶股份及／或其控股附屬公司的董事或員工)的積極性，有效地將股東、華寶股份利益和核心團隊個人利益結合在一起，使各方共同關注華寶股份的長遠發展，此乃以充分保障華寶股份股東利益為前提條件。

限制性股票及其排名

華寶股份股票激勵計劃採用的激勵工具為限制性股票(第二類限制性股票)，而涉及的相關股份來源為華寶股份向激勵對象定向發行其A股普通股本。

Class II Restricted Shares are different from Class I Restricted Shares as the latter are new shares to be issued at the date of grant. Pursuant to the Administrative Measures on Share Incentives of Listed Companies 《上市公司股權激勵管理辦法》 (Revised in 2018) issued by the China Securities Regulatory Commission (中國證券監督管理委員會) (“Administrative Measures”), Class I Restricted Shares refer to the shares of the listed companies the transfer of which are restricted in accordance with the conditions stipulated in the relevant equity incentive plans. Class I Restricted Shares may not be transferred, used to guarantee or repay debts before the restrictions are lifted. Therefore, relevant incentive participants are required to open securities accounts with securities registration and clearing institutions for the lock up of the Class I Restricted Shares. Save for the transfer restriction, holders of Class I Restricted Shares shall be entitled to the same rights as other shareholders including the rights to receive dividends, voting rights and rights to nominate director(s). Dividends derived from Class I Restricted Shares will be paid by the listed company to the registration and clearing institutions which will then distribute such dividends to the scheme participants through the securities account. The essence of the Class II Restricted Shares is that a company grants its employees the right to subscribe shares of the company at the grant price after satisfying the conditions for exercising the options, and the employees can capture the upside gain of the share price above the grant price on the exercise date but do not bear the downside risk of the share price. Class II Restricted Shares, under the “Application Examples of Share-based Payment Standards – Grant of Restricted Shares” by the Accounting Department of the Ministry of Finance of the PRC, are treated as share options, which are equity-settled share-based payment transactions.

第二類限制性股票不同於第一類限制性股票，後者乃於授予日期將予發行之新股票。根據中國證券監督管理委員會發佈之《上市公司股權激勵管理辦法》(二零一八年修訂版)(「《管理辦法》」)，第一類限制性股票是指按照相關股權激勵計劃規定的條件限制轉讓的上市公司股票。第一類限制性股票在解除限售前不得轉讓、用於擔保或償還債務。因此，相關激勵對象須在證券登記結算機構開立證券賬戶，對第一類限制性股票進行鎖定。除轉讓限制外，第一類限制性股票持有人應享有與其他股東相同的權利，包括獲得股息的權利、投票權及董事提名權。第一類限制性股票產生的股息將由上市公司支付予登記結算機構，並隨後將透過證券賬戶向計劃激勵對象分發股息。第二類限制性股票的實質是公司賦予員工在滿足可歸屬條件後以授予價格認購公司股票的權利，員工可獲取歸屬日股票價格高於授予價格的上行收益，但不承擔股價下行風險。根據中國財政部會計司發佈的《股份支付準則應用案例—授予限制性股票》，第二類限制性股票應視為購股權，屬於以權益結算的股份支付交易。

Directors' Report

As at the date of this report, Huabao Flavours has no Class I Restricted Shares and has no current intention to issue Class I Restricted Shares. The Incentive Participants to whom Class II Restricted Shares are granted are not entitled to the rights of shareholders including the voting rights, dividend rights, nor the right to nominate a seat at the board of directors of Huabao Flavours before vesting. The Incentive Participants who meet the attribution conditions ("Vesting Conditions") to be satisfied by the Incentive Participants in order to receive Restricted Shares under the Huabao Flavours Share Incentive Scheme of the Huabao Flavours Share Incentive Scheme will subscribe new A shares in the ordinary share capital of Huabao Flavours at the price at which the Incentive Participants receive the shares of Huabao Flavours as determined by Huabao Flavours at the time of granting Restricted Shares to the Incentive Participants ("Grant Price") in tranches after satisfying the corresponding Vesting Conditions, and such shares will be registered at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The new A shares granted under the Huabao Flavours Share Incentive Scheme will be subject to the provisions of the memorandum and articles of associations of Huabao Flavours as amended from time to time and shall rank pari passu in all respects with the then existing fully paid A shares in issue on the allotment date or, if that date falls on a day when the register of members of Huabao Flavours is closed, the first date of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date shall be before the allotment date.

Scope of Incentive Participants

The Incentive Participants of the Huabao Flavours Share Incentive Scheme will be the directors, senior management, core management, technical and business personnel of Huabao Flavours (including its controlled subsidiaries) and such other personnel (all of whom being directors or employees of Huabao Flavours and/or its controlling subsidiaries) as the board of directors of Huabao Flavours may deem necessary to be incentivized. All Incentive Participants must have worked for Huabao Flavours or its controlling subsidiaries during the assessment period of the Huabao Flavours Share Incentive Scheme and have signed employment or engagement contracts with the Huabao Flavours or its controlling subsidiaries. The proposed Incentive Participants will be the "employee participants" (within the meaning of Rule 17.03A(1)(a) of the Listing Rules).

董事會報告

於本報告日期，華寶股份並無第一類限制性股票且現時無意發行第一類限制性股票。獲授予第二類限制性股票的激勵對象於歸屬前無權享有華寶股份股東權利，包括表決權、分紅權或董事會席位提名權。符合華寶股份股票激勵計劃需滿足的歸屬條件（「歸屬條件」）以取得華寶股份股票激勵計劃項下之限制性股票的激勵對象，在滿足相應歸屬條件後，以激勵對象可取得華寶股份之股份的價格（該價格由華寶股份於授予激勵對象限制性股票之時釐定）（「授予價格」）分次認購華寶股份增發的A股普通股，該等股票將在中國證券登記結算有限責任公司深圳分公司進行登記。根據華寶股份股票激勵計劃授出之新A股須受華寶股份不時修訂之公司章程大綱及細則之規定所規限，並在所有方面與配發日期（倘配發日期在華寶股份暫停辦理股份過戶登記手續期間，則為恢復辦理股份過戶登記手續首日當日）的現有已發行繳足A股享有同等權利，惟倘記錄日期在配發日期之前，則先前宣派或建議或決議派付或作出之任何股息或其他分派除外。

激勵對象範圍

華寶股份股票激勵計劃的激勵對象將為華寶股份（含控股附屬公司）的董事、高級管理人員、核心管理、技術及業務人員以及華寶股份董事會認為需要激勵的有關其他人員（均為華寶股份及／或其控股附屬公司的董事或員工）。所有激勵對象均須在本次華寶股份股票激勵計劃考核期內在華寶股份或其控股附屬公司工作，並與華寶股份或其控股附屬公司簽訂了勞動合約或聘任合約。擬議的激勵對象將為「僱員參與者」（定義見上市規則第17.03A(1)(a)條）。

Directors' Report

The Huabao Flavours Share Incentive Scheme was proposed by the Remuneration and Evaluation Committee of the board of directors of Huabao Flavours and the Incentive Participants are reviewed by the supervisory committee of Huabao Flavours.

Grant Price and Basis of Determination of the Grant Price of Restricted Shares

The Remuneration and Evaluation Committee of the board of directors of Huabao Flavours shall be responsible for preparing the draft and summary of the Huabao Flavours Share Incentive Scheme and submitting it to the board of directors of Huabao Flavours for consideration. The draft Huabao Flavours Share Incentive Scheme was considered and approved at a meeting of the board of directors of Huabao Flavours held on 30 August 2023 and 8 December 2023, with the Grant Price for the initial grant of the Restricted Shares under the Huabao Flavours Share Incentive Scheme being fixed at RMB11.13 per share. The announcement dated 31 August 2023 regarding the draft Huabao Flavours Share Incentive Scheme was also published by Huabao Flavours.

Pursuant to the Administrative Measures, the Grant Price of the initial grant of Restricted Shares (including the reserved portion) under the Huabao Flavours Share Incentive Scheme shall not be less than the higher of:

1. 50% of the average trading price (total trading amount on the preceding trading day/total trading volume on the preceding trading day) of Huabao Flavours' shares on 30 August 2023, the trading day immediately preceding the announcement of the draft Huabao Flavours Share Incentive Scheme, of RMB21.91 per Huabao Flavours' share, i.e. RMB10.96 per share; or
2. 50% of any one of the following:
 - (a) the average trading price (total trading amount for the last 20 trading days/total trading volume for the last 20 trading days) of Huabao Flavours' shares for the last 20 trading days immediately preceding the announcement of the draft Huabao Flavours Share Incentive Scheme of RMB22.26 per Huabao Flavours' share, i.e. RMB11.13 per Huabao Flavours' share;

董事會報告

華寶股份股票激勵計劃由華寶股份董事會薪酬與考核委員會提呈，激勵對象由華寶股份監事會審核。

授予價格及限制性股票授予價格的釐定基準

華寶股份董事會薪酬與考核委員會負責編製華寶股份股票激勵計劃草案及概要，並提交華寶股份董事會審議。華寶股份股票激勵計劃草案於2023年8月30日及2023年12月8日召開華寶股份董事會審議批准，華寶股份股票激勵計劃項下首次授予的限制性股票的授予價格固定為每股人民幣11.13元。華寶股份亦已發佈有關華寶股份股票激勵計劃草案日期為2023年8月31日的公告。

根據《管理辦法》，華寶股份股票激勵計劃首次授予的限制性股票(包括預留部分)之授予價格不低於下列價格中的較高者：

1. 緊接華寶股份股票激勵計劃草案公佈前1個交易日(2023年8月30日)華寶股份股票交易均價(前1個交易日的總額/前1個交易日的總量)每股人民幣21.91元的50%，即每股華寶股份股票人民幣10.96元；或
2. 以下任何一項的50%：
 - (a) 緊接華寶股份股票激勵計劃草案公佈前最後20個交易日華寶股份股票交易均價(最後20個交易日的交易總額/最後20個交易日的交易總量)每股人民幣22.26元，即每股華寶股份股票人民幣11.13元；

- (b) 50% of the average trading price (total trading amount for the last 60 trading days/total trading volume for the last 60 trading days) of Huabao Flavours' shares for the last 60 trading days immediately preceding the announcement of the draft Huabao Flavours Share Incentive Scheme of RMB22.25 per Huabao Flavours' share, i.e. RMB11.13 per Huabao Flavours' share; or
- (c) 50% of the average trading price (total trading amount for the last 120 trading days/total trading volume for the last 120 trading days) of Huabao Flavours' shares for the last 120 trading days immediately preceding the announcement of the draft Huabao Flavours Share Incentive Scheme of RMB24.32 per Huabao Flavours' share, i.e. RMB12.16 per Huabao Flavours' share.

In order to fully mobilize the enthusiasm of the Incentive Participants of Huabao Flavours, and to effectively combine the interests of shareholders of Huabao Flavours, the interests of Huabao Flavours and the personal interests of the core team to achieve a better incentive effect, the board of directors of Huabao Flavours fixed the Grant Price at RMB11.13 per Huabao Flavours' share, representing 50% of the average trading price of Huabao Flavours' shares for the last 20 trading days immediately preceding the announcement of the draft Huabao Flavours Share Incentive Scheme, which complies with the provisions of the Administrative Measures.

The Grant Price of the reserved portion of the Restricted Shares is the same as the Grant Price of the initial grant of the partially Restricted Shares, which is RMB11.13 per Huabao Flavours' shares. The board of directors of Huabao Flavours must convene a meeting to consider and approve the relevant proposal and disclose the grant of the reserved portion of Restricted Shares prior to the grant.

- (b) 緊接華寶股份股票激勵計劃草案公佈前最後60個交易日華寶股份股票交易均價(最後60個交易日的交易總額/最後60個交易日的交易總量)每股人民幣22.25元，即每股華寶股份股票人民幣11.13元；或
- (c) 緊接華寶股份股票激勵計劃草案公佈前最後120個交易日華寶股份股票交易均價(最後120個交易日的交易總額/最後120個交易日的交易總量)每股人民幣24.32元，即每股華寶股份股票人民幣12.16元。

為充分調動華寶股份激勵對象的積極性，並有效地將華寶股份股東的利益、華寶股份的利益及核心團隊個人利益結合在一起，達到更好的激勵效果，華寶股份董事會將授予價格定為每股華寶股份人民幣11.13元，相當於華寶股份股票激勵計劃草案公佈前20個交易日華寶股份平均交易價格的50%，符合《管理辦法》的規定。

預留部分限制性股票的授予價格同首次授予部分限制性股票的授予價格一致，為每股華寶股份股票人民幣11.13元。預留部分限制性股票在授予前須召開華寶股份董事會審議通過相關議案，並披露授予情況。

Directors' Report

Adjustment to the Grant Price and/or number of Restricted Shares

In the event of capitalization of capital reserve, bonus issue, share sub-division or share consolidation, rights issues or distribution of dividends of the Company during the period from the date of the announcement of the Huabao Flavours Share Incentive Scheme to the granting of Restricted Shares to the Incentive Participants, and from the granting of Restricted Shares to the Incentive Participants to the vesting of the Restricted Shares to the Incentive Participants, the Grant Price of Restricted Shares will be adjusted accordingly in accordance with the provisions of Article VI of Chapter 5 of the Huabao Flavours Share Incentive Scheme. Save for the distribution of dividends, the number of Restricted Shares will also be adjusted in the event of capitalization of capital reserve, bonus issue, share sub-division or share consolidation rights issues of Huabao Flavours.

Corporate actions entitling adjustment of the Grant Price and/or number of Restricted Shares, as set out in Rule 17.03(13) of the Listing Rules, does not include distribution of dividends which is mandatorily required under the relevant PRC laws and regulations.

The Company has sought from the Stock Exchange for, and the Stock Exchange has on 28 November 2023 granted, a waiver to comply with the strict requirement under Rule 17.03(13) of the Listing Rules such that Huabao Flavours can adjust the Grant Price in the event of a distribution of dividends.

On 5 January 2024, the seventh meeting of the third session of the board of directors and the sixth meeting of the third session of the supervisory committee of Huabao Flavours were convened to consider and approve, among others, the Proposal on Adjusting the Grant Price of the Initial Phase of Restricted Share Incentive Scheme, and the independent directors of Huabao Flavours expressed their independent opinions on the adjustments to the Grant Price of the initial and reserved portions of the Restricted Shares under the Incentive Scheme. The Grant Price of the initial and reserved portions of the Restricted Share under the Incentive Scheme then adjusted from RMB11.13 per share to RMB10.93 per share accordingly.

董事會報告

授予價格及／或限制性股票數目的調整

華寶股份股票激勵計劃公告日至激勵對象獲授限制性股票前，以及激勵對象獲授限制性股票後至歸屬前，若本公司發生資本公積轉增股本、派發股票紅利、股份拆細或縮股、配股或派息事宜，限制性股票的授予價格將根據華寶股份股票激勵計劃第五章第六條規定予以相應的調整。除派發股息外，限制性股票數目亦將在華寶股份發生資本公積轉增股本、派發股票紅利、股份拆細或縮股、配股的情況下進行調整。

根據上市規則第 17.03(13) 條規定，有權調整授予價格及／或限制性股票數量的公司行為不包括派發股息，此屬中國相關法律法規的強制規定。

本公司已於 2023 年 11 月 28 日向聯交所申請且聯交所已授出豁免嚴格遵守上市規則第 17.03(13) 條之規定之豁免，故此華寶股份可於派發股息時調整授予價格。

於 2024 年 1 月 5 日，華寶股份召開第三屆董事會第七次會議和第三屆監事會第六次會議，審議通過了(其中包括)《關於調整首期限制性股票激勵計劃授予價格的議案》，華寶股份獨立董事對調整《激勵計劃》中首次及預留授予限制性股票的授予價格發表了獨立意見。激勵計劃首次及預留授予限制性股票的授予價格由人民幣 11.13 元／股相應調整為人民幣 10.93 元／股。

Directors' Report

Validity Period and Termination

The Huabao Flavours Share Incentive Scheme shall be valid for a maximum of 60 months from the date of initial grant of Restricted Shares to the date on which all Restricted Shares granted to the Incentive Participants are vested or lapsed. The Restricted Shares granted to the Incentive Participants will be vested in tranches according to the agreed proportion, and each vesting will be subject to the satisfaction of the corresponding Vesting Conditions.

The Shares granted under the initial and reserved grants under the Huabao Flavours Share Incentive Scheme will vest in three tranches after the expiry of 12 months from the date of initial and reserved grants respectively, with the percentage of vesting in each tranche being 30%, 30% and 40% respectively. The reserved portion of Restricted Shares will be consistent with the assessment year and performance assessment target of the initial grant of Restricted Shares.

Grant of Restricted Shares

The total number of Incentive Participants for the initial grant under the Huabao Flavours Share Incentive Scheme is 46, accounting for approximately 3.72% of the total number of 1,235 employees of Huabao Flavours (as at 31 December 2022), including directors, senior management, core management, technical and business personnel of Huabao Flavours (including its controlling subsidiaries, the same is applicable to below) and such other personnel (all of whom being directors or employees of Huabao Flavours and/or its controlling subsidiaries) as the board of directors of Huabao Flavours may deem necessary to be incentivized, the above participants do not include independent directors, supervisors and shareholders or actual controllers who individually or jointly hold more than 5% of the shares of Huabao Flavours and their spouses, parents and children.

The initial grant of 14,500,000 Restricted Shares accounted for 2.35% of the total share capital of Huabao Flavours as at the date of this report and such initial grant accounted for 85.55% of the total grant; the reserved 2,450,000 Restricted Shares accounted for 0.40% of the total share capital of Huabao Flavours as at the date of this report and such reserved portion accounted for 14.45% of the total grant.

董事會報告

有效期及終止

華寶股份股票激勵計劃有效期自限制性股票首次授予之日起，至激勵對象獲授的限制性股票全部歸屬或作廢失效之日止，最長不超過60個月。激勵對象獲授的限制性股票將按約定比例分次歸屬，每次歸屬以滿足相應的歸屬條件為前提條件。

華寶股份股票激勵計劃首次及預留授予的股票，分別在首次及預留授予日起滿12個月後分三期歸屬，每期歸屬的比例分別為30%、30%及40%。預留部分的限制性股票與首次授予的限制性股票考核年度及業績考核目標保持一致。

授出限制性股票

華寶股份股票激勵計劃首次授予的激勵對象總人數為46人，約佔華寶股份全部僱員人數1,235人(於2022年12月31日)的3.72%，包括在華寶股份(含控股附屬公司，下同)任職的董事、高級管理人員、核心管理、技術、業務人員以及華寶股份董事會認為需要激勵的其他人員(均為華寶股份及/或其控股附屬公司的董事或員工)，以上人員不包括獨立董事、監事、單獨或合計持有華寶股份5%以上股份的股東或實際控制人及其配偶、父母、子女。

首次授予1,450萬股限制性股票，約佔本報告日期華寶股份股本總額的2.35%，首次授予部分佔本次授予權益總額的85.55%；預留245萬股限制性股票，約佔本報告日期華寶股份股本總額的0.40%，預留部分佔本次授予權益總額的14.45%。

A list of the Incentive Participants and the allocation under the Huabao Flavours Share Incentive Scheme is set out below:

華寶股份股票激勵計劃激勵對象人員名單及分配情況如下：

Name	Position	Number of Restricted Shares granted (ten thousand shares) 獲授的限制性股票數量(萬股)	Restricted Shares granted as a percentage of total grants 獲授限制性股票佔授予總量的比例	Restricted Shares granted as a percentage of current total share capital 獲授限制性股票佔當前總股本比例
姓名	職務			
I. Directors and Senior Management				
一、董事、高級管理人員				
XIA Liqun 夏利群	Chairman of Huabao Flavours 華寶股份董事長	230	13.57%	0.37%
YUAN Xiaoqin 袁肖琴	Director, President of Huabao Flavours 華寶股份董事兼總裁	150	8.85%	0.24%
REN Miao 任淼	Director, Vice President of Huabao Flavours 華寶股份董事兼副總裁	80	4.72%	0.13%
LI Xiaojun 李小軍	Vice President of Huabao Flavours 華寶股份副總裁	80	4.72%	0.13%
ZHANG Jie 張捷	Vice President and Chief Financial Officer of Huabao Flavours 華寶股份副總裁兼財務總監	60	3.54%	0.10%
HOU Xiaoqin 侯曉勤	Vice President and Secretary of the Board of Huabao Flavours 華寶股份副總裁兼董事會秘書	60	3.54%	0.10%
HAN Pengliang 韓鵬良	Director of Huabao Flavours 華寶股份董事	30	1.77%	0.05%
II. Core management, technical and business personnel of Huabao Flavours (including its controlled subsidiaries) and such other personnel (all of whom being employees of Huabao Flavours and/or its controlling subsidiaries) as the board of directors of Huabao Flavours may deem necessary to be incentivized (a total of 39)				
二、華寶股份(含控股附屬公司)核心管理、技術、業務人員以及華寶股份董事會認為需要激勵的其他人員(均為華寶股份及其控股附屬公司的員工)(共39人)		760	44.84%	1.23%
III. Total of the initial grant		1,450	85.55%	2.35%
三、首次授予部分合計				
IV. Reserved Restricted Shares		245	14.45%	0.40%
四、預留限制性股票				
Total		1,695	100.00%	2.75%
合計				

Grant of Restricted Shares to Mr. Xia

The grant of the Restricted Shares to Mr. Xia, who also being the executive Director, vice chairman and president of the Company, will result in the shares of Huabao Flavours to be issued upon exercise in full of the Restricted Shares to be granted to Mr. Xia in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total shares of Huabao Flavours in issue. Save as disclosed, Mr. Xia was not granted any options and/or awards of shares of Huabao Flavours in the 12-month period up to and including the date of such proposed grant of the Restricted Shares.

The grant of the Restricted Shares to Mr. Xia under the Huabao Flavours Share Incentive Scheme has been reviewed and approved by the independent non-executive Directors. In addition, since the incentive instrument adopted under the Huabao Flavours Share Incentive Scheme is Restricted Shares (with the right to subscribe shares of Huabao Flavours at the Grant Price after satisfying the Vesting Conditions for exercising the options), the grant of the Restricted Shares to Mr. Xia is not subject to approval by Shareholders of the Company at general meeting pursuant to Rule 17.04(2) of the Listing Rules.

As Mr. Xia is also a director of the Company, the grant of the Restricted Shares under the Huabao Flavours Share Incentive Scheme to Mr. Xia by Huabao Flavours constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the grant of the Restricted Shares to Mr. Xia under the Huabao Flavours Share Incentive Scheme, if exercised in full, will represent over 0.1% but less than 1% of the total shares of Huabao Flavours in issue, the proposed grant of the Restricted Shares to Mr. Xia constitutes an exempted connected transaction of the Company under Rule 14A.92(3)(a) of the Listing Rules.

On 5 January 2024, general meeting of the Company and Huabao Flavours were held respectively to approve and adopt the Huabao Flavours Share Incentive Scheme.

向夏先生授出限制性股票

向夏先生(其亦為本公司執行董事、副主席兼總裁)授出限制性股票將導致直至有關授予日(包括該日)12個月期間悉數行使將授予夏先生的限制性股票後將予發行華寶股份的股份佔已發行華寶股份之股份總數逾0.1%。除上文所披露外，直至有關建議授出限制性股票日期(包括該日)12個月期間，夏先生未獲授予華寶股份之股份的任何購股權及/或獎勵。

根據華寶股份股票激勵計劃向夏先生授予限制性股票已由獨立非執行董事進行相應的審閱及批准。此外，由於根據華寶股份股票激勵計劃採用的激勵工具為限制性股票(於滿足行使購股權的歸屬條件後，有權以授予價格認購華寶股份的股份)，因此根據上市規則第17.04(2)條，向夏先生授予限制性股票無須於股東大會上獲本公司股東批准。

由於夏先生亦為本公司董事，根據上市規則第14A章，華寶股份根據華寶股份股票激勵計劃向夏先生授予限制性股票構成本公司一項關連交易。根據華寶股份股票激勵計劃向夏先生授予的限制性股票如獲悉數行使，將佔華寶股份已發行股份總數超過0.1%但少於1%，因此根據上市規則第14A.92(3)(a)條，建議向夏先生授予限制性股票構成本公司一項獲豁免關連交易。

於2024年1月5日，本公司及華寶股份分別舉行股東大會以批准及採納華寶股份股票激勵計劃。

Directors' Report

董事會報告

The following Restricted Shares were awarded on 5 January 2024 and outstanding as of the date of this report:

下列受限制股份於2024年1月5日已授予及截至本報告日期尚未歸屬：

Name or category of participants	Granted on 5 January 2024	Vested for the period from 5 January 2024 and up to the date of this report	Cancelled for the period from 5 January 2024 and up to the date of this report	Lapsed for the period from 5 January 2024 and up to the date of this report	As of the date of this report	Date of grant of Restricted Shares	Share closing price of grant of Restricted Shares	Vesting period of Restricted Shares	Share closing price immediately before the date of grant of Restricted Shares	Share closing price immediately before the vesting dates
參與者姓名或類別	於2024年1月5日授出	自2024年1月5日起直至本報告日期期間歸屬	自2024年1月5日起直至本報告日期期間註銷	自2024年1月5日起直至本報告日期期間失效	截至本報告日期	受限制股份授予日	受限制股份授予日之股份收市價	受限制股份歸屬期	受限制股份授予日之股份收市價	緊接歸屬日期之股份收市價
							RMB 人民幣		RMB 人民幣	RMB 人民幣
Directors of Huabao Flavours										
華寶股份董事										
XIA Liquan	2,300,000	-	-	-	2,300,000	5 January 2024	20.70	Note 1	20.93	N/A
夏利群						2024年1月5日		附註1		不適用
YUAN Xiaoqin	1,500,000	-	-	-	1,500,000	5 January 2024	20.70	Note 1	20.93	N/A
袁肖琴						2024年1月5日		附註1		不適用
REN Miao	800,000	-	-	-	800,000	5 January 2024	20.70	Note 1	20.93	N/A
任淼						2024年1月5日		附註1		不適用
Other employees of Huabao Flavours	9,900,000	-	-	-	9,900,000	5 January 2024	20.70	Note 1	20.93	N/A
華寶股份的其他員工						2024年1月5日		附註1		不適用
Total	14,500,000	-	-	-	14,500,000					
合計										

Note 1: For Restricted Shares granted in view of the achievement of performance targets 2024 to 2026, 30% of such Restricted Shares are scheduled to be vested after March 2025, a further 30% are scheduled to be vested after March 2026 and the remaining 40% are scheduled to be vested after March 2027.

附註1：就根據2024年—2026年業績指標的達成情況授予受限制股份而言，該等受限制股份的30%訂於2025年3月後歸屬，另30%訂於2026年3月後歸屬，剩餘40%訂於2027年3月後歸屬。

SHARE INCENTIVE SCHEME – GUANGDONG JIAHAO SHARE INCENTIVE SCHEME (Note: see Note 20 Share-based payment to the consolidated financial statements)

Pursuant to a written resolution of the directors of Guangdong Jiahao passed on 15 October 2020, Guangdong Jiahao, an indirect non-wholly-owned subsidiary as well as a non-principal subsidiary of the Company, approved, adopted and implemented a share incentive scheme (the "Guangdong Jiahao Share Incentive Scheme") in which Eligible Participants (as defined below) will be entitled to participate. The Guangdong Jiahao Share Incentive Scheme is not subject to the requirements of Chapter 17 of the Listing Rules.

The following is a summary of the principal terms of the Guangdong Jiahao Share Incentive Scheme.

Summary of Terms

Purposes

The purposes of the formulation and the implementation of the Guangdong Jiahao Share Incentive Scheme is to establish an effective incentive and discipline mechanism for Guangdong Jiahao, attract and retain outstanding talents, so as to fully motivate the management and core team members of Guangdong Jiahao to effectively align the interests of the Company, Guangdong Jiahao and its employees, and to create the future of the Company with concerted effort.

股權激勵計劃－廣東嘉豪股權激勵計劃 (註：可參見綜合財務報表附註20股份為基礎的支付)

於2020年10月15日，廣東嘉豪(一家本公司間接持有之非全資附屬公司及非主要附屬公司)，通過了董事書面決議案，批准採納並執行一項股權激勵計劃(「廣東嘉豪股權激勵計劃」)。其中，合資格參與者(定義見下文)將有權參與。廣東嘉豪股權激勵計劃不受上市規則第十七章的規定所規限。

下文概述廣東嘉豪股權激勵計劃的主要條款。

條款概要

宗旨

此計劃的目的，是為廣東嘉豪建立有效的激勵約束機制，吸引和留住優秀人才，充分調動廣東嘉豪管理人員和核心團隊成員的積極性，有效地將本公司、廣東嘉豪和員工的利益結合在一起，共創公司的未來，制定並實施了廣東嘉豪股權激勵計劃。

Types of Awards and Who May Participate

Under the Guangdong Jiahao Share Incentive Scheme, the board of directors of Guangdong Jiahao (the "Relevant Board") (including any committee or person(s) duly authorized by the Relevant Board) may, at its discretion, invite directors, senior management, core technical personnel or other employees of Guangdong Jiahao to participate in the Guangdong Jiahao Share Incentive Scheme, whereby the relevant employees will be awarded restricted shares (the "Restricted Shares") and will be required to settle the relevant subscription price (the "Employee Subscription Price"). The Restricted Shares will be released upon the expiry of the period of restriction on transfer of such Restricted Shares, such as the relevant sale restriction period/lock-up period. The relevant employees passed a resolution to establish certain limited partnership shareholding platforms (the "Employees Shareholding Platform(s)") through which they will participate in the Guangdong Jiahao Share Incentive Scheme by way of indirect shareholding (the "Award(s)") in the capacity of limited partners (the "Eligible Participant(s)" or "Participant(s)") and will be required to settle the relevant Employee Subscription Price. The Group or its controlled affiliates are the general partners of such partnership(s).

Maximum Number of Shares

According to the Guangdong Jiahao Share Incentive Scheme approved by the Relevant Board, upon the implementation of the Guangdong Jiahao Share Incentive Scheme, the number of underlying shares under the Guangdong Jiahao Share Incentive Scheme represented approximately 1.98% of the total equity interests in Guangdong Jiahao (a limited liability company) and as at 31 December 2023, those equity interests have been vested to the Employees Shareholding Platforms.

Consideration for Restricted Share Units and Restricted Share Purchase Price

The Eligible Participants would indirectly hold equity interests in Guangdong Jiahao through limited partnerships, and the Employees Shareholding Platforms would purchase the Group's existing equity interests in Guangdong Jiahao for cash at the price(s) agreed between the Company and the Eligible Participant(s). The aggregate Employee Subscription Price payable by the Eligible Participants amounted to approximately RMB46.5 million.

獎勵類型及可參與的人士

廣東嘉豪董事會(「有關董事會」)(包括有關董事會正式授權的任何委員會或人士)在廣東嘉豪股權激勵計劃下可酌情邀請屬廣東嘉豪董事、高級管理人員、核心技術人員或其他僱員參與，有關員工將獲授予受限制股份(「受限制股份」)，並需要支付有關的認購價(「員工認購價」)，一旦受限制股份的相關限售期／禁售期等股份轉讓限制的期限屆滿，受限制股份的限制將被解除。有關員工通過成立了若干的有限合夥持股平台(「員工持股平台」)，並以有限合夥人身份(「合資格參與者」或「激勵對象」)間接參與持股(統稱「獎勵」)並需要支付有關的員工認購價，而本集團或其控制聯屬公司為普通合夥人。

最高股份數目

根據有關董事會審議通過的股權激勵計劃，本次廣東嘉豪股權激勵計劃實施完畢後，廣東嘉豪股權激勵計劃相關股份量約佔廣東嘉豪(其為有限責任公司)總股權的1.98%，截至2023年12月31日，該等股權已歸屬到員工持股平台。

受限制股份單位的代價及受限制股份購買價

合資格參與者通過有限合夥企業間接持有廣東嘉豪的股權，員工持股平台以現金作價購買本集團持有的廣東嘉豪的現有股權，按照公司與合資格參與者商定的價格，合資格參與者需要支付員工認購價總價約為人民幣4,650萬元。

Directors' Report

Vesting Schedule

For the purpose of this Guangdong Jiahao Share Incentive Scheme, four limited partnerships have been established, namely Yingtan Xiangshan Corporate Advisory Centre (Limited Partnership) (鷹潭香山企業諮詢中心(有限合夥)), Yingtan Zhonghao Corporate Advisory Centre (Limited Partnership) (鷹潭中豪企業諮詢中心(有限合夥)), Yingtan Guanghao Corporate Advisory Centre (Limited Partnership) (鷹潭廣豪企業諮詢中心(有限合夥)) and Yingtan Huajia Corporate Advisory Centre (Limited Partnership) (鷹潭華嘉企業諮詢中心(有限合夥)), through which the Participants indirectly hold equity interests in Guangdong Jiahao and the relevant Awards have vested in the Employees Shareholding Platforms.

As at 31 December 2023, the Guangdong Jiahao Share Incentive Scheme has covered in total 70 (31 December 2022: 62) Participants, including directors and senior management of Guangdong Jiahao. The chairman of Guangdong Jiahao, XIA Liquan, who is also a director of the Company and one of the Participants.

董事會報告

歸屬時間表

為本次廣東嘉豪股權激勵計劃之目的，設有鷹潭香山企業諮詢中心(有限合夥)、鷹潭中豪企業諮詢中心(有限合夥)、鷹潭廣豪企業諮詢中心(有限合夥)、鷹潭華嘉企業諮詢中心(有限合夥)四個有限合夥企業，激勵對象通過前述有限合夥企業間接持有廣東嘉豪的股權，有關獎勵已歸屬到員工持股平台。

於2023年12月31日，廣東嘉豪股權激勵計劃下的激勵對象已涵蓋共70人(2022年12月31日：62人)，包括廣東嘉豪董事及高管；其中包括其董事長夏利群(亦為本公司董事)。

Restrictions on share transfers:

- Yingtan Xiangshan Corporate Advisory Centre (Limited Partnership) (鷹潭香山企業諮詢中心(有限合夥)), Yingtan Zhonghao Corporate Advisory Centre (Limited Partnership) (鷹潭中豪企業諮詢中心(有限合夥)), Yingtan Guanghao Corporate Advisory Centre (Limited Partnership) (鷹潭廣豪企業諮詢中心(有限合夥))
- 1 Sale restriction period: 36 months from the date of Award and the sale restriction period shall remain effective regardless of whether Guangdong Jiahao could be listed (i.e. initial public offering of shares) or not;
 - 2 Lock-up period: Upon the listing of Guangdong Jiahao, the Participants are subject to lock-up requirements as agreed under the relevant share incentive agreement(s) and the relevant requirements as stipulated under the listing rules of domestic exchange;
 - 3 During the sale restriction period or lock-up period, the limited partners shall not transfer their respective shares in the assets of the partnerships, except in the case of withdrawal;
 - 4 After the date falling on the fifth anniversary of the date of Award, the Participants may transfer all or part of their respective awarded shares in the event that Guangdong Jiahao remains unlisted.

股份轉讓限制機制：

- 鷹潭香山企業諮詢中心(有限合夥)、鷹潭中豪企業諮詢中心(有限合夥)、鷹潭廣豪企業諮詢中心(有限合夥)
1. 限售期：自授予日起36個月，無論廣東嘉豪是否上市(即股票首次公開發行)，限售期持續計算；
 2. 禁售期：廣東嘉豪上市之後，激勵對象依股權激勵協議的約定及境內交易所上市規則相關要求進行禁售；
 3. 限售期、禁售期內，除退出外，有限合夥人不得轉讓其在合夥企業中的財產份額；
 4. 自激勵股權授予日起5年後，如廣東嘉豪未上市的，股權激勵對象可轉讓其持有的全部或部分激勵股權。

Yingtan Huajia
Corporate Advisory
Centre (Limited
Partnership)
(鷹潭華嘉企業諮詢
中心(有限合夥))

- 1 Prior to the listing of Guangdong Jiahao and within 36 months from the date of listing of Guangdong Jiahao, the Participants shall not transfer all or part of their respective awarded shares to any third party (including other Participants on the Employees Shareholding Platforms) not recognised by the general partners of the partnerships without the prior consent of the general partners of the partnerships;
- 2 After the date falling on the fifth anniversary of the date of Award, the Participants may transfer all or part of their respective awarded shares in the event that Guangdong Jiahao remains unlisted;
- 3 Upon the listing of Guangdong Jiahao, if according to the relevant laws and regulations, the Participants is required to comply with the obligations such as specific lock-up period or restriction on the percentage of sale due to the Participants being the senior management of the company, having special status or the number of shares held reaches a certain threshold, the Participants shall comply with the relevant regulations in addition to the requirements under the agreement.

鷹潭華嘉企業
諮詢中心
(有限合夥)

1. 廣東嘉豪上市前及廣東嘉豪上市之日起36個月內，未經合夥企業普通合夥人同意，股權激勵對象不得向未經合夥企業普通合夥人認定的任何第三方（包括員工持股平台上的其他激勵對象）轉讓其持有的全部或部分激勵股權；
2. 自激勵股權授予日起5年後，如廣東嘉豪未上市的，股權激勵對象可轉讓其持有的全部或部分激勵股權；
3. 廣東嘉豪上市時，如根據相應的法律法規，因股權激勵對象擔任公司高級管理人員、具備特殊身份或持股數量達到一定比例等原因而須遵守特定禁售期或對出售比例限制等義務的，股權激勵對象除應遵守本協議約定外，還應遵守相關規定。

Vesting of Awards, Termination and Withdrawal of Participants

The Awards have been vested in the Employees Shareholding Platforms and the Participant(s) shall withdraw from the Guangdong Jiahao Share Incentive Scheme if any of the following occurs: (1) amendment(s) to the Guangdong Jiahao Share Incentive Scheme, or amendment(s) to the share incentive agreement(s) for the compliance with the requirements of the company's lending banks, or amendment(s) to the share incentive agreement(s) for the compliance of the listing rules of the stock exchange or the requirements of the regulatory authority regarding the listing of the company, but the Participant(s) declines to execute the amended share incentive agreement; (2) the company is dissolved or its business license is revoked or cancelled; (3) the partnership is dissolved or its business license is revoked or cancelled; (4) the Participant has reached the retirement age and has completed the retirement formalities and does not continue to serve after retirement; (5) the company terminates the labour contract or employment contract with the Participant due to strategic adjustment or redundancy; (6) the Participant resigns during the term of the labour contract, or the company or the Participant refuses to renew the labour contract upon its expiry; (7) death or incapacity of the Participant; (8) the Participant is held criminally responsible for any criminal offence; (9) the Participant commits serious misconduct, malfeasance, fraud, bribery, bribery solicitation, misappropriation, embezzlement, divulgence of business, customer and technical secrets or other violations of laws or disciplines, causing significant damage to the company; (10) the company determines that the Participant is directly responsible for the company's loss or decline in operating results; (11) the Participant is considered to be detrimental to the interests of the company when performing his duties; (12) the Participant causes significant loss to the interests of the company due to his negligence in performing his duties; (13) the Participant violates the obligation of confidentiality and divulges the confidential information of the company (including the intellectual property rights, technical secrets, customer information, financial information and other business secrets). For the purpose of this Guangdong Jiahao Share Incentive Scheme, the aforementioned trade secrets include the fact presented in this Guangdong Jiahao Share Incentive Scheme and the Guangdong Jiahao Share Incentive Scheme documents and any of their contents; (14) the Participant, in other capacities or in any way, is engaged in or for the benefits of others engaged in any competing business with the company without the prior written consent of the

獎勵歸屬、終止及激勵對象退出

有關獎勵已歸屬到員工持股平台，因發生下列情形之一的，激勵對象須退出廣東嘉豪股權激勵計劃：(1)廣東嘉豪股權激勵計劃變更，或為遵守公司貸款銀行的要求變更股權激勵協議，或因公司上市為遵守聯交所上市規則或監管機關要求變更股權激勵協議，但激勵對象拒絕簽署變更後的股權激勵協議；(2)公司解散，或被吊銷、註銷營業執照的；(3)合夥企業解散，或被吊銷、註銷營業執照的；(4)激勵對象達到法定退休年齡辦理退休手續且退休後不再繼續任職的；(5)公司因戰略調整、裁員與激勵對象解除勞動合同或聘用合同的；(6)在勞動合同期限內，激勵對象辭職，或在勞動合同期限屆滿後，公司或激勵對象拒絕續約的；(7)激勵對象死亡或喪失勞動能力的；(8)激勵對象因刑事犯罪被追究刑事責任的；(9)激勵對象嚴重失職、瀆職、營私舞弊、受賄、索賄、侵佔、盜竊、洩露經營、客戶和技術秘密等違法違紀行為，給公司造成重大損害的；(10)經公司認定，激勵對象對公司虧損、經營業績下降負有直接責任的；(11)激勵對象執行職務時，損害公司利益的；(12)激勵對象因執行職務時的過失行為，致使公司利益受到重大損失的；(13)激勵對象違反保密義務，洩漏公司保密資訊(包括公司的知識產權、技術秘密、客戶信息、財務資料和其他商業秘密信息等的)。就廣東嘉豪股權激勵計劃而言，前述商業秘密包括廣東嘉豪股權激勵計劃及廣東嘉豪股權激勵計劃文件存在的事實及其任何內容；(14)未經公司事先書面同意，激勵對象在

Directors' Report

company; (15) the share of assets in the partnerships held by the Participant is enforced by law; (16) the Participant is dismissed by the company for violating the rules and regulations of the company, or the Participant is removed from the partnership(s).

The transfer price for the Participant's withdrawal from the Guangdong Jiahao Share Incentive Scheme will be based on the reason(s) of his withdrawal. The transfer price in the case of withdrawal is either the principal amount of the Participant's investment or the principal amount of the investment plus interest calculated at a rate of 5-10% per annum on simple interest basis (interest is calculated according to the actual number of days).

SHARE AWARD SCHEME

The Company adopted a share award scheme (the "Share Award Scheme") on 20 May 2022 (the "Adoption Date") for a term of 10 years from the Adoption Date until 19 May 2032, unless otherwise terminated. The Share Award Scheme constitutes a share scheme of the Company under Chapter 17 of the Listing Rules. The purposes and objectives of the Share Award Scheme are to recognise, reward, remunerate, compensate and motivate the contribution of certain participants and to provide incentives and help the Group in retaining its existing employees and recruiting suitable personnel as additional employees to further the operation and development of the Group, by providing them with a direct economic interest in attaining the Group's long-term business objectives, implementing the Group's long-term business strategy, enhancing the Group's values and promoting the Group's growth and development.

The Share Award Scheme shall be subject to the administration of the Board in accordance with the rules related to the Share Award Scheme, the respective trust deed(s) relevant to the establishment of the trust(s) to support and facilitate the operation of the Share Award Scheme, and all applicable laws and regulations.

Participants of the Share Award Scheme cover any employees, officers or directors of any members of the Group or of any affiliates of the Company, and any persons (including advisors, consultants or other service providers) who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group as determined by the Remuneration Committee and other persons as permitted under the Listing Rules whom the Board in its sole discretion considers may contribute or have contributed to the Group.

董事會報告

其他場所或以任何方式從事或為他人從事與公司構成競爭業務的；(15)激勵對象持有的合夥企業財產份額被依法強制執行的；及(16)存在其他違反公司規章制度行為被公司辭退，或激勵對象被合夥企業除名的。

激勵對象退出廣東嘉豪股權激勵計劃時的轉讓價格視激勵對象的退出原因所確定，退出轉讓價格或為激勵對象的投資本金，或為按年單利5-10%計算的投資本金加利息(利息按實際天數算)。

股份獎勵計劃

本公司於2022年5月20日(「採納日期」)，採納一項股份獎勵計劃(「該股份獎勵計劃」)有效期自採納日期起計10年到2032年5月19日，除非另有規定終止。該股份獎勵計劃屬於上市規則第17章項下本公司的一項股份計劃。該股份獎勵計劃目的及目標是對若干參與者的貢獻進行嘉許、獎勵、報酬、補償及激勵，並透過向彼等提供與實現本集團的長遠業務目標、實施本集團的長遠業務策略、提升本集團的價值及推進本集團的增長及發展掛鈎的直接經濟利益，供從而進行獎勵並協助本集團挽留其現有僱員及招聘合適人員作為額外僱員，以促進本集團的經營及發展。

該股份獎勵計劃須由董事會根據該股份獎勵計劃相關規則、與設立信託相關的信託契約以支持和促進該股份獎勵計劃的運作以及所有適用的法律法規進行管理。

該股份獎勵計劃的參與者涵蓋本集團任何成員公司或本公司任何聯屬公司的僱員、高級職員或董事，及由薪酬委員會釐定在本集團任何成員公司的日常及一般業務過程中持續或經常性地提供服務的任何人士(包括顧問、諮詢人員或其他服務提供者)，而該服務對本集團長遠發展具有重大意義，以及上市規則不時允許的其他人士而其為董事會全權及絕對酌情認為可能或已經為本集團做出貢獻的人士。

Pursuant to the terms of the Share Award Scheme, the Board may, from time to time, at its sole and absolute discretion designate an award ("Award" and collectively "Awards") to be made to a selected person among the participants ("Selected Person" and collectively "Selected Persons"). Awards may be satisfied by (i) existing Shares to be acquired by the trustee(s) engaged by the Company for the purpose of administering the Share Award Scheme (the "Trustee(s)"), from the market, or (ii) new Shares to be issued and allotted to the Trustee(s) by the Company, in each case the Shares will be held on trust by the Trustee(s) for the Selected Persons until the end of each vesting period subject to fulfilment of the vesting conditions (if any) in accordance with the provisions of the Share Award Scheme.

Under the terms of the Share Award Scheme, (i) the aggregate number of the Shares that may be awarded by the Board under the Share Award Scheme shall not exceed 10% of the issued share capital of the Company as at the Adoption Date (or such other limit, if any, prescribed by the Listing Rules from time to time); and (ii) unless specifically approved by the independent shareholders, the aggregate number of new Shares that may be granted as Awards annually under the Share Award Scheme shall not exceed 3% of the issued share capital of the Company as at the date on which the Shareholders' approval of a mandate for issue and allotment of new Shares under the Share Award Scheme (the "Scheme Mandate") (or such other limit, if any, prescribed by the Listing Rules from time to time) is given. As no Scheme Mandate for allotment of new Shares has been obtained, at the beginning and at the end of the Financial Year, and up to the date of this annual report, no new Shares were issued pursuant to the Share Award Scheme.

根據該股份獎勵計劃的條款，董事會可不時全權酌情指定向參與者中的經甄選人士（「經甄選人士」）作出獎勵（「獎勵」）。該等獎勵可由（i）本公司為管理該股份獎勵計劃的目的聘用的受託人（「受託人」）在公開市場上購買的現有股份支付，或（ii）本公司向受託人發行及配發的新股份，在各情況下股份將由受託人以信托形式為經甄選人士持有，直至歸屬期完結並受限於根據該股份獎勵計劃條文滿足歸屬條件（如有）。

根據股份獎勵計劃的條款，（i）董事會根據股份獎勵計劃可授予的股份總數不得超過本公司於採納日期已發行股本的10%（或上市規則不時規定的其他限額，如有）；及（ii）除非獲得獨立股東的特定批准，否則根據該股份獎勵計劃每年可授予作為獎勵股份的新股份總數不得超過本公司於股東批准在該股份獎勵計劃下發行及配發新股份之計劃授權（「計劃授權」）日期本公司已發行股本的3%（或上市規則不時訂明的該其他限額，如有）。由於本財政年度年初及年末以及直至本年報日期概無獲得配發新股份之計劃授權，故概無根據股票激勵計劃發行任何新股份。

Directors' Report

董事會報告

The maximum number of Shares which may be awarded to a Selected Person (i.e. maximum entitlement of) in any twelve months under the Share Award Scheme shall not exceed one percent of the total number of issued Shares as at the Adoption Date unless the proposed grant has been specifically approved by the Shareholders in a general meeting of the Company. The Share Award Scheme does not specify any minimum vesting period nor the grant price which is payable by a Selected Person upon acceptance of an Award. Pursuant to the Share Award Scheme, the Board has the authority to determine, among other things, the vesting schedule, number, the terms and conditions of the Award Shares and the grant price (if any) payable by the Selected Person. The grant price in respect of Awarded Shares under the Share Award Scheme is determined by the Board in its absolute discretion at the time of the grant. As at 31 December 2023, no Awarded Shares have been granted under the Share Award Scheme yet.

As at 31 December 2023, (i) no Trustee has been appointed for the purpose of the Share Award Scheme, (ii) no Award has been granted under the Share Award Scheme, and (iii) the Company has not yet obtained the approval from its shareholders with respect to the Scheme Mandate for issue and allotment of new Shares under the Share Award Scheme and hence no Shares are available for issue under the Share Award Scheme as at the date of this report.

For more details of the Share Award Scheme, please refer to the Company's announcement dated 21 May 2022.

根據股份獎勵計劃，在任何十二個月內可授予選定人士的最大股份數量(即最大配額)不得超過截至採納日期已發行股份總數的百分之一，除非擬議的授予已經本公司股東大會特別批准。股份獎勵計劃並未指定任何最短歸屬期或獲選人士在接受獎勵時須支付的授予價格。根據股份獎勵計劃，董事會有權釐定(其中包括)獎勵股份的歸屬時間表、數目、條款及條件以及獲選人士應付的授出價(如有)。股份獎勵計劃項下獎勵股份的授出價由董事會於授出時全權酌情釐定。截至2023年12月31日，沒有根據股份獎勵計劃授出任何獎勵股份。

於2023年12月31日，(i)未有任何信託人為該股份獎勵計劃的目的而獲委任，(ii)概無根據該股份獎勵計劃授出獎勵，及(iii)本公司尚未獲得股東批准為在該股份獎勵計劃下發行及配發股份取得計劃授權。因此，於本報告日期，概無股份可根據股份獎勵計劃發行。

有關該股份獎勵計劃的更多詳情，請參閱本公司日期為2022年5月21日的公告。

Directors' Report

DIRECTORS

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

Executive Directors:

Ms. CHU Lam Yiu (*Chairlady and CEO*)
Mr. LAM Ka Yu (*Co-Chairman*)
Mr. XIA Liquan (*Vice Chairman and President*)
Mr. POON Chiu Kwok (*Vice President and Company Secretary*)
Ms. LAM Ka Yan
Ms. CHOY Man Har

Independent Non-executive Directors:

Mr. LEE Luk Shiu
Mr. Jonathan Jun YAN
Mr. HOU Haitao

In accordance with bye-law 84(1) and (2) of the Bye-laws, Ms. CHU Lam Yiu, Mr. LEE Luk Shiu and Mr. HOU Haitao shall retire from office by rotation at the forthcoming AGM. All of them being eligible, have offered themselves for re-election at the forthcoming AGM.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than disclosed in Note 36 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company, its ultimate holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Financial Year.

董事會報告

董事

於本財政年度及截至本報告日期本公司之董事如下：

執行董事：

朱林瑤女士(主席兼首席執行官)
林嘉宇先生(聯席主席)
夏利群先生(副主席兼總裁)
潘昭國先生(副總裁兼公司秘書)
林嘉妍女士
蔡文霞女士

獨立非執行董事：

李祿兆先生
Jonathan Jun YAN 先生
侯海濤先生

根據公司細則第84(1)及(2)條，朱林瑤女士、李祿兆先生及侯海濤先生將於應屆股東週年大會上輪值告退。惟彼等符合資格，並願於應屆股東週年大會膺選連任。

董事服務合約

擬於應屆股東週年大會上膺選連任之董事，概無與本公司訂立任何本公司不可於一年內毋須賠償(法定賠償除外)而予以終止之服務合約。

董事於重大合約之權益

除綜合財務報表附註36所披露者外，於年結日或本財政年度內任何時間，本公司並無訂立任何涉及本公司董事直接或間接擁有重大權益且與本公司最終控股公司或其任何附屬公司業務有關之重大合約。

Directors' Report

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors and their respective close associates (as defined in the Listing Rules) is considered to have an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management are set out on pages 36 to 41 of this annual report.

REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Particulars of the remuneration of the Directors and the five highest paid individuals during the Financial Year are set out in Note 39 and Note 28 to the consolidated financial statements respectively.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2023, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Long position in ordinary shares of the Company

Name of Director(s)	Capacity	Number of issued Shares held	Percentage of the issued share capital
董事姓名	身份	持有已發行股份數目	佔已發行股本百分比
CHU Lam Yiu 朱林瑤	Held through controlled corporations (Note) 透過受控制公司持有 (附註)	2,293,408,900	71.00%
CHOY Man Har 蔡文霞	Beneficial owner 實益擁有人	3,000	<0.00%

Note: 2,293,408,900 ordinary shares of the Company were held by Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited, Raise Sino Investments Limited and Real Elite Investments Limited, respectively. Ms. CHU Lam Yiu is the sole beneficial owner of the aforesaid six companies.

董事會報告

董事於競爭業務之權益

概無董事及其各自之緊密聯繫人(按上市規則定義)擁有與本集團業務直接或間接構成競爭或可能構成競爭的任何業務之權益。

董事及高級管理層履歷

董事及高級管理層的履歷載於本年報第36至41頁。

董事及五名最高薪酬人士之酬金

於本財政年度內，董事及五名最高薪酬人士之酬金詳情分別刊載於綜合財務報表附註39和附註28。

董事於股份、相關股份及債券之權益

於2023年12月31日，董事及最高行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有本公司根據證券及期貨條例第352條規定所存置之登記冊所記錄之權益及淡倉；或擁有根據標準守則規定而須知會本公司及香港聯交所之權益及淡倉如下：

本公司之普通股好倉

Number of issued Shares held	Percentage of the issued share capital
持有已發行股份數目	佔已發行股本百分比
2,293,408,900	71.00%
3,000	<0.00%

附註：本公司之2,293,408,900股普通股乃分別由Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited, Raise Sino Investments Limited和Real Elite Investments Limited持有。朱林瑤女士為上述六間公司的唯一實益擁有人。

Directors' Report

Save as disclosed above, as at 31 December 2023, the Company is not aware of any of the Directors or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its subsidiaries or associated companies as defined in the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in Note 20 to the consolidated financial statements, at no time during the Financial Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Financial Year and up to the date of this report.

DIRECTORS' PERMITTED INDEMNITIES

Pursuant to the Bye-laws and subject to the relevant provisions therein, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may incur in or sustain by the execution of his/her duty as a director of the Company or otherwise in relation thereto. The Company has arranged appropriate insurance cover for the Directors and senior management of the Company in respect of legal action against them in the course of execution of their duties in good faith.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "Share Option Scheme" above and Note 20 to the financial statements, no equity-linked agreement was entered into by the Company during the Financial Year.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2023, other than the interests disclosed in the section headed "Directors' interests in shares, underlying shares and debentures", the Company is not aware of any other person who held interests or short positions in 5% or more of the issued share capital of the Company under Section 336 of the SFO.

董事會報告

除上文所披露者外，於2023年12月31日，本公司並不知悉有任何董事或彼等之緊密聯繫人於本公司或其任何附屬公司或相聯法團(定義見證券及期貨條例)之任何股份、相關股份或債券中擁有任何權益或淡倉。

董事認購股份或債券之權利

除於綜合財務報表附註20所披露者外，本公司或其任何附屬公司於本財政年度內任何時間均無參與任何安排，致使本公司之董事可藉收購本公司或任何其他法團之股份或債券而獲益。

管理合約

概無於本財政年度至本報告日內訂立或存有任任何涉及本公司整體業務或任何重要業務之管理及行政工作之合約。

董事允許的彌償保證

根據公司細則並受當中相關條文所規限，每名董事就執行其作為本公司董事之職務或與之相關的其他事宜而承擔或蒙受的所有訴訟、費用、收費、損失、賠償及開支均可獲得本公司以其資產及溢利作出彌償及保證免受損害。本公司已就董事及高級管理層，在真誠善意地執行職責時可能招致任何法律訴訟，為彼等安排適當保險保障。

股票掛鈎協議

除上文「購股權計劃」一節及財務報表附註20所披露外，本公司於本財政年度內並無訂立股票掛鈎協議。

主要股東之權益

於2023年12月31日，除於「董事於股份、相關股份及債券之權益」一節所披露之權益外，本公司並不知悉有任何其他人士根據證券及期貨條例第336條存置持有本公司已發行股本5%或以上權益或淡倉。

SIGNIFICANT EVENTS OR TRANSACTIONS

USE OF THE PROCEEDS FROM SHARE PLACEMENT

The Group completed the top-up placing and subscription on 13 December 2021 and 20 December 2021, respectively, and the Company received net proceeds (i.e. after deducting the commission payable to the placing agents, professional fee and other related costs and expenses in relation to the top-up placing and subscription) from the top-up subscription of approximately HK\$2.16 billion and the number of issued shares of the Company was increased to 3,229,926,876. The net price for each top-up placing share was HK\$17.67.

As at 31 December 2023, the Group utilised all of the proceeds from share placement, details of which are set out in the table below.

Use of proceeds (in HK\$million)

Intended use of proceeds	融資款項計劃用途	As at	Actual use	As at
		31 December 2022 於2022年 12月31日	of proceeds 融資款項 實際用途	31 December 2023 於2023年 12月31日
Acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise	收購及／或投資得以利用本集團競爭優勢的業務(如有合適機遇)	50	50	–

Investigation Against Directors

References are made to the announcements of Company dated 24 January 2022, 26 January 2022, 27 January 2022, 21 July 2022, 26 July 2022, 20 January 2023, 3 July 2023 and 14 July 2023, respectively, in relation to the investigation for suspected disciplinary violations and residential surveillance at a designated location (指定居所監視居住) against Ms. CHU Lam Yiu ("Ms. Chu") and Mr. LAM Ka Yu ("Mr. Lam"). Ms. Chu is the Chairlady of the Board, the chief executive officer, an executive director, the controlling shareholder (holding ultimately approximately 71% interests in the Company's shares as at the date of this report) and is the mother of Mr. Lam and Ms. LAM Ka Yan ("Ms. Lam"), and Mr. Lam is an executive director and co-chairman of the Company.

重大事件或交易股份配售融資用途

本集團先舊後新配售及認購事項分別於2021年12月13日及2021年12月20日完成，本公司收到所得款項淨額(即經於先舊後新認購事項中扣除應付配售代理之佣金、與先舊後新配售及認購事項有關之專業費用及其他相關費用及開支後)約21.6億港元而本公司已發行股份數目亦增加至3,229,926,876股。每股先舊後新配售股份的淨價為17.67港元。

於2023年12月31日，本集團已使用全部股份配售所得融資款項，詳情載於下表。

融資款項用途(單位：百萬／港元)

Intended use of proceeds	融資款項計劃用途	As at	Actual use	As at
		31 December 2022 於2022年 12月31日	of proceeds 融資款項 實際用途	31 December 2023 於2023年 12月31日
Acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise	收購及／或投資得以利用本集團競爭優勢的業務(如有合適機遇)	50	50	–

對董事及控股股東的立案調查

茲提述本公司日期分別為2022年1月24日、2022年1月26日、2022年1月27日、2022年7月21日、2022年7月26日、2023年1月20日、2023年7月3日及2023年7月14日有關朱林瑤女士(「朱女士」)及林嘉宇先生(「林先生」)因涉嫌違法接受立案調查並被執行指定居所監視居住的該等公告。朱女士為董事會主席、首席執行官、執行董事、控股股東(於本報告日期最終持有本公司股份約71%)及林先生與林嘉妍女士(「林女士」)的母親，且林先生為本公司執行董事兼聯席主席。

Directors' Report

On 20 January 2023, the Group was advised by Ms. Chu's family member that Anyuan County Police Bureau (安遠縣公安局) had lifted Ms. Chu's residential surveillance and that she was on bail pending further investigation. Concurrently, Ms. Chu was placed under residential surveillance at a designated location (指定居所監視居住) by Chongqing Yongchuan District Police Bureau (重慶市永川區公安局).

On 3 July 2023, the Group was advised that Chongqing Yongchuan District Police Bureau (重慶市永川區公安局) had lifted Ms. Chu's residential surveillance. Ms. Chu has resumed work accordingly. On 14 July 2023, the Company was informed that Ms. Chu and Mr. Lam are no longer subject to any bail conditions as imposed by Changsha County Police Bureau (長沙縣公安局).

Further announcement(s), if required, will be made to keep the shareholders of the Company and the public informed of the development in this matter.

Disclosure of Non-Fulfillment of Profit Guarantee under Rule 14.36B of the Listing Rules

References are made to the Company's announcements dated 8 March 2022, 9 August 2023 and 11 March 2024 respectively. On 8 March 2022, Huabao Flavours, a non-wholly owned subsidiary of the Company and the shares of which are listed on the ChiNext Market of Shenzhen Stock Exchange (Stock Code: 300741), Shanghai Keli Enterprise Management and Consulting Company Limited* (上海克瀝企業管理諮詢有限公司) ("Keli Enterprise"), Qian Rong (錢戎) and Wong Kam Wing (黃錦榮) (the beneficial controllers of Keli Enterprise) and other related parties entered into a shares transfer agreement (the "Share Transfer Agreement") to further acquire 27% equity interest in Shanghai Yifang Rural Technology Holdings Co. Ltd. ("Shanghai Yifang") for a total consideration of RMB121.5 million in cash. Upon completion of the transaction, Shanghai Yifang became an indirect non-wholly owned subsidiary of Huabao Flavours and the results of Shanghai Yifang have been consolidated into the financial statements of Huabao Flavours since March 2022. As at the date of this report, Huabao Flavours held approximately 67% interest in Shanghai Yifang.

董事會報告

於2023年1月20日，本集團接獲朱女士家屬通知：安遠縣公安局已對朱女士取消指定居所監視居住，並對其採取取保候審措施。同時，重慶市永川區公安局對朱女士依法實施指定居所監視居住。

於2023年7月3日，本集團接獲通知：重慶市永川區公安局已對朱女士取消指定居所監視居住。朱女士亦得以恢復工作。於2023年7月14日，本公司接獲通知：朱女士及林先生不再受長沙縣公安局的任何保釋條件約束。

本公司將於有需要的情況下作出進一步公告，以知會本公司股東及公眾人士有關事宜的進展。

有關未能達成上市規則第14.36B條項下的利潤保證之披露

茲提述本公司日期分別為2022年3月8日，2023年8月9日及2024年3月11日的公告。於2022年3月8日，華寶股份(本公司的非全資附屬公司，其股份在深圳證券交易所創業板上市(股份代號：300741))、上海克瀝企業管理諮詢有限公司(「克瀝企業」)、錢戎與黃錦榮(克瀝企業的實際控制人)及其他關聯方訂立股份轉讓協議(「股份轉讓協議」)以人民幣12,150萬元現金總對價進一步收購上海奕方農業科技股份有限公司(「上海奕方」)27%的股權。交易完成後，上海奕方成為華寶股份的間接非全資附屬公司，自2022年3月起，上海奕方業績已合併入華寶股份財務報表。於本報告日期，華寶股份持有上海奕方約67%權益。

Directors' Report

Pursuant to the Share Transfer Agreement, among others, Huabao Flavours, Qian Rong and Wong Kam Wing shall fulfill their capital increase obligations as scheduled in proportion to their respective shareholdings in Shanghai Yifang, and Qian Rong and Wong Kam Wing agreed to undertake the performance undertaking and compensation obligations to Huabao Flavours. The performance undertaking period is three years commencing from 1 January 2022 to 31 December 2024 (the "Performance Undertaking Period"). The results of Shanghai Yifang during the Performance Undertaking Period will be a consolidated net profit of not less than RMB41.00 million in 2022, a consolidated net profit of not less than RMB55.00 million in 2023 and a consolidated net profit of not less than RMB74.00 million in 2024. If Shanghai Yifang does not achieve the performance undertaking after the expiry of the Performance Undertaking Period, Qian Rong and Wong Kam Wing shall compensate Huabao Flavours in cash within 15 days after Shanghai Yifang's 2024 annual audit report is issued. As at the date of this report, Qian Rong and Wong Kam Wing have not yet fulfilled their obligations by paying the second instalment of the capital increase amount (RMB7,095,700 in total) under the Share Transfer Agreement, and have not rectified the same within 15 days after they have received the written notice from Huabao Flavours.

Based on the financial information of Shanghai Yifang, the actual net loss of Shanghai Yifang for the year ended 31 December 2023 amounted to approximately RMB65,755,900 (2022: net loss of approximately RMB41,940,000). The performance shortfall for the year ended 31 December 2023 amounted to approximately RMB120,755,900 (2022: approximately RMB82,940,000).

The actual performance of Shanghai Yifang for the years 2022 and 2023 did not meet the guaranteed profits provided by Qian Rong and Wong Kam Wing.

In addition, Qian Rong and Wong Kam Wing have not yet fulfilled their obligations by paying the second instalment of the capital increase amount (RMB7,095,700 in total) under the Share Transfer Agreement, and have not rectified the same within 15 days after they have received the written notice from Huabao Flavours.

董事會報告

根據股份轉讓協議，其中包括，華寶股份、錢戎及黃錦榮應按彼等各自於上海奕方的持股比例如期履行彼等的增資義務，以及錢戎及黃錦榮同意對華寶股份承擔業績承諾及補償義務。業績承諾期為三年，自2022年1月1日期至2024年12月31日止（「業績承諾期」）。上海奕方在業績承諾期的業績將為2022年合併淨利潤不低於人民幣4,100萬元、2023年合併淨利潤不低於人民幣5,500萬元及2024年合併淨利潤不低於人民幣7,400萬元。若業績承諾期屆滿後，上海奕方沒有實現業績承諾，錢戎與黃錦榮應在上海奕方2024年度審計報告出具後的15日內以現金方式對華寶股份進行補償。於本報告日期，錢戎及黃錦榮仍然未履行股份轉讓協議項下第二期增資款（合計人民幣709.57萬元）繳納義務，且在收到華寶股份書面通知後15日內仍未改正。

根據上海奕方的財務資料，上海奕方截至2023年12月31日止年度之實際淨虧損約為人民幣6,575.59萬元（2022年：淨虧損約人民幣4,194.00萬元）。截至2023年12月31日止年度之業績差額約為人民幣12,075.59萬元（2022年：約人民幣8,294.00萬元）。

上海奕方2022年及2023年的實際業績未達到錢戎及黃錦榮所提供的保證利潤。

此外，錢戎及黃錦榮尚未履行其在股份轉讓協議項下的第二期增資金額（合計人民幣7,095,700元）的繳納義務，且在收到華寶股份書面通知後15日內仍未改正。

Directors' Report

The Share Transfer Agreement did not provide any option for Huabao Flavours to sell the equity interests in Shanghai Yifang or any part thereof back to Qian Rong and Wong Kam Wing. However, the consideration will be adjusted after the expiry of the Performance Undertaking Period in accordance with the Share Transfer Agreement if Shanghai Yifang does not achieve the Performance Undertaking. As the failure of Qian Rong and Wong Kam Wing to fulfil their obligation by paying the second instalment of the capital increase amount in the previous period was already a serious breach of the terms agreed under the Share Transfer Agreement, and taking into account the fact that Shanghai Yifang sustained a loss during the Performance Undertaking Period, Huabao Flavours has applied to the Shanghai International Arbitration Center with Qian Rong and Wong Kam Wing as respondents for arbitration ("Arbitration"), requesting Qian Rong and Wong Kam Wing to compensate Huabao Flavours for liquidated damages, loss of expected benefits, and legal fees totaling RMB332.03 million, and to bear the corresponding legal costs of the Arbitration. Huabao Flavours received the "Notice of Acceptance" issued by the Shanghai International Arbitration Center on 9 August 2023.

As of the date of this report, as the Arbitration is still in the hearing stage, the Group is unable to accurately predict the final outcome of the Arbitration or evaluate the impact of the Arbitration on the Group's financial position. Should there be any further information regarding the Arbitration, the Company will make further announcements to inform the shareholders and the public as and when appropriate in accordance with relevant requirements.

Update on a Director's Biographical Details

References are made to the Company's announcements dated 5 July 2023 and 6 July 2023 respectively in relation to inside information and change in biographical details of Ms. CHOY Man Har ("Ms. Choy"), an executive director and deputy chief financial officer of the Company.

On 5 July 2023, the Independent Commission Against Corruption of Hong Kong ("ICAC") conducted a search at the business offices of the Company in Hong Kong. The Company provided certain files and records for the purpose of an ICAC investigation.

董事會報告

股份轉讓協議並無提供任何選擇，讓華寶股份向錢戎及黃錦榮售回於上海奕方的股權或其任何部分。然而，倘若上海奕方沒有實現業績承諾，則代價將於業績承諾期屆滿後根據股份轉讓協議作出調整。由於前期錢戎、黃錦榮未履行第二期增資金額的繳納義務已嚴重違反股份轉讓協議所協定條款，同時考慮到上海奕方在業績承諾期內持續虧損，華寶股份已以錢戎、黃錦榮為被申請人，向上海國際仲裁中心申請仲裁（「仲裁」），請求裁決錢戎、黃錦榮向華寶股份賠償違約金、預期利益損失、律師費合計人民幣3.3203億元，並承擔相應仲裁費用。華寶股份已於2023年8月9日收到上海國際仲裁中心出具的《受理通知》。

截至本報告日期，由於仲裁尚在聆訊階段，本集團無法準確預測仲裁的最終結果或評估仲裁對本集團財務狀況的影響。倘若仲裁有任何進一步的消息，本公司將根據相關要求於適當時候作出進一步公告，以知會股東及公眾人士。

更新董事履歷詳情

茲提述本公司日期分別為2023年7月5日及7月6日的公告，內容有關本公司執行董事兼副首席財務官蔡文霞女士（「蔡女士」）的內幕消息及履歷詳情變更。

於2023年7月5日，香港廉政公署（「廉政公署」）於本公司在香港的營業地點進行搜查。本公司提供若干文件及記錄作廉政公署調查之用。

Directors' Report

In addition, the Company has been informed that Ms. Choy was arrested on 5 July 2023 by ICAC in relation to offences under the Prevention of Bribery Ordinance (Cap. 201), Crimes Ordinance (Cap. 200) and the Organized and Serious Crimes Ordinance (Cap. 455) for investigation. On 6 July, Ms. Choy has been released on bail without any charge laid against her. The Company will monitor this matter and take necessary legal advice as appropriate.

EVENTS AFTER THE REPORTING PERIOD

Except for disclosed above and elsewhere in this report, there were no significant events after the reporting period.

MAJOR CUSTOMERS AND SUPPLIERS

For the Financial Year, the percentage of revenue from sales of goods or rendering services attributable to the Group's five largest customers in aggregate accounted for approximately 16.2% and the largest customer Yunnan Tobacco (Group) Company Limited contributed approximately 5.4% to the revenue from sales of goods or rendering services of the Group and the percentage of purchases attributable to the Group's five largest suppliers in aggregate accounted for approximately 15.0% and the largest supplier contributed approximately 7.4% to the purchases of the Group.

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, owned more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

董事會報告

此外，本公司已被告知，蔡女士於2023年7月5日被廉政公署就有關香港法例第201章《防止賄賂條例》、香港法例第200章《刑事罪行條例》、第455章《有組織及嚴重罪行條例》下的罪行拘捕以進行調查。於7月6日，蔡女士在未被起訴的情況下獲准保釋外出。本公司將監察此事宜，並於適當時候徵詢必要的法律意見。

報告期後事項

除上文及本報告另行披露外，本報告期後無重大事項。

主要客戶及供貨商

截至本財政年度，本集團五位最大客戶合計所佔本集團銷售貨品或提供服務的收入之百分比約為16.2%，而最大客戶雲南中煙物資(集團)有限責任公司則佔約為5.4%；本集團五位最大供應商合計所佔本集團採購額之百分比約為15.0%，而最大供應商則佔約為7.4%。

董事或其任何緊密聯繫人或任何股東(就董事所知，擁有5%以上本公司已發行股本者)，概無擁有本集團五大客戶及供應商之任何權益。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Group's connected transactions and continuing connected transactions are primarily classified based on (I) the connected transactions with Guangdong Tobacco Company; and (II) the continuing connected transactions between the Group and Broad Far Group.

(I) Connected transactions with Guangdong Tobacco Company

The Company indirectly holds approximately 55.375% equity interests in Guangdong Jinke, which is regarded as an indirect non-wholly owned subsidiary of the Company. Guangdong Tobacco holds 17.5% equity interest in Guangdong Jinke. Guangdong Tobacco Company are regarded as connected persons at the subsidiary level of the Company under the Listing Rules. Transactions between the Group and Guangdong Tobacco Company constitute connected transactions of the Company under the Listing Rules.

The Group did not enter into any framework agreement with any members of Guangdong Tobacco Company in 2022 and 2023.

References are made to the Company's announcements dated 23 February 2023, 27 June 2023, 29 August 2023 and 27 November 2023 respectively (collectively, the "Announcements"). Since one or more of the applicable percentage ratios of the transaction amounts of the transactions contemplated under the Purchase Orders (collectively, the "Purchase Orders") between members of the Group and members of Guangdong Tobacco Company for sale and purchase of flavours (tobacco flavours), tobacco raw materials, etc., on an aggregated basis, exceeds 1% but not more than 5%, such transactions contemplated under the Purchase Orders are subject to the reporting, annual review, and announcement requirements, but are exempt from the independent shareholders' approval requirements.

For the Financial Year, the actual transaction amount for the connected transactions between the Group and members of Guangdong Tobacco Company mentioned above was approximately RMB169.5 million (2022: approximately RMB167.6 million) which exceeded 1% but not more than 5% of the applicable percentage ratios.

關連交易及持續關連交易

本集團的關連交易及持續關連交易主要根據以下分類：(I)與廣東中煙公司的關連交易；及(II)本集團與博遠集團之間的持續關連交易。

(I) 與廣東中煙公司的關連交易

本公司間接持有廣東金科約55.375%股權，廣東金科被視為本公司的間接擁有非全資附屬公司。廣東中煙持有廣東金科17.5%股權。根據上市規則，廣東中煙公司被視為本公司附屬公司層面的關連人士。根據上市規則，本集團與廣東中煙公司之間的交易構成本公司的關連交易。

本集團於2022年度及2023年度未與廣東中煙公司任何成員公司簽訂任何框架協議。

茲提述本公司日期分別為2023年2月23日、2023年6月27日、2023年8月29日及2023年11月27日的公告(統稱為「該等公告」)。由於廣東中煙公司成員公司向本集團成員公司發出就有關銷售及購買香精(煙用香精)、煙用原料等的採購訂單(統稱「採購訂單」)項下擬進行交易的交易金額合計的適用百分比率超過1%但低於5%，故採購訂單項下擬進行的該等交易須遵守申報、年度審閱及公告的規定，惟獲豁免獨立股東批准的規定。

截至本財政年度，本集團與廣東中煙公司成員公司的上述關連交易的實際交易金額約為人民幣1.695億元(2022年：約人民幣1.676億元)，該適用百分比率超過1%但低於5%。

Set out below are the principal terms of the Purchase Orders placed by Guangdong Tobacco Company with members of the Group for the Financial Year, with an aggregate consideration of approximately RMB169.5 million:

Amount in RMB

Date of Purchase Order	Date of Acceptance of Purchase Order	Purchaser	Seller	Subject Matter	No. of Purchase Orders	Transaction Amount (exclusive of tax) 交易金額 (不含稅)	Transaction Amount (inclusive of tax) 交易金額 (含稅)
訂單日期	確認函日期	訂單甲方	訂單乙方	標的事項	訂單數量		
From 12 January 2023 to 21 December 2023	From 17 January 2023 to 28 December 2023	Guangdong Tobacco Company	The Group	Provision of tobacco raw materials by the Group to Guangdong Tobacco Company	126	169.5 million	191.3 million
2023年1月12日至2023年12月21日	2023年1月17日至2023年12月28日	廣東中煙公司	本集團	本集團向廣東中煙公司提供煙用生產原料	126	1.695億元	1.913億元

於本財政年度，廣東中煙公司向本集團成員公司下達總代價約為人民幣1.695億元的採購訂單的主要條款載列如下：

金額為人民幣

For all the Purchase Orders, payment of the transaction amounts was settled in arrears by cash transfer. Upon receipt of the Purchase Orders and in compliance with the internal control system, the Group would carry out transactions in accordance with the terms and conditions of the Sale Agreement.

The transactions between Guangdong Tobacco Company and the Group are subject to aggregation under the Listing Rules. The Company will continue to monitor the transaction amounts between the Group and Guangdong Tobacco Company and re-comply with all applicable reporting, disclosure and, if applicable and required, independent shareholders' requirements under Chapter 14A of the Listing Rules.

就所有採購訂單而言，交易金額均於事後以現金結清。收到採購訂單後，本集團在遵守內部控制體系的情況下，將根據銷售協議中的條款進行交易。

根據上市規則，廣東中煙公司與本集團之間的交易須進行合併計算。本公司將繼續監察本集團與廣東中煙公司的交易金額，並重新遵守上市規則第14A章項下所有適用的申報、披露及(如適用及需要)獨立股東批准的規定。

(II) Continuing connected transactions with Broad Far Group

On 14 March 2023, Chemactive entered into a framework agreement with Broad Far ("Framework Agreement"), pursuant to which Chemactive and its subsidiaries shall provide tobacco related raw materials and related services to Broad Far Group for a term of 2 years from 1 January 2023 to 31 December 2024 (both days inclusive). The price shall be based on implementation of bidding prices (if applicable) or market prices, i.e. prices and terms payable to Chemactive and its subsidiaries shall be no less favourable than those terms offered by independent third party customers for provision of similar products and services in its ordinary and usual course of business and other terms that are consistent with industry practice in general.

Chemactive is a wholly owned subsidiary of the Company. Broad Far is ultimately controlled and beneficially owned by Madam Chu and therefore is an associate of a connected person of the Company under the Listing Rules. Accordingly, transactions between the Group and Broad Far Group under the Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

The annual caps (details of which is set out in the Company's announcement dated 14 March 2023) under the Framework Agreement for the years ended 31 December 2023 and 2024 were set at not exceeding RMB18.0 million and RMB25.0 million respectively. Reference is made to the Company's announcement dated 27 October 2023, the Company has revised the annual cap under the Framework Agreement for the year ending 31 December 2023 to RMB33.5 million while the annual cap for the year ending 2024 was kept unchanged at RMB25 million. For details, please refer to the Company's announcements dated 27 October 2023.

For the Financial Year, the actual transaction amount under the Framework Agreement was approximately RMB30.9 million (2022: RMB13.9 million).

(II) 與博遠集團的持續關連交易

於2023年3月14日，Chemactive與博遠訂立框架協議（「框架協議」），據此，Chemactive及其附屬公司向博遠集團提供煙用相關原料及相關服務，期限由2023年1月1日起至2024年12月31日止（包括首尾兩日），為期兩年。定價將根據執行投標價格（如適用者）或執行當時的市場價格，即應付Chemactive及其附屬公司的價格及條款應不遜於在日常及一般業務過程中由獨立第三方客戶就提供類似產品及服務所提供的該等條款，而其他條款並與行業慣例一致。

Chemactive為本公司的全資附屬公司。博遠由朱女士最終控制及實益擁有，故此根據上市規則為本公司關連人士的聯繫人。因此，本集團與博遠集團之間於框架協議項下的交易根據上市規則構成本公司之持續關連交易。

框架協議項下截至2023年及2024年12月31日止年度之年度上限分別為不超過人民幣1,800萬元及人民幣2,500萬元（詳情載於本公司於2023年3月14日刊發的公告）。茲提述本公司日期為2023年10月27日的公告，本公司已將框架協議項下截至2023年12月31日止年度之年度上限修訂為人民幣3,350萬元，而截至2024年止年度之年度上限則維持不變，仍為人民幣2,500萬元。有關詳情，請參閱本公司日期為2023年10月27日之公告。

截至本財政年度，框架協議項下的實際交易金額約為人民幣3,090萬元（2022年：人民幣1,390萬元）。

Directors' Report

Annual review of continuing connected transactions

The aforesaid continuing connected transactions have been reviewed by the INEDs of the Company. The INEDs confirmed that the aforesaid continuing connected transactions had been entered into:

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

The Company has engaged the independent auditor, PricewaterhouseCoopers to report on the Group's abovementioned continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and with reference to Practice Note 740 'Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules' issued by the Hong Kong Institute of Certified Public Accountants. PricewaterhouseCoopers have issued to the Company their unqualified letter containing their findings and conclusions in respect of the abovementioned continuing connected transactions for the Financial Year in accordance with Rule 14A.56 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions entered into by the Group during the Financial Year are set out in Note 36 to the consolidated financial statements. None of these related party transactions constitutes a disclosable connected transaction as defined under the Listing Rules, except for the transactions described in this paragraph headed "Connected Transactions and Continuing Connected Transactions", in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Financial Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

董事會報告

持續關連交易的年度審議

上述持續關連交易已由本公司的獨立非執行董事審核。獨立非執行董事確認上述持續關連交易乃：

- (i) 屬本集團的一般及日常業務；
- (ii) 是按照一般商務條款或更佳條款進行；及
- (iii) 是根據有關交易的協議進行，條款公平合理，並且符合本公司股東的整體利益。

根據香港會計師公會發佈的香港鑒證業務準則3000號(經修訂)「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號「香港上市規則規定的持續關連交易的核數師函件」，本公司之獨立核數師羅兵咸永道會計師事務所已受聘對本集團上述截至本財政年度之持續關連交易作出報告，並已根據上市規則第14A.56條規定向本公司發出無保留意見函件，當中載有其發現和結論。

關聯方交易

本集團於本財政年度訂立之重大關聯方交易詳情載於綜合財務報表附註36。除於「關連交易及持續關連交易」一節所述的交易(而此等交易已遵守上市規則第14A章的披露規定)外，該等關聯方交易概無構成須予披露的關連交易(定義見上市規則)。

購買、出售或贖回本公司之上市證券

於本財政年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

Directors' Report

董事會報告

CORPORATE GOVERNANCE

Details of the Group's corporate governance practices are set out in the Corporate Governance Report on pages 42 to 71 of this annual report.

企業管治

本集團企業管治常規之詳情載於本年報第42至71頁之企業管治報告。

LEGAL PROCEEDINGS

Except for disclosed elsewhere in this report, as at 31 December 2023, none of the members of the Group was involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against any member of the Group.

法律訴訟

除本報告另行披露外，於2023年12月31日，本集團成員公司概無涉及任何重大訴訟或仲裁事項，亦無面臨任何待決的重大訴訟或索償。

PUBLIC FLOAT

Based on the information that was publicly available and to the best belief and knowledge of the Directors, the Company had maintained the prescribed public float throughout the Financial Year and up to the date of this report as required under the Listing Rules.

公眾持股量

根據可供公眾查閱之資料以及據董事所知和所信，於本財政年度整年內及截至本報告日，本公司均維持上市規則所規定之公眾持股量。

AUDITORS

The consolidated financial statements for the Financial Year have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM of the Company.

核數師

本財政年度之綜合財務報表已經由羅兵咸永道會計師事務所審核，該核數師將任滿告退，惟彼符合資格並願於本公司應屆股東週年大會上應聘連任。

By Order of the Board

CHU Lam Yiu

Chairlady

承董事會命

朱林瑤

主席

Hong Kong, 26 March 2024

香港，二零二四年三月二十六日



羅兵咸永道

TO THE SHAREHOLDERS OF HUABAO INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

致華寶國際控股有限公司股東

(於百慕達註冊成立的有限公司)

OPINION

What we have audited

The consolidated financial statements of Huabao International Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 131 to 271, comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

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

意見

我們已審計的內容

華寶國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第131至271頁的綜合財務報表，包括：

- 於二零二三年十二月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括重大會計政策信息及其他解釋信息。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零二三年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

Independent Auditor's Report

BASIS FOR OPINION

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

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

Independence

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

獨立核數師報告

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

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

Independent Auditor's Report

獨立核數師報告

The key audit matter identified in our audit is related to Impairment of goodwill:

我們在審計中識別的關鍵審計事項為商譽減值：

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>Impairment of goodwill</p> <p>Refer to Note 4 (Critical accounting estimates and judgements) and Note 9 (Intangible assets) to the consolidated financial statements, as at 31 December 2023, the Group had a total cost of goodwill balance amounting to RMB5,953,293,000 which was arisen from acquisitions in previous years. As at 31 December 2023, an accumulated impairment of RMB2,389,346,000 has been recognised. Impairment charge amounting to RMB56,502,000 was recognised in current year, of which RMB37,420,000 was in respect of the CGUs of Yancheng City Chunzhu Aroma Co., Ltd ("Yancheng Chunzhu"), RMB13,504,000 in respect of the CGUs of Jiangxi Xianghai Biological Technology Co.,Ltd ("Jiangxi Xianghai"), and RMB5,578,000 in respect of the CGUs of Shanghai Yifang Rural Technology Holdings Co.,Ltd. and its subsidiaries ("Shanghai Yifang"), respectively.</p>	<p>Our procedures in relation to management's impairment assessment of goodwill included:</p> <ul style="list-style-type: none"> - We understood, evaluated and tested management's process and controls in respect of the impairment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias or fraud. - We evaluated the historical accuracy of the plan and forecast by, for example, comparing the forecast used in the prior year model to the actual performance of the business in the current year. 	<p>商譽減值</p> <p>如綜合財務報表附註4(關鍵會計估計及判斷)和附註9(無形資產)所述，貴集團於二零二三年十二月三十一日，於以前年度收購產生的商譽的賬面價值為人民幣5,953,293,000元。截至二零二三年十二月三十一日，貴集團累計確認商譽減值為人民幣2,389,346,000元。本年度確認商譽減值為人民幣56,502,000元，其中鹽城市春竹香料有限公司(「鹽城春竹」)所屬現金產生單位確認商譽減值為人民幣37,420,000元，江西香海生物科技有限公司(「江西香海」)所屬現金產生單位確認商譽13,504,000元，上海奕方農業科技股份有限公司及其附屬公司(「上海奕方」)所屬現金產生單位確認商譽減值為人民幣5,578,000元。</p>	<p>我們就管理層商譽減值評估進行的程序包括：</p> <ul style="list-style-type: none"> - 我們瞭解、評估及測試與商譽減值相關的內部控制，並通過考慮估計不確定性的程度和其他固有風險因素的水準如複雜性、主觀性、變化和管理層偏向或舞弊的敏感性，評估了重大錯報的固有風險。 - 通過比較前一年模型中的預測與本年度業務的實際表現評估管理層作出預測的歷史準確性。

Independent Auditor's Report

獨立核數師報告

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>Management tests at least annually whether goodwill is subject to any impairment, in accordance with the accounting policy stated in Note 2.6 and Note 2.7. The recoverable amount of CGUs has been determined based on the higher of their fair value less costs of disposal and their value in use amounts.</p> <p>We focus on auditing the impairment of goodwill including the related disclosures because the estimation of recoverable amount is subject to high degree of estimation uncertainty. The inherent risk in relation to the impairment of goodwill is considered significant due to subjectivity of significant assumptions used, including budgeted gross margin, estimated pre-tax discount rate and forecast and terminal growth rates, and significant judgements involved in selecting data.</p>	<ul style="list-style-type: none"> - We assessed whether the identification of CGUs and allocation of goodwill for impairment assessment aligned with our understanding of the Group's business activities. - We obtained valuation reports issued by independent valuers engaged by management. - We assessed the independence, professional competence and objectivity of independent valuers. - We evaluated the appropriateness of the goodwill impairment testing methodology adopted by management with the involvement of our in-house experts. 	<p>管理層根據附註2.6及附註2.7所述的會計政策至少每年測試商譽是否遭致任何減值。現金產生單位的可回收金額已根據公允價值減去處置費用及使用價值兩者中的較高者計算釐定。</p> <p>我們關注商譽減值包括相關披露的審計是因為可回收金額的估計受高度估計不確定性的影響。商譽減值涉及的固有風險被認為是重大的，因為其採用重大假設的主觀性，其中包括預測毛利率、稅前貼現率、預測銷售增長率、永續增長率和選擇數據時涉及的重大判斷。</p>	<ul style="list-style-type: none"> - 評估現金產生單位的識別及商譽的減值評估分配是否與我們對貴集團業務活動的理解一致。 - 獲取管理層聘請的獨立評估機構出具的評估報告。 - 對獨立評估機構的獨立性、專業勝任能力以及客觀性進行評估。 - 在內部專家的協助下評估了管理層採用的商譽減值測試方法的適當性。

Independent Auditor's Report

獨立核數師報告

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
	<ul style="list-style-type: none"> We evaluated the underlying key assumptions of budgeted gross margin and forecast and terminal growth rates used in the cash flow forecast taking into account historical results and market developments. 		<ul style="list-style-type: none"> 基於歷史表現及市場發展趨勢，對未來現金流量預測所使用的預測毛利率、預測期收入增長及永續增長率的關鍵假設進行評估。
	<ul style="list-style-type: none"> We evaluated the reasonableness of the pre-tax discount rate used in the calculation by evaluating the cost of capital of the respective CGUs, referring to comparable companies (e.g. capital structure, etc.) and taking into account the specific circumstances of the respective CGUs, and comparing with the industry or market data. 		<ul style="list-style-type: none"> 通過比較行業及市場數據，參考可比公司的情況(如資本結構等)並結合各資產組及資產組組合的具體情況，重新計算了各資產組及資產組組合的加權平均資本成本，以評估管理層採用的稅前折現率的合理性。
	<ul style="list-style-type: none"> We evaluated management's sensitivity analysis of the key assumptions in the goodwill impairment assessment, including budgeted gross margin, estimated pre-tax discount rate and forecast and terminal growth rates. 		<ul style="list-style-type: none"> 評估了管理層對關鍵假設(包括毛利率、稅前折現率、收入增長率、及永續增長率)的敏感性分析。

Independent Auditor's Report

獨立核數師報告

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
	<ul style="list-style-type: none">– We also considered whether the judgements made in selecting data would give rise to indicators of possible management bias.– We tested the mathematical accuracy of the underlying value in use calculation.– We assessed the adequacy of the disclosures related to the impairment of goodwill in the context of the applicable financial reporting framework. <p>We considered that management's significant judgements and assumptions applied in the assessment of impairment of goodwill were supportable by the evidence we obtained.</p>		<ul style="list-style-type: none">– 考慮了在選擇資料時所作的判斷是否可能表明存在管理層偏向。– 測試了未來現金流量的現值計算過程中的計算準確性。– 評估了商譽減值相關披露的充分性。 <p>我們發現管理層對減值評估的重要判斷及估計可以被獲得的證據及執行的程序所支持。</p>

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

獨立核數師報告

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

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

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

董事及審計委員會就綜合財務報表須承擔的責任

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

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

審計委員會須負責監督 貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

核數師就審計綜合財務報表承擔的責任

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

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

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

Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

獨立核數師報告

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

Independent Auditor's Report

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chow Sai Keung.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 March 2024

獨立核數師報告

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

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

出具本獨立核數師報告的審計項目合夥人是周世強。

羅兵咸永道會計師事務所
執業會計師

香港，二零二四年三月二十六日

Consolidated Statement of Financial Position

(All amounts in RMB thousands unless otherwise stated)

綜合財務狀況表

(除另有指明者外，所有金額均以人民幣千元列示)

		As at 31 December 於 12 月 31 日		
		Note 附註	2023 2023 年	2022 2022 年
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	6	2,193,713	2,042,644
Right-of-use assets	使用權資產	7	374,411	385,498
Investment properties	投資性物業	8	27,382	27,332
Intangible assets	無形資產	9	4,187,984	4,322,720
Investments in associates	於聯營公司之投資	10	432,442	691,748
Investments in jointly controlled entities	於共同控制實體之投資	11	22,130	19,802
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他全面收益之金融資產	13	10,378	16,006
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產	17	190,136	253,058
Deferred income tax assets	遞延所得稅資產	14	205,579	152,524
Other non-current assets	其他非流動資產		-	8,634
			7,644,155	7,919,966
Current assets	流動資產			
Biological assets	生物資產		210	1,470
Inventories	存貨	15	994,592	1,020,023
Trade and other receivables	貿易及其他應收款項	16	930,782	1,242,178
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他全面收益之金融資產	13	23,168	49,794
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產	17	3,869,711	1,637,613
Cash and bank balances	現金及銀行存款	18	2,539,493	4,747,978
			8,357,956	8,699,056
Total assets	總資產		16,002,111	16,619,022
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備			
Share capital	股本	19	328,619	328,619
Reserves	儲備	21	4,248,159	4,380,460
Retained earnings	保留盈利	22	7,903,653	7,941,787
			12,480,431	12,650,866
Non-controlling interests	非控制性權益		1,790,706	1,906,572
Total equity	總權益		14,271,137	14,557,438

Consolidated Statement of Financial Position

(All amounts in RMB thousands unless otherwise stated)

綜合財務狀況表

(除另有指明者外，所有金額均以人民幣千元列示)

		As at 31 December 於 12 月 31 日		
		Note 附註	2023 2023 年	2022 2022 年
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	貸款	24	36,000	–
Financial liability for non-controlling interest put option	非控制性權益認沽期權 金融負債	23	147,656	131,836
Lease liabilities	租賃負債	7	28,365	37,290
Deferred income tax liabilities	遞延所得稅負債	14	124,960	125,368
Other payables	其他應付款項	25	11,446	12,163
			348,427	306,657
Current liabilities	流動負債			
Borrowings	貸款	24	419,250	677,700
Lease liabilities	租賃負債	7	16,554	23,480
Trade and other payables	貿易及其他應付款項	25	613,899	722,135
Current income tax liabilities	當期所得稅負債		172,012	215,650
Contract liabilities	合同負債	5	160,832	115,962
			1,382,547	1,754,927
Total liabilities	總負債		1,730,974	2,061,584
Total equity and liabilities	總權益及負債		16,002,111	16,619,022

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

上述綜合財務狀況表應與相應附註一併閱讀。

The financial statements on pages 131 to 271 were approved by the Board of Directors on 26 March 2024 and were signed on its behalf.

第 131 至 271 頁的財務報表已於 2024 年 3 月 26 日獲董事局批准並簽字。

Mr. XIA Liqun
夏利群先生
Director
董事

Mr. LAM Ka Yu
林嘉宇先生
Director
董事

Consolidated Income Statement

(All amounts in RMB thousands unless otherwise stated)

綜合收益表

(除另有指明者外，所有金額均以人民幣千元列示)

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2023 2023 年	2022 2022 年
Revenue	營業額	5	3,307,839	3,828,984
Cost of goods sold	銷售成本	27	(1,838,474)	(1,951,421)
Gross profit	毛利		1,469,365	1,877,563
Other income and other gains – net	其他收入及其他收益－淨額	26	146,608	212,812
Selling and marketing expenses	銷售及市場推廣開支	27	(326,809)	(344,405)
Administrative expenses	行政費用	27	(830,866)	(825,959)
Impairment of goodwill	商譽減值	9	(56,502)	(1,507,710)
Net impairment losses on financial assets	金融資產減值損失淨額		(23,745)	(20,276)
Operating profit/(loss)	營運盈利／(虧損)		378,051	(607,975)
Finance income	財務收入		84,952	71,791
Finance costs	融資成本		(24,846)	(37,970)
Finance income – net	財務收入－淨額	29	60,106	33,821
Share of results of associates and jointly controlled entities	應佔聯營公司及共同控制實體之業績	10, 11	59	(7,056)
Provision for impairment relating to the investment in an associate	聯營公司投資之減值撥備	10	(22,291)	(139,000)
Profit/(loss) before income tax	除稅前盈利／(虧損)		415,925	(720,210)
Income tax expense	所得稅開支	30	(125,442)	(180,840)
Profit/(loss) for the year	本年度盈利／(虧損)		290,483	(901,050)
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		233,633	(1,054,547)
Non-controlling interests	非控制性權益		56,850	153,497
			290,483	(901,050)
Earnings/(loss) per share for profit/(loss) attributable to the Company's equity holders for the year	本年度本公司權益持有人應佔的每股盈利／(虧損)		RMB cents 人民幣分	RMB cents 人民幣分
Basic and diluted	基本及攤薄	31	7.23	(32.65)

The above consolidated income statement should be read in conjunction with the accompanying notes. 上述綜合收益表應與相應附註一併閱讀。

Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

綜合全面收益表

(除另有指明者外，所有金額均以人民幣千元列示)

		Year ended 31 December 截至 12 月 31 日止年度	
		2023 2023 年	2022 2022 年
Profit/(loss) for the year	本年度盈利／(虧損)	290,483	(901,050)
Other comprehensive income:	其他全面收益：		
<i>Items that will not be reclassified to profit or loss</i>	<i>不可重新分類至損益的項目</i>		
Fair value changes of equity investments at fair value through other comprehensive income, net of tax	以公允價值計量且其變動計入其他全面收益之權益投資之除稅後公允價值變動	(183,855)	(1,583)
Currency translation differences of the Company and its non-foreign operations	本公司及其非海外業務之貨幣換算差額	39,307	107,178
<i>Items that may be reclassified to profit or loss</i>	<i>可重新分類至損益的項目</i>		
Currency translation differences of foreign operations	海外業務之貨幣換算差額	39	(2,762)
Other comprehensive (loss)/ income for the year, net of tax	本年度除稅後其他全面(虧損)／收益	(144,509)	102,833
Total comprehensive income/ (loss) for the year, net of tax	本年度除稅後全面收益／(虧損)總額	145,974	(798,217)
Total comprehensive income/ (loss) attributable to:	應佔全面收益／(虧損)總額：		
Equity holders of the Company	本公司權益持有人	77,810	(958,614)
Non-controlling interests	非控制性權益	68,164	160,397
		145,974	(798,217)

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

上述綜合全面收益表應與相應附註一併閱讀。

Consolidated Statement of Changes in Equity

(All amounts in RMB thousands unless otherwise stated)

綜合權益變動表

(除另有指明者外，所有金額均以人民幣千元列示)

Attributable to equity holders of the Company
本公司權益持有人應佔

		Note 附註	Share capital 股本	Reserves 儲備	Retained earnings 保留盈利	Total 總計	Non- controlling interests 非控制性權益	Total equity 總權益
Balance at 1 January 2022	於 2022 年 1 月 1 日		328,619	4,387,519	9,168,518	13,884,656	1,834,163	15,718,819
Fair value changes on financial assets at fair value through other comprehensive income, net of tax	以公允價值計量且其變動計入其他全面收益之金融資產之除稅後的公允價值變動	21	-	(1,583)	-	(1,583)	-	(1,583)
Currency translation differences	貨幣換算差額		-	97,516	-	97,516	6,900	104,416
Loss for the year	本年度虧損		-	-	(1,054,547)	(1,054,547)	153,497	(901,050)
Total comprehensive loss for the year ended 31 December 2022	截至 2022 年 12 月 31 日止年度的全面虧損總額		-	95,933	(1,054,547)	(958,614)	160,397	(798,217)
Transactions with owners in their capacity as owners:	與本公司擁有人的交易：							
Appropriations from net profit	自純利撥付	21, 22	-	21,523	(21,523)	-	-	-
Dividends paid to non-controlling interests	向非控制性權益支付的股息		-	-	-	-	(208,646)	(208,646)
Share-based payment – Value of employee services	股份為基礎的支付 – 僱員服務價值	20	-	3,713	-	3,713	-	3,713
Acquisitions of additional equity interests in non wholly-owned subsidiaries from non-controlling interests	向非控制性權益收購非全資附屬公司之額外股權		-	(27,566)	-	(27,566)	(66,962)	(94,528)
Acquisition of equity interest in Shanghai Yifang Rural Technology Holdings Co., Ltd. and its subsidiaries (“Shanghai Yifang”)	收購上海奕方農業科技股份有限公司及其附屬公司（「上海奕方」）之股權		-	-	-	-	165,777	165,777
Additional investment in a non wholly-owned subsidiary of Shanghai Yifang	額外注資於上海奕方之非全資附屬公司		-	(6,530)	-	(6,530)	20,722	14,192
Disposal of Xinjiang Huabao Natural Biological Technology Co., Ltd (“Xinjiang Huabao”)	處置新疆華寶天然生物科技股份有限公司（「新疆華寶」）		-	-	-	-	1,121	1,121
Put option liability arising from business combination	業務合併產生之認沽期權負債	23	-	(119,887)	-	(119,887)	-	(119,887)
Final dividends for the year ended 31 December 2021 paid to shareholders	向股東支付截至 2021 年 12 月 31 日止年度之年末股息		-	-	(54,821)	(54,821)	-	(54,821)
Special dividends for the six months ended 30 June 2022 paid to shareholders	向股東支付截至 2022 年 6 月 30 日止六個月之特別股息	32	-	-	(95,840)	(95,840)	-	(95,840)
Dilution of investment in an associate	於聯營公司之投資的股權稀釋		-	25,755	-	25,755	-	25,755
Total transactions with owners	與擁有人交易總額		-	(102,992)	(172,184)	(275,176)	(87,988)	(363,164)
Balance at 31 December 2022	於 2022 年 12 月 31 日		328,619	4,380,460	7,941,787	12,650,866	1,906,572	14,557,438

Consolidated Statement of Changes in Equity

(All amounts in RMB thousands unless otherwise stated)

綜合權益變動表

(除另有指明者外，所有金額均以人民幣千元列示)

		Attributable to equity holders of the Company 本公司權益持有人應佔					Total equity 總權益
	Note 附註	Share capital 股本	Reserves 儲備	Retained earnings 保留盈利	Non- controlling interests 非控制性權益	Total 總計	
Balance at 1 January 2023	於 2023 年 1 月 1 日	328,619	4,380,460	7,941,787		12,650,866	
Fair value changes on financial assets at fair value through other comprehensive income, net of tax	以公允價值計量且其變動計入其他全面收益之金融資產之除稅後的公允價值變動	21	-	(183,855)	-	(183,855)	
Currency translation differences	貨幣換算差額	-	28,032	-	11,314	39,346	
Profit for the year	本年度盈利	-	-	233,633	56,850	290,483	
Total comprehensive income for the year ended 31 December 2023	截至 2023 年 12 月 31 日止年度的全面收益總額	-	(155,823)	233,633	68,164	145,974	
Transactions with owners in their capacity as owners:	與本公司擁有人的交易：						
Appropriations from net profit	自純利撥付	21, 22	-	19,419	(19,419)	-	
Dividends paid to non-controlling interests	向非控制性權益支付的股息	-	-	-	(184,030)	(184,030)	
Share-based payment- Value of employee services	股份為基礎的支付- 僱員服務價值	20	-	4,103	-	4,103	
Special dividends for the year ended 31 December 2022 paid to shareholders	向股東支付截至 2022 年 12 月 31 日止年度之特別股息	32	-	-	(148,866)	(148,866)	
Interim dividends for the six months ended 30 June 2023 paid to shareholders	向股東支付截至 2023 年 6 月 30 日止六個月之中期股息	32	-	-	(47,306)	(47,306)	
Special dividends for the six months ended 30 June 2023 paid to shareholders	向股東支付截至 2023 年 6 月 30 日止六個月之特別股息	32	-	-	(56,176)	(56,176)	
Total transactions with owners	與擁有人交易總額	-	23,522	(271,767)	(248,245)	(432,275)	
Balance at 31 December 2023	於 2023 年 12 月 31 日	328,619	4,248,159	7,903,653	1,790,706	14,271,137	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與相應附註一併閱讀。

Consolidated Statement of Cash Flows

綜合現金流量表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2023 2023 年	2022 2022 年
Cash flows from operating activities	營運活動之現金流量			
Cash generated from operations	營運產生之現金	33(a)	1,186,645	1,029,918
Income tax paid	已付所得稅		(221,379)	(231,172)
Net cash generated from operating activities	營運活動產生之現金淨額		965,266	798,746
Cash flows from investing activities	投資活動的現金流量			
Acquisition of a subsidiary	收購附屬公司		–	(79,233)
Acquisitions of equity interest in associates	購入聯營公司之股權		–	(9,200)
Proceeds from disposal of a subsidiary and associates	出售附屬公司及聯營公司所得款		14,837	–
Purchases of financial assets at fair value through profit or loss	購入以公允價值計量且其變動計入損益之金融資產		(13,551,646)	(15,011,795)
Proceeds from disposal of financial assets at fair value through profit or loss	出售以公允價值計量且其變動計入損益之金融資產所得款項		11,378,162	16,747,528
Purchases of right-of-use assets for land use rights	購入土地使用權相關之使用權資產		(15,558)	(55,803)
Purchases of property, plant and equipment and intangible assets	購入物業、機器及設備及無形資產		(446,111)	(434,993)
Purchases of investment properties	購入投資性物業		(788)	(27,734)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	33(b)	15,545	18,001
Short-term deposits placed	存入短期存款		(95,760)	–
Dividends received	已收股息		12,776	8,553
Interest received	已收利息		83,857	88,715
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額		(2,604,686)	1,244,039

Consolidated Statement of Cash Flows

綜合現金流量表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Year ended 31 December 截至12月31日止年度		
		Note 附註	2023 2023年	2022 2022年
Cash flows from financing activities	融資活動的現金流量			
Final dividends for the year ended 31 December 2021 paid to shareholders	向股東支付截至2021年12月31日止年度之期末股息		-	(54,821)
Special dividends for the six months ended 30 June 2022 paid to shareholders	向股東支付截至2022年6月30日止六個月之特別股息		-	(95,840)
Special dividends for the year ended 31 December 2022 paid to shareholders	向股東支付截至2022年12月31日止年度之特別股息		(148,866)	-
Interim dividends for the six months ended 30 June 2023 paid to shareholders	向股東支付截至2023年6月30日止六個月之中期股息		(47,306)	-
Special dividends for the six months ended 30 June 2023 paid to shareholders	向股東支付截至2023年6月30日止六個月之特別股息		(56,176)	-
Dividends paid to non-controlling interests	向非控制性權益支付股息		(184,030)	(194,454)
Acquisitions of additional equity interests in non wholly-owned subsidiaries from non-controlling interests	向非控制性權益收購非全資附屬公司之額外股權		-	(94,528)
Decrease/(increase) in deposit for short-term borrowings	短期貸款保證金減少／(增加)		18,650	(75,800)
New bank borrowings raised	新增銀行貸款	33(c)	632,550	750,590
Repayment of bank borrowings	償還銀行貸款	33(c)	(855,000)	(1,179,178)
Principal elements of lease payments	支付租賃付款之本金部分	33(c)	(24,880)	(26,987)
Interest elements of lease payments	支付租賃付款之利息部分	33(c)	(1,550)	(1,735)
Interest paid related to bank borrowings and others	與銀行貸款及其他相關之已付利息		(7,588)	(24,882)
Net cash used in financing activities	融資活動所用之現金淨額		(674,196)	(997,635)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)／增加淨額		(2,313,616)	1,045,150
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物		4,668,475	3,541,425
Effects of exchange rate change on cash and cash equivalents	貨幣換算對現金及現金等價物的影響		26,169	81,900
Cash and cash equivalents at the end of the year	年末之現金及現金等價物		2,381,028	4,668,475

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述綜合現金流量表應與相應附註一併閱讀。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

1. GENERAL INFORMATION

Huabao International Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “Group”) are mainly engaged in the research and development, production, distribution and sale of flavours and fragrances, and food ingredients, tobacco raw materials, aroma raw materials and condiment products in the People’s Republic of China (the “PRC”). Ms. Chu Lam Yiu (“Ms.Chu”), who is the Chairlady of the Board of Directors, holds approximately 71% beneficial equity interest in the Company as at 31 December 2023.

These consolidated financial statements are presented in thousands of units of RMB (“RMB’000”) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 26 March 2024.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

1. 一般資料

華寶國際控股有限公司(「本公司」)於百慕達註冊成立為獲豁免有限公司。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司的股份主要於香港聯合交易所有限公司上市。

本公司為投資控股公司。本公司及其附屬公司(「本集團」)之業務主要在中華人民共和國(「中國」)研究及發展(「研發」)、生產、分銷及銷售香精、食品配料、煙用原料、香原料及調味品產品。朱林瑤女士(「朱女士」)乃本公司之董事局主席，於2023年12月31日，朱女士持有本公司約71%之權益。

本綜合財務報表除另有指明者外，均以人民幣千元(「人民幣千元」)列示。本綜合財務報表已於2024年3月26日獲董事會批准刊發。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

(a) Compliance with Hong Kong Financial Reporting Standards (“HKFRS”) and the Hong Kong Companies Ordinance (“HKCO”)

The consolidated financial statements of the Group have been prepared in accordance with HKFRS as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the HKCO Cap. 622.

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the HKICPA

(b) Historical cost convention

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (“FVOCI”) and financial assets at fair value through profit or loss (“FVPL”), which are carried at fair value.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要

編製本綜合財務報表所應用的重大會計政策載於下文。除另有說明者外，此等政策在所呈報的所有年度內貫徹應用。本綜合財務報表為由本公司及其附屬公司組成的集團報告。

2.1 編製基準

(a) 遵守香港財務報告準則(「香港財務報告準則」)及香港公司條例(「香港公司條例」)

本集團的綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則及香港公司條例第622章的披露規定編製。

香港財務報告準則由以下權威文獻組成：

- 香港財務報告準則
- 香港會計準則
- 由香港會計師公會制定的詮釋

(b) 歷史成本法

本集團之綜合財務報表乃按歷史成本法編製，而以公允價值計量且其變動計入其他全面收益的金融資產以及公允價值計量且其變動計入損益的金融資產則按公允價值例賬。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(c) *New and amended standards adopted by the Group*

The Group has applied the following amendments or annual improvements for the first time for their annual reporting period commencing 1 January 2023:

- HKFRS 17 Insurance Contracts
- Definition of Accounting Estimates – amendments to HKAS 8
- International Tax Reform – Pillar Two Model Rules – amendments to HKAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to HKAS 12
- Disclosure of Accounting Policies – amendments to HKAS 1 and HKFRS Practice Statement 2

The amendments listed above did not have material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.1 編製基準(續)

(c) *本集團已採納的新準則及準則修訂*

本集團於2023年1月1日起的年度報告期內，首次採納以下準則修訂或年度改進：

- 香港財務報告準則第17號保險合同
- 會計估計的定義 – 香港會計準則第8號修訂
- 國際稅務改革 – 第二支柱示範規則 – 香港會計準則第12號的修訂
- 與單一交易所產生的資產及負債相關之遞延所得稅 – 香港會計準則第12號的修訂
- 會計政策披露 – 香港會計準則第1號及香港財務報告準則實務說明第2號的修訂

上述準則修訂對以前期間確認的金額沒有重大影響，並預計不會對當期或未來期間產生重大影響。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(d) *New and amended standards and interpretations not yet adopted*

The following new and amended standards and interpretations have been issued but are not yet effective and have not been early adopted by the Group:

		Effective for the financial year beginning on or after
		於下列日期或之後開始的財政年度起生效
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2024
香港會計準則第1號修訂	流動負債及非流動負債之分類	2024年1月1日
Amendments to HKAS 1	Non-current Liabilities with covenants	1 January 2024
香港會計準則第1號修訂	有承諾條款之非流動負債	2024年1月1日
Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
香港財務報告準則第16號修訂	售後回租之租賃負債	2024年1月1日
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements	1 January 2024
香港會計準則第7號及香港財務報告準則第7號修訂	供應商融資安排	2024年1月1日
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
香港詮釋第5號(修訂)	財務報表之呈列 – 借款人對有償還要求條款之有期貨款之分類	2024年1月1日
Amendment to HKFRS 21	Lack of Exchangeability	1 January 2025
香港財務報告準則第21號修訂	缺乏可交換性	2025年1月1日
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
香港財務報告準則第10號及香港會計準則第28號修訂	投資者與其聯營公司或合營企業之間的資產出售或出資	待定

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.1 編製基準(續)

(d) *尚未採納之新準則、準則修訂及詮釋*

本集團並無提早採納以下已公佈但仍未生效的新準則、準則修訂及詮釋：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(d) *New and amended standards and interpretations not yet adopted (Continued)*

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors of the Company, these standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

(a) *Subsidiaries*

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

Inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.1 編製基準(續)

(d) *尚未採納之新準則、準則修訂及詮釋(續)*

本集團已開始評估這些新訂或經修訂的準則、修訂和對現有準則的詮釋的影響，其中某些與本集團的運作相關。根據本公司董事的初步評估，預計該等準則、修訂或詮釋不會對本集團當前或未來報告期間以及可預見的未來交易產生重大影響。

2.2 綜合賬目

(a) *附屬公司*

附屬公司指本集團對其有控制權的所有實體(包括結構性實體)。當本集團乃由於參與該實體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其指導該實體活動的權力影響此等回報時，本集團即控制該實體。附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

集團內公司之間的交易、結餘及交易的未變現利得予以對銷。未變現損失亦予以對銷，除非交易提供所轉撥資產的減值證據。子公司報告的金額已按需要作出調整，以確保與本集團採用的政策符合一致。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

(i) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.2 綜合賬目(續)

(a) 附屬公司(續)

(i) 業務合併

收購法乃用作本集團收購附屬公司的入賬方法。收購附屬公司的轉讓代價為本集團所轉讓資產、所產生負債及所發行的股權的公允價值。所轉讓代價包括或有代價安排所產生的任何資產或負債的公允價值及任何先前存在於附屬公司股權的公允價值。於業務合併時所收購可識別的資產以及所承擔的負債及或然負債，初步按收購日的公允價值計量。

就逐項收購基準，本集團可按公允價值或按非控制性權益應佔被收購方淨資產的比例，計量被收購方的非控制性權益。非控制性權益的所有其他組成部份按收購日期的公允價值計量，除非香港財務報告準則規定必須以其他計量基準計算。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

(i) Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 either in profit or loss or as a change to other comprehensive income.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.2 綜合賬目(續)

(a) 附屬公司(續)

(i) 業務合併(續)

收購的相關成本在產生時支銷。

如業務合併分階段進行，收購方之前在被收購方持有的權益按收購日期的公允價值需重新計量，重新計量產生的任何盈虧在損益中確認。

集團將轉讓的任何或有對價按收購日期的公允價值計量。被視為資產或負債的或有對價公允價值的其後變動，根據香港財務報告準則第9號的規定，在損益中或作為其他全面收益的變動確認。

所轉讓對價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日的公允價值，超過所購入可辨識淨資產的數額記錄為商譽。如所轉讓對價、確認的任何非控制性權益及之前持有的權益計量，低於購入附屬公司淨資產的公允價值，則將該數額直接在收益中確認。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

(ii) Changes in ownership interests

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.2 綜合賬目(續)

(a) 附屬公司(續)

(ii) 所有者權益變動

當集團因喪失控制權、共同控制權或重大影響而不再持有控制權或投資的權益，在實體的任何保留權益重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他全面收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他全面收益中確認的數額重新分類至損益或根據香港財務報告準則的相關要求轉移至權益的其他類別。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(b) Associates

An associate is an entity over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.2 綜合賬目(續)

(b) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權或共同控制權的實體，通常附帶有20%至50%投票權的股權。於聯營公司之投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營公司之投資包括收購時已識辨之商譽。在購買聯營企業的投資時，購買成本與本集團享有的對聯營企業可辨認資產和負債的公允價值淨額的差額確認為商譽。

如聯營公司的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他全面收益中確認的數額重新分類至損益(如適當)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(b) Associates (Continued)

The Group's share of post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in consolidated other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in provision for impairment relating to the investment in an associate in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.2 綜合賬目(續)

(b) 聯營公司(續)

本集團應佔收購後聯營公司的盈利或虧損於綜合收益表內確認，而應佔收購後的其他全面收益表變動則於其他全面收益表內確認，並相應調整賬面值。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會進一步確認虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團計算減值，數額為聯營公司可收回金額與其賬面值的差額，並在收益表中聯營公司投資之減值撥備確認。

本集團與其聯營公司之間的上游及下游交易的盈虧，在本集團的財務報表中確認，但僅限於無關連投資者在聯營公司權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在聯營公司的攤薄盈虧於綜合收益表內確認。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(c) *Jointly controlled entity*

Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed to ensure consistency with the policies adopted by the Group.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.2 綜合賬目(續)

(c) *共同控制實體*

在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合同權益和義務而定，不是合營安排的法律結構。本公司已評估其合營安排的性質並釐定為合營企業。合營企業按權益法入賬。

根據權益法，合營企業權益初始以成本確認，其後經調整以確認本集團應佔收購後的盈利或虧損及在其他全面收益變動。當本集團享有某一合營企業的虧損超過或相等於在該合營企業的權益(包括任何實質上構成本集團在該合營淨投資的長期權益)，則本集團不會進一步確認虧損，除非本集團已產生義務或已代合營企業付款。

本集團與其合營企業之間的未變現交易盈利乃按本集團在該等合營企業的權益予以對銷。未變現虧損也予以對銷，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策已按需要作出改變，以確保與本集團所採納的政策符合一致。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Foreign exchange gains and losses are presented in the consolidated income statement within other income and other gains – net.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.3 外幣換算

(a) 功能和列賬貨幣

本集團每個主體的財務報表所列項目均以該主體經營所在的主要經濟環境的貨幣計量(「功能貨幣」)。本公司的功能貨幣為港幣，本集團的大部份附屬公司於中國營運及其功能貨幣為人民幣。而本綜合財務報表按本集團之列報貨幣人民幣列報。

(b) 交易及結餘

外幣交易均按當日的匯率交易或項目重新計量時按估值換算為功能貨幣。除了現金流對衝或淨投資對衝造成的匯兌盈虧，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在綜合收益表內確認。

其他匯兌盈虧在綜合收益表內的「其他收入及其他收益－淨額」中列報。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

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

(c) Group companies

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

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.3 外幣換算(續)

(b) 交易及結餘(續)

按公允價值計量並以外幣計值之非貨幣性項目採用釐定公允價值當日之匯率換算。按公允價值列賬之資產與負債之換算差額作為公允價值盈虧的一部分呈報。例如，非貨幣性資產及負債如按公允價值計量且其變動計入損益之股權之換算差額在損益中確認為公允價值盈虧的一部分，而非貨幣性資產如分類為按公允價值計量且其變動計入其他全面收益之股權之換算差額在其他全面收益中確認。

(c) 集團公司

功能貨幣與列賬貨幣不同的所有集團實體(當中沒有嚴重通脹的貨幣)的業績及財務狀況，乃按以下方式換算為列報貨幣：

- (i) 每份呈報的財務狀況表所呈列之資產及負債乃按其報告日之收市匯率換算；

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation (Continued)

(c) Group companies (Continued)

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

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

(d) Disposal of foreign operation and partial disposal

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.3 外幣換算(續)

(c) 集團公司(續)

- (ii) 每份收益表內的收入和費用乃按平均匯率換算(除非該平均匯率並不代表交易當日匯率的累計影響的合理約數；在此情況下，收支則按交易當日的匯率換算)；及
- (iii) 所有因此而產生的匯兌差額在其他全面收益中確認。

收購海外實體產生的商譽及公允價值調整視為該海外實體的資產和負債，並按收市匯率換算。產生的匯兌差額在其他全面收益中確認。

(d) 處置和部份處置海外業務

對於海外業務的處置(即處置集團在海外業務中的全部權益，或者處置涉及喪失對擁有海外業務的附屬公司的控制權，或涉及喪失對擁有海外業務的共同控制實體的共同控制權，或涉及喪失對擁有海外業務的聯營企業的控制權)，就該項經營累計計入權益的歸屬於公司持有者的所有貨幣換算差額均重分類至損益。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation (Continued)

(d) Disposal of foreign operation and partial disposal (Continued)

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

2.4 Property, plant and equipment

Construction in progress and immature bearer plants represent the direct costs of construction of property, plant and equipment incurred plus interest capitalised less any impairment losses. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and available for their intended use. The Group's fruit trees qualify as bearer plants under the definition in HKAS 41 "Agriculture" and are therefore accounted for under the rules for plant and equipment. Fruit trees are classified as immature until the fruits can be commercially harvested. At that point they are reclassified as mature and depreciation commences. Immature fruit trees are measured at accumulated cost less impairment.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.3 外幣換算(續)

(d) 處置和部份處置海外業務(續)

對於並不導致集團喪失對擁有海外業務的附屬公司的控制權的部份處置，集團在累計貨幣換算差額中的比例份額重新歸屬於非控制性權益並且不在損益中確認。對於所有其他部份處置(即集團在聯營企業或共同控制實體中的所有權權益的減少並不導致集團喪失重大影響或共同控制權)，集團在累計匯兌差額中的比例份額重分類至損益。

2.4 物業、機器及設備

在建工程(乃指興建中的物業、機器及設備)及未成熟的生產性植物，均以直接成本並加上完工日前之資本化利息扣除任何減值虧損計量。在建工程不予折舊，直至相關資產完成及可供使用為止。根據香港會計準則第41號「農業」的定義，本集團的果樹符合生產性植物的定義，因此根據廠房及設備之規則進行會計處理。在果實可以進行商業採收之前，果樹均被歸類為未成熟之果樹。它們將於重分類為成熟之果樹時開始計提折舊。未成熟果樹則以累計成本減去減值損失計量。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (Continued)

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives as follows:

Buildings	20-35 years
Plant and machinery	3-20 years
Mature bearer plants	21.5-25 years
Motor vehicles	3-10 years
Furniture, fixtures and equipment	3-10 years
Leasehold improvements	3-10 years

Furniture, fixtures and equipment and leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.4 物業、機器及設備(續)

所有其他物業、機器及設備按歷史成本扣除折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔的開支。

僅在與項目相關之日後經濟效益有可能流入本集團，而有關項目的成本能夠可靠地計量時，其後成本才包括在資產的賬面值或確認為一項獨立資產(如適用)。被替換部份資產賬面值終止確認。所有其他維修保養費用於其產生的財政期間於收益表中支銷。

物業、機器及設備以直線法計算折舊，並按估計可使用年期分配至其剩餘價值，估計可使用年期如下：

樓宇	20至35年
機器及設備	3至20年
成熟的生產性植物	21.5至25年
汽車	3至10年
傢俬、裝置及設備	3至10年
租賃物業裝修	3至10年

傢俬、裝置及設備和其他租賃物業裝修按可使用年期或租賃年期以較短者計算折舊，除非企業預期該資產的可使用年期將超過租賃年期。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income and other gains – net, in the consolidated income statement.

2.5 Investment properties

Investment properties are held for long-term rental yields or for capital appreciation or both and are not occupied by the Group. Commercial properties held under leases held for rental yields and are not occupied by the Group are recognised as investment properties.

The Group measured its investment properties at cost, including related transaction costs and where applicable borrowing costs. Depreciation is calculated using the straight-line method to allocate their cost over their useful life at about 15 years.

If an item of owner-occupied property becomes an investment property because its use has changed, the carrying amount of the item at the date of transfer is equal to the carrying amount of the investment property measured by the cost model.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.4 物業、機器及設備(續)

於每個結算日均會檢討資產剩餘價值及可使用年期，並在適當情況下作出調整。倘資產賬面值高於其估計可收回金額，該資產的賬面值即時被撇減至其可收回金額(附註2.7)。

出售盈虧乃比較所得款項與賬面值而釐定，在綜合收益表內的「其他收入及其他收益－淨額」中確認。

2.5 投資性物業

投資物業以長期租金收益或資本增值或兩者兼而有之而持有，該物業並不由本集團佔用。非集團佔用並以帶來長期租金收益而持有之租賃商業物業，亦被確認為投資性物業。

投資性物業以成本，加上相關交易成本及適用的借貸成本計量。物業按直線法計算折舊，並按估計之可使用年期約15年進行分配。

如自用物業因用途改變，而被重分類為投資性物業，則該物業於重分類日之賬面淨值會被視為其按成本法計量之賬面淨值。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the CGU or group of CGUs level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU or the group of CGUs to which goodwill has been allocated is compared to the recoverable amount of the unit, which is the higher of value in use ("VIU") and the fair value less costs to disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.6 無形資產

(a) 商譽

商譽產生自收購附屬公司並相當於所轉讓對價、被收購方的任何非控制性權益金額，及之前持有被收購方之任何權益在收購日期的公允價值，超過購入可辨識淨資產公允價值之金額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產生單位(「CGU」)或CGUs(預期可從合併中獲取協同利益)。商譽被分配的每個單位或單位組指在主體內商譽被監控作內部管理用途的最低層次。商譽在CGU或CGUs層次進行監控。

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。商譽被分配的每個CGU或CGUs的賬面值與可收回金額(使用價值(「VIU」)與公允價值減出售成本較高者)比較。任何減值須即時確認及不得在之後期間撥回。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(b) *Customer relationships and non-competition agreement*

Customer relationships and non-competition agreement acquired as part of a business combination are capitalised separately from goodwill and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives of 5 to 10 years.

(c) *Trademarks and licenses*

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives of 10 to 20 years.

(d) *Computer software*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.6 無形資產(續)

(b) *客戶關係及非同業競爭協議*

客戶關係及非同業競爭協議為業務合併的一部份，並已資本化與商譽分開，按成本減累計攤銷及累計減值虧損列賬。攤銷以直線法將無形資產的成本按其估計可使用年期5至10年計算。

(c) *商標及許可證*

分開購入的商標及許可證按歷史成本列賬。在業務合併中購入的商標及許可證按購買日的公允價值列賬。商標及許可證具有有限可使用年期，按成本減累計攤銷和累計減值準備列賬。攤銷以直線法將商標的成本按其估計可使用年期10至20年計算。

(d) *電腦軟件*

購入的電腦軟件牌照按購入及使該特定軟件達到可使用時所產生的成本作資本化處理。此等成本按估計可使用年期(3至5年)攤銷。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(e) Patents

Patents include purchased technology and skills acquired from third parties. They have a finite useful life and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the technology and skills over their estimated useful life of 3 to 10 years.

2.7 Impairment of non-financial assets

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.6 無形資產(續)

(e) 專利

專利乃購自第三方的技術並具有限定可使用期，按成本減累計攤銷及累計減值虧損列賬。攤銷以直線法將專利及技術的成本按其估計可使用年期3至10年計算。

2.7 非金融資產的減值

不確定使用年期之資產(如商譽或尚未可供使用的無形資產)無需攤銷，但最少每年就減值進行測試或在事件或環境顯示它們可能需要減值更頻繁地進行測試。各項資產，當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行測試。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允價值扣除銷售成本或VIU兩者之較高者為準。於評估減值時，資產按可分開識辨現金流量(現金產出單位)的最低層次組合。除商譽外，已蒙受減值的非金融資產在每個報告日期均就減值是否可以撥回進行檢討。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Investments and other financial assets

(a) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

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

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

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.8 投資及其他金融資產

(a) 分類

本集團將其金融資產分為以下計量類別：

- 隨後將按公允價值計量（其變動計入其他全面收益或計入損益）的金融資產；及
- 將按攤銷成本計量的金融資產。

該分類取決於本集團管理金融資產的業務模式及現金流量的合約條款。

就按公允價值計量之資產而言，收益及虧損將計入損益或其他全面收益。就非持作交易的權益工具投資而言，收益及虧損的入賬將取決於本集團是否已於初始確認時行使不可撤銷選擇權，將權益投資入賬列為以公允價值計量且其變動計入其他全面收益。

本集團僅當管理該等資產之業務模式變動時重新分類債務投資。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Investments and other financial assets (Continued)

(b) Recognition and derecognition

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

(c) Measurement

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

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.8 投資及其他金融資產(續)

(b) 確認及終止確認

常規購入及出售之金融資產在交易日予以確認，交易日指本集團承諾購入或出售該資產之日。當收取金融資產所得現金流量之權利已經到期或已經轉讓，而本集團已將擁有權之絕大部份風險及回報轉讓時，即終止確認金融資產。

(c) 計量

初始確認時，本集團按其公允價值加(倘屬並非以公允價值計量且其變動計入損益的金融資產)直接歸屬於購買金融資產的交易成本計量金融資產。以公允價值計量且其變動計入損益的金融資產的交易成本在損益中入賬。

確定具有嵌入衍生工具的金融資產的現金流量是否僅為支付本金和利息時，應整體考慮金融資產。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.8 投資及其他金融資產(續)

(c) 計量(續)

債務工具

債務工具的後續計量視乎本集團管理該資產之業務模式及該資產之現金流量特徵而定。本集團將其債務工具分類為三個計量類別：

- **攤銷成本：**倘為收回合約現金流量而持有之資產的現金流量僅為支付本金及利息，則該等資產按攤銷成本計量。該等金融資產的利息收入按實際利息法計入財務收入。終止確認產生的任何收益或虧損直接於損益確認，並於其他收入及其他收益－淨額中與匯兌收益及虧損一併列示。減值虧損於綜合收益表中作為單獨項目列示。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments (Continued)

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.8 投資及其他金融資產(續)

(c) 計量(續)

債務工具(續)

- 以公允價值計量且其變動計入其他全面收益之金融資產：倘為收回合約現金流量及出售金融資產而持有之資產的現金流量僅為支付本金及利息，則該等資產以公允價值計量且其變動計入其他全面收益。賬面值變動計入其他全面收益，惟於損益確認之減值收益或虧損、利息收入及匯兌收益及虧損之確認除外。終止確認金融資產時，先前於其他全面收益確認之累計收益或虧損由權益重新分類至損益並確認為其他收入及其他收益－淨額。該等金融資產的利息收入按實際利息法計入財務收入。匯兌收益及虧損計入其他收入及其他收益－淨額及減值費用於綜合收益表中作為單獨項目列示。
- 以公允價值計量且其變動計入損益之金融資產：未達按攤銷成本或以公允價值計量且其變動計入其他全面收益標準的資產以公允價值計量且其變動計入損益。後續以公允價值計量且其變動計入損益之債務投資的收益或虧損於損益確認，並於產生期間在損益表的其他收入及其他收益－淨額以淨額列報。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

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

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

(d) Impairment

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

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.8 投資及其他金融資產(續)

(c) 計量(續)

權益工具

本集團後續按公允價值計量所有權益投資。倘本集團管理層選擇於其他全面收益中呈列權益投資的公允價值收益及虧損，則於終止確認投資後，公允價值的收益及虧損後續並無重新分類至損益。當本集團確立收取付款的權利時，該等投資的股息繼續於損益確認為其他收入及其他收益－淨額。

以公允價值計量且其變動計入損益的金融資產之公允價值變動於綜合收益表其他收入及其他收益－淨額確認。以公允價值計量且其變動計入其他全面收益之股權投資的減值虧損(及減值虧損撥回)並無與其他公允價值變動分開呈報。

(d) 減值

本集團按前瞻性基準評估與按攤銷成本列賬之債務工具有關之預期信貸虧損。所應用之減值方法取決於是否出現信貸風險重大增幅。

就貿易應收款項而言，本集團採用香港財務報告準則第9號所允許的簡化方法，該方法規定預期存續期虧損須自首次確認應收款項時予以確認。詳情於附註3.1(b)詳述。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Inventories

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

2.10 Trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. If collection of trade and other receivables is expected in one year or less (or longer if in the normal operating cycle of the business), they are classified as current assets. If not, they are presented as non-current assets.

The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measured them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 3.1(b).

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.9 存貨

原材料、在製品及製成品按成本及可變現淨值兩者中的較低者列賬。成本包括直接材料、直接勞工及適當比例的可變及固定間接開支，後者按正常營運能力分配。根據加權平均成本分配予各個存貨項目。採購存貨的成本在扣除返利及折扣後確認。可變現淨值乃按正常業務過程中的估計售價減去估計完成成本和預計銷售所需開支。

2.10 貿易及其他應收款項

貿易應收賬款為在日常經營活動中就商品銷售而應收客戶的款項。貿易應收賬款初步按無條件之代價金額確認，除非其具有顯著之融資部份，此情況下則按公允價值確認。如貿易應收賬款及其他應收款的收回預期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動資產；否則分類為非流動資產。

本集團持有貿易及其他應收款項的目的為獲取合約現金流量，因此其後以實際利率法按攤銷成本計量。本集團的減值政策及虧損撥備計算詳情載於附註3.1(b)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.11 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款及其他短期高流動性投資，其到期日為三個月或以下、並易於轉換為已知金額的現金且無重大的價值變化風險。

2.12 貸款

貸款按公允價值並扣除產生的交易費用為初始確認。貸款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於貸款期間內在收益表確認。

設立貸款融資時支付的費用倘部份或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則貸款分類為流動負債。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are charged to the consolidated income statement in the period in which they are incurred.

Borrowing costs include interest expense and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on interest rates on similar borrowings in the entity's functional currency.

2.14 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as trade and other payables in the consolidated statement of financial position.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.13 貸款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間籌備以作其預定用途或銷售的資產)的一般及特定貸款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定貸款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的貸款成本中扣除。

所有其他的貸款成本都在發生時計入發生年度的綜合收益表。

借款費用包括利息費用和被視為對利息費用的調整的外幣借款匯兌差額。作為利息費用的調整項目的匯兌利得和損失包括主體以功能貨幣借入資金本應發生的借款費用與外幣借款實際發生的借款費用之間的利率差額。該等金額根據主體功能貨幣的類似借款利率估計。

2.14 僱員福利

(a) 短期責任

在僱員提供相關服務的期間結束後預計於12個月內全部清償其薪酬負債，包括非貨幣福利及累計有薪病假。僱員提供的服務以預期支付於清償負債的金額計量並確認至結算日。該負債於綜合財務狀況表內呈列為貿易及其他應付款項。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Employee benefits (Continued)

(b) Pension obligations

The Group operates the Mandatory Provident Fund Scheme (“MPF Scheme”) in Hong Kong which is generally funded through payments to insurance companies under defined contribution plan. It pays contributions to administered pension insurance plans on a mandatory, contractual or voluntary basis. Moreover, all the employees of the Group’s entities incorporated in Mainland China of the PRC (the “Mainland China”) participate in employee social security plans, including pension, medical, housing and other welfare benefits, organised and administered by the local governments. The Group also makes defined contribution to retirement schemes managed by the insurance company in accordance with German regulation and rules for the employees of the subsidiary located in Germany. In the United States of America (“USA”), the Group makes defined contributions at certain percentage of monthly salary to retirement and medical schemes managed by the federal government of USA in accordance with US rules and regulations. It is the federal government’s responsibility to pay the retirement benefits to those staff who retire. The Group has no further payment obligations once these contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. No pension obligation is required under the Botswana laws and regulation.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.14 僱員福利(續)

(b) 退休金責任

本集團於香港設有強制性公積金計劃(「強積金計劃」)，該計劃一般透過根據定額供款向保險公司付款而注資。本集團向管理退休保險計劃作出強制、合約或自願性質供款。此外，所有身為本集團於中華人民共和國(「中國內地」)註冊成立實體之僱員，均已參與由地方政府組織及管理之僱員社會保障計劃，涵蓋退休金、醫療、房屋及其他社會福利。本集團根據德國相關法律和法規為設立於德國的附屬公司之合資格僱員根據定額供款退休計劃向有關保險公司作出供款。根據美國的相關法律和法規向合資格員工按月薪的若干百分比向美國聯邦政府所管理的退休金及醫療保險計劃作出供款。美國聯邦政府有責任向該等退休僱員支付退休金。本集團一經繳付供款後再無進一步付款責任。供款於應付時確認為僱員福利開支，並可由歸屬前離開計劃的僱員所放棄的全數供款撇減。預付供款按照現金退款或未來款項減少而確認為資產。根據博茨瓦納的法律及法規，並無退休金責任的要求。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Financial liability for non-controlling interest put option (“NCI put option”)

NCI put option is the financial instrument granted by the Group that non-controlling interest may have the right to request the Group to purchase the equity instrument they held for cash or other financial assets when certain conditions are met. If the Group does not have the unconditional right to avoid delivering cash or another financial assets under the NCI put option, a financial liability is to be recognised at the present value of the estimated future cash outflows. Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect actual and revised estimated cash outflows. The Group will recalculate the carrying amount by computing the present value of revised estimated future cash outflows at the financial instrument's original effective interest rate and the adjustments will be recognised as changes in finance cost in the consolidated income statement. If the NCI put option expires without delivery, the carrying amount of the liability is reclassified to equity. The financial liability for NCI put option are classified as current liabilities unless the NCI put option can only be exercised 12 months after the end of the reporting period.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.15 非控制性權益認沽期權之金融負債(「認沽期權負債」)

認沽期權乃金融工具，是由是本集團授予交易對手在滿足一定條件時，交易對手有權要求本集團以現金或其他金融資產來購買其擁有之權益工具。若本集團在認沽期權內沒有避免無條件交付現金或其他金融資產的權利，則按照認沽期權所預計未來現金流出之現值確認為金融負債。隨後，若本集團對其支付之估算作修訂，本集團將調整金融負債之賬面值以反映實際及修訂之估算現金流出。本集團按金融工具原始有效利率計算經修訂之預計未來現金流出之現值來重新計算賬面值，並將調整於綜合收益表中確認為財務費用。若認沽期權到期但未交付，則負債的賬面值應重分類為權益。除非認沽期權只能在報告期末 12 個月後才可以行使，否則認沽期權負債應分類為流動負債。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Current and deferred income tax

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

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.16 當期及遞延所得稅

期內之所得稅開支或抵免乃按當期應課稅收入以每一司法權區之適用所得稅率計算並按暫時性差異及未動用稅務虧損產生之遞延稅項資產及負債之變動予以調整後之應付稅款。

(a) 當期所得稅

當期所得稅支出根據本公司、其附屬公司、聯營公司及共同控制實體營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並考慮稅務機關是否可能接受不確定的稅務處理。集團應根據最可能金額或預期值來衡量其稅金，應採兩者中較能解決不確定性之方法。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Current and deferred income tax (Continued)

(b) *Deferred income tax*

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

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.16 當期及遞延所得稅(續)

(b) *遞延所得稅*

遞延所得稅以負債法全額計提資產與負債的稅基與資產和負債在綜合財務報表的賬面值之差額產生的暫時差異。然而，若遞延所得稅來自商譽的初始確認，以及若遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅盈虧並且不會產生相等的應課稅和可扣減暫時性差異，則不作記賬。遞延稅項採用在結算日前已頒佈或實質上頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期會將適用之稅率(及法例)而釐定。

遞延所得稅資產僅在很可能出現未來應課稅溢利抵銷暫時差額及虧損時方會確認。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Current and deferred income tax (Continued)

(b) *Deferred income tax (Continued)*

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

(c) *Offsetting*

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.16 當期及遞延所得稅(續)

(b) *遞延所得稅(續)*

倘公司有能控制暫時性差異的轉回時間及該等差額不會於可預見將來撥回，則不會就境外經營投資的賬面值及稅基之間的暫時性差異確認遞延稅項負債及資產。

(c) *抵銷*

倘若出現可依法強制執行的權利將即期稅項資產與負債互相抵銷，而當遞延稅項結餘與同一稅務機構有關，即可將遞延稅項資產與負債互相抵銷。當實體有可依法強制執行的抵銷權利且有意按淨額基準清償或同時變現資產及清償負債時，即可將即期稅項資產與負債互相抵銷。

當期及遞延稅項在損益表中確認，但與在其他全面收入或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他全面收入或直接在權益中確認。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Share-based payment

(a) Employee share scheme

As disclosed in Note 20, Guangdong Jiahao Foodstuff Co., Ltd (“Guangdong Jiahao”), a subsidiary of the Group operates equity-settled share-based compensation plan, under which Guangdong Jiahao granted its equity instruments to its employees and employees of its subsidiary in exchange for their service.

The fair value of the employee service received in exchange for the grant of equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.17 以股份支付之酬金

(a) 僱員購股權計劃

如附註20中所披露，廣東嘉豪食品股份有限公司(「廣東嘉豪」)，本集團之一家附屬公司，正在進行一項按權益償付，以股權支付酬金的計劃。根據該協議，廣東嘉豪向其員工及其子公司之員工授出權益工具，以換取他們的服務。

將用以換取授予權益工具而獲取之僱員服務的公允價值確認為支出。開支的總額會參照授予權益工具的公允價值：

- 包括任何市場業績狀況(例如：該企業的股價)；
- 不包括任何服務及非市場業績的歸屬條件之影響(例如：盈利能力，銷售增長目標和維持在特定時間內為企業僱員)；和
- 包括任何非歸屬條件的影響(例如：要求僱員在特定時間內保留或持有股票)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Share-based payment (Continued)

(a) Employee share scheme (Continued)

Non-market performance and service conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.17 以股份支付之酬金(續)

(a) 僱員購股權計劃(續)

有關預期可歸屬的權益工具數目的假設中包括非市場表現和服務條件。總開支會於歸屬期(即滿足所有指定歸屬條件的時期)內確認。

此外，在某些情況下，僱員可能會在授予日期之前提供服務，因此，為了確認服務開始至授予日期間之費用，需要估計授予日的公允價值。

在每個期末，企業應根據非市場歸屬和服務條件修訂對預期歸屬的期權數量估計。並在損益中確認修訂原初估計(如有)的影響，並相對應對權益進行調整。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition

Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts and after eliminating sales with the Group. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.18 收入確認

與客戶之間的合同產生的收入

收入按本集團日常業務過程中銷售貨品及服務已收或應收代價的公平值計量。收入顯示為扣除折扣後以及與集團公司取消銷售後的收入。當收入金額能夠可靠計量時；當未來的經濟利益很可能流入實體時；當本集團的每項活動符合特定標準時本集團會確認收入，詳情如下所述。

收入在資產控制權轉移給客戶時確認。根據合同條款和適用於合同的法律，資產的控制可以隨時間或在某個時間點進行轉移。如果集團的業績如下，資產的控制權將隨時間轉移：

- 提供客戶同時收到和消費的所有好處；或
- 創建並增強客戶在集團執行時控制的資產；或
- 不會為本集團創建具有替代用途的資產，且本集團擁有可執行的權利，可收到迄今已完成的業績付款。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition (Continued)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

2.19 Government grants

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

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 重大會計政策摘要(續)

2.18 收入確認(續)

如果資產的控制隨著時間的推移而轉移，則通過參考完成履約義務的進展於合約期內確認收入。否則，收入在客戶獲得資產控制權的時間點確認。

在釐定交易價格時，如果融資成分重大，則本集團會調整承諾的代價金額。

2.19 政府津貼

當能夠合理地保證本集團符合所有附帶條件而將收取政府津貼時，政府提供的津貼按公允價值確認入賬。

與成本有關之政府津貼遞延入賬，按擬補償成本之相應期間在綜合收益表確認。

與購買物業、機器及設備有關之政府津貼列入非流動負債作為遞延收入，按有關資產之預計年期以直線法在綜合收益表確認。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under the policies approved by the Board of Directors. The Group identifies and evaluates financial risks in close co-operations with its operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in Hong Kong and Mainland China and is exposed to foreign exchange risk primarily through financial instruments that are denominated in a currency other than the functional currency in which they are measured. The functional currency of the PRC subsidiaries is RMB, and the functional currency of the HK subsidiaries is HKD. The majority of the subsidiaries of the Group operate in the PRC and most of their transactions are denominated in RMB. The Group is exposed to foreign currency risks, mainly with respect to HKD, United States dollars ("USD") and Indonesia Rupiah ("IDR"), being the main foreign currencies in which the Group's financial assets and liabilities denominated.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理

3.1 財務風險因素

本集團的活動面對多項財務風險：市場風險(包括外匯風險、現金流量之利率風險、公允價值之利率風險及價格風險)、信貸風險及流動性風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。

風險管理按照董事會批准的政策執行。集團與經營單位緊密合作以確定和評估財務風險。董事會為整體風險管理訂定指引，亦為若干特定範疇提供政策，例如外匯風險、利率風險、信貸風險，以及流動性風險。

(a) 市場風險

(i) 外匯風險

本集團主要於香港及中國內地經營，主要外匯風險乃源自計量除功能貨幣以外的一種貨幣的金融工具。於中國境內之附屬公司的功能貨幣為人民幣，而於香港的附屬公司之功能貨幣則為港幣。本集團之主要附屬公司乃於國內經營及其大部份的交易以人民幣計算，故本集團主要面對之外匯風險，源於以港幣、美元及印尼盾計價之集團金融資產和負債。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

If HKD, USD and IDR had strengthened/weakened by 5% against RMB during the year ended 31 December 2023, with all other factors remaining unchanged, the profit after income tax for the year would have been affected as follows:

		Change of profit after income tax increase/(decrease)	
		本年除稅後盈利的影響增加/(減少)	
		For the year ended 31 December	
		截至 12 月 31 日止年度	
		2023	2022
		2023 年	2022 年
Group	本集團		
- Strengthened by 5%	- 升值 5%	49,994	45,721
- Weakened by 5%	- 貶值 5%	(49,994)	(45,721)

(ii) Cash flow and fair value interest rate risk

Other than deposits held in banks, the Group does not have significant interest-bearing assets. Fluctuation of market rates does not have a significant impact to the Group's performance.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings which are at floating rates and expose the Group to cash flow interest-rate risk, details of which have been disclosed in Note 24. The Group currently does not use any interest rate swaps to hedge its exposure to interest rate risk. However, the Group will consider hedging significant interest rate exposure should the need arise.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

截至 2023 年 12 月 31 日止年度內，假若港幣、美元及印尼盾兌人民幣升值/貶值 5%，而所有其他因素維持不變，則對本年度除稅後盈利的影響如下：

Change of profit after income tax increase/(decrease)

本年除稅後盈利的影響增加/(減少)

For the year ended 31 December

截至 12 月 31 日止年度

	2023	2022
	2023 年	2022 年
Group		
- Strengthened by 5%	49,994	45,721
- Weakened by 5%	(49,994)	(45,721)

(ii) 現金流量及公允值之利率風險

除存放於銀行的存款以外，本集團並無重大計息資產。市場利率的變動對本集團的表現無重大影響。

集團面臨的利率變動風險主要來自按浮動利率發行的貸款，令本集團承受現金流量利率風險。詳情已於附註 24 披露。本集團目前並無使用任何利率互換來避險利率風險。然而，如有需要，本集團將考慮對沖重大利率風險。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

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

As at 31 December 2023, if interest rates on borrowings at floating rates had been 50 basis point higher or lower with all other variables held constant, interest charges for the year ended 31 December 2023 would increase/decrease by approximately RMB11,000 (2022: RMB546,000).

(iii) Price risk

The Group is exposed to price risk mainly from listed equity investments held by the Group, which are classified as financial assets at FVPL (Note 17).

Management considers the price risk exposure for certain biological assets is insignificant to the Group. The sensitivity analysis is determined based on the exposure to price risk of the listed equity investments classified as financial assets at FVPL at the end of each reporting period. If the fair values of the listed equity investments classified as financial assets at FVPL held by the Group had been 5% higher/lower, profit after income tax for the year would have been approximately RMB1,091,000 higher/lower for the year ended 31 December 2023 (2022: RMB2,083,000).

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公允值之利率風險(續)

於2023年12月31日，在其他因素不變的情況下，若按浮動利率發行的貸款利率上升／下降50個基點，截至2023年12月31日止年度的利息開支將會增加／減少約人民幣11,000元(2022年：人民幣546,000元)。

(iii) 價格風險

由於本集團承受的價格風險，源於集團持有的上市權益投資，其分類為以公允價值計量且其變動計入損益的金融資產(附註17)。

管理層認為若干生物資產的價格風險對本集團而言並不重大。敏感性分析是基於每個報告期末分類為以公允價值計量且其變動計入損益的金融資產的上市權益投資的價格風險確定的。若本集團持有的分類為以公允價值計量且其變動計入損益的金融資產的上市權益投資的公允價值上升／下降5%，則截至2023年12月31日止年度的稅後利潤將上升／下降約人民幣1,091,000元(2022年：人民幣2,083,000元)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and bank balances, contractual cash flows of debt instruments carried at amortised cost, at FVPL and at FVOCI.

(i) Risk management and Security

For cash and bank balances, the Group manages the credit risk by placing all the bank deposits in state-owned financial institutions or reputable banks which are all high-credit-quality financial institutions.

The Group does not require collateral from the debtors on the outstanding balances. To manage the credit risk in respect of trade and other receivables, the Group performs ongoing credit evaluations of its debtors' financial condition. The Group has monitoring procedures to ensure that follow-up action is taken to recover debts. The Group reviews regularly the recoverable amount of each individual receivable to ensure that the adequate impairment losses are made for irrecoverable amounts. Based on the historical credit losses experienced and forward-looking information on macroeconomic factors, the Group maintains an allowance for doubtful accounts and actual losses incurred have been within management's expectations.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

信貸風險源於現金及銀行存款、以攤餘成本計量的債務工具合同現金流量、以公允價值計量且其變動計入損益的債務工具合同現金流量、以公允價值計量且其變動計入其他全面收益的債務工具合同現金流量。

(i) 風險管理及安全

就現金及銀行存款而言，本集團通過將所有銀行存款置於國有金融機構或聲譽良好的銀行(均為擁有高信貸質素的金融機構)，以管理信貸風險。

本集團並無要求債務人就未償還結餘作出抵押。為管理有關貿易及其他應收款項的信貸風險，本集團會對其債務人的財務狀況持續進行信貸評估。本集團設有監控程序，以確保作出跟進行動以收回逾期債務。本集團定期審閱各個別應收款項的可收回金額，以確保就不可收回金額確認足夠減值虧損。根據經歷的過往信貸虧損及宏觀經濟因素的前瞻性資料，本集團對呆壞賬進行撥備，而產生的實際虧損一直在管理層的預期內。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets

The Group has four types of financial assets that are subject to the credit risk assessment:

- Cash and bank balances
- Trade receivables
- Other receivables (excluding prepayments)
- Debt investments carried at FVOCI

Cash and bank balances

While cash and bank balances are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial as the management considers that the counterparties are reputable banks and financial institutions with high credit ratings. There is no significant increase in credit risk since initial recognition.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值

本集團接受信用風險評估的金融資產有四大類：

- 現金及銀行存款
- 貿易應收賬款
- 其他應收款(不包括預付款)
- 以公允價值計量且其變動計入其他全面收益的債務投資

現金及銀行存款

儘管現金及銀行存款亦須遵守香港財務報告準則第9號的減值規定，惟已識別減值虧損並不重大，乃由於管理層認為交易對手為聲譽良好的銀行及高信貸評級的金融機構。信貸風險自初始確認以來並無顯著增加。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and invoice dates. The historical loss rates for each aging bucket are derived based on the probability of a receivable progressing through successive stages of delinquency to write-off. The historical loss rates are adjusted to expected loss rates to reflect current and forward-looking information on macroeconomic factors affecting the ability of the counterparty to settle the receivables. The Group has identified the China consumer price index (CPI) growth and the broad measure of money supply (M2) growth, etc. in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

貿易應收款

本集團根據香港財務報告準則第9號的規定應用簡化的方式提供預期信貸虧損，該準則允許所有貿易應收款均採用整個信用損失週期預期撥備。

為計量預期信貸虧損，貿易應收款根據共有的信貸風險特徵及發票日期進行分組。每個賬齡衍生的歷史損失率是依據應收進度的可能性在連續的各個拖欠階段中逐漸註銷。歷史損失率會按照預期撥備率作調整，以反映在宏觀經濟下的當前和前瞻性資訊對交易對手償還應收款的能力的影響。本集團已識別就銷售其貨品的中國居民消費物價指數及貨幣供應量(M2)等為最相關因素，並根據該等因素之預期變動調整歷史虧損撥備率。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

On that basis, the loss allowance for trade receivables as at 31 December 2023 and 2022 is determined as follows:

As at 31 December 2023

		0 - 1 year 0-1年	1 - 2 years 1-2年	2 - 3 years 2-3年	over 3 years 超過3年	Total 合計
Effective expected loss rate	預計有效撥備率	0.48%	21.46%	51.15%	80.26%	
Gross carrying amount	賬面價值	625,220	16,580	64,924	32,813	739,537
Loss allowance	減值撥備金額	2,991	3,558	33,211	26,335	66,095

As at 31 December 2022

		0 - 1 year 0-1年	1 - 2 years 1-2年	2 - 3 years 2-3年	over 3 years 超過3年	Total 合計
Effective expected loss rate	預計有效撥備率	0.39%	12.74%	37.88%	96.95%	
Gross carrying amount	賬面價值	936,796	68,068	28,592	4,733	1,038,189
Loss allowance	減值撥備金額	3,610	8,674	10,831	4,589	27,704

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

貿易應收款(續)

在此基礎上，於2023年及2022年12月31日，貿易應收款減值撥備金額如下列示：

於2023年12月31日

於2022年12月31日

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

The loss allowance for trade receivables as at 31 December 2023 and 2022 reconciles to the opening loss allowance as follows:

		Year ended 31 December 截至 12 月 31 日止年度	
		2023 2023 年	2022 2022 年
Opening loss allowance at the beginning of the year	年初減值撥備	27,704	13,237
Provision for impairment loss on trade receivables	貿易應收款減值撥備	38,535	17,888
Increase arising from acquisition of Shanghai Yifang	收購上海奕方之增加	–	3,526
Decrease arising from disposal of Xinjiang Huabao	出售新疆華寶之減少	–	(2,589)
Written off as uncollectible	因無法收回而沖銷	(144)	(4,358)
Closing loss allowance at the end of the year	年末減值撥備	66,095	27,704

Trade receivables are written off when there is no expectation of recovery. The creation and release of provision for impaired receivables have been included in “net impairment losses on financial assets” in the consolidated income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

當應收貿易賬款預計無法收回時會被沖銷。應收款項減損準備金額，於合併利潤表中的金融資產減值損失淨額確認，若隨後收回有關沖銷的款項，有關金額於合併利潤表中的金融資產減值損失淨額中沖銷回。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

貿易應收款(續)

貿易應收款於 2023 年及 2022 年 12 月 31 日的減值撥備與期初減值撥備的調節如下：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables

The Group applies the HKFRS 9 three-stage approach to measuring ECL of other receivables. The Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Impairment on other receivables is measured as 12-month expected credit losses when there has been no significant increase in credit risk since initial recognition. If a significant increase in credit risk has occurred since initial recognition, then impairment is measured as lifetime expected credit loss.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

其他應收款

本集團採用香港財務報告準則第9號規定的三階段法計量其他應收款項的預期信貸虧損。本集團按過往結算記錄及過往經驗，定期對其他應收款項之可收回情況進行整體評估及個別評估。

本集團於初始確認資產時考慮違約的可能性，並持續考慮信貸風險於各報告期內有否顯著增加。倘其他應收款項的信貸風險自初始確認以來並無顯著增加，則按12個月的預期信貸虧損計量減值。倘信貸風險自初始確認以來有顯著增加，則按整個存續期內的預期信貸虧損計量減值。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables (Continued)

To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group and changes in the operating results of the debtor

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

其他應收款(續)

在評估信貸風險是否顯著增加時，本集團將報告日時點資產發生壞賬的可能性與初始確認時點發生壞賬的可性進行比較，同時也考慮公開且合理的前瞻資訊。以下指標需要重點考慮：

- 外部信用評級
- 實際發生的或者預期的營業狀況、財務狀況和經濟環境中的重大不利變化預期導致借款人按期償還到期債務的能力產生重大變化
- 借款人的經營業績實際發生或者預期發生重大變化
- 借款人的其他金融資產信貸風險顯著增加
- 借款人預期表現或者行為發生重大變化，包括集團內借款人付款情況的變化和經營成果的變化

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables (Continued)

Category 類別	Company definition of category 債務人類別定義	Basis for recognition of expected credit loss provision 預期信用損失的確認依據條款
Performing	Debtor whose credit risk is in line with original expectations	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1).
正常	債務人信用風險符合原預期	12個月預期虧損。如果資產的預期回收期少於12個月，則預期損失會以其預期回收期(第一階段)計量。
Underperforming	Receivables for which a significant increase has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are past due	Lifetime expected losses (stage 2).
表現不佳	應收賬款較原預期大幅增加；如果利息和／或本金償還逾期，則假定信用風險顯著增加	週期預期損失(第2階段)。
Non-performing (credit impaired)	Interest and/or principal repayments are past due or it becomes probable a debtor will enter bankruptcy	Lifetime expected losses (stage 3).
壞賬(信用受損)	利息和／或本金償還逾期或債務人可能破產	週期預期損失(第3階段)。
Write-off	Interest and/or principal repayments are past due and there is no reasonable expectation of recovery	Asset is written off
沖銷	利息和／或本金償還已逾期且沒有合理的收回預期	資產沖銷

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

其他應收款(續)

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables (Continued)

The loss allowance for other receivables at 31 December 2023 and 2022 reconciles to the opening loss allowance as follows:

		Year ended 31 December 截至 12 月 31 日止年度	
		2023 2023 年	2022 2022 年
Opening loss allowance at the beginning of the year	年初減值撥備	27,965	29,565
(Reversal)/provision for impairment loss on other receivables	其他應收款減值(沖回)/撥備	(14,790)	2,388
Decrease arising from disposal of Xinjiang Huabao	出售新疆華寶之減少	-	(6)
Written off as uncollectible	因無法收回而沖銷	(7,427)	(3,982)
Closing loss allowance at the end of the year	年末減值撥備	5,748	27,965

As at 31 December 2023, the gross carrying amount of other receivables excluding prepayments was RMB222,571,000 (31 December 2022: RMB197,231,000), which is the maximum risk exposure to loss of other receivables.

於 2023 年 12 月 31 日，不包括預付款，其他應收款的賬面價值為人民幣 222,571,000 元 (2022 年 12 月 31 日：人民幣 197,231,000 元)。這是集團承受損失風險的最大餘額。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

其他應收款(續)

其他應收款於 2023 年及 2022 年 12 月 31 日的減值撥備與年初減值撥備的調節如下：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Debt investments carried at FVOCI

Debt investments carried at FVOCI include the debt securities, which are notes receivable held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The identified impairment loss was immaterial as the management considers that the counterparties are reputable banks and financial institutions with high credit ratings. There is no significant increase in credit risk since initial recognition. As at 31 December 2023, the maximum risk exposure to debt investments carried at FVOCI is the carrying amount.

(iii) Financial assets at FVPL

The Group is also exposed to credit risk in relation to debt investments that are measured at FVPL. The maximum exposure at the end of the reporting period are the carrying amount of wealth management products and contingent consideration, which are RMB3,847,748,000 (2022: RMB1,594,315,000) and RMB34,290,000 (2022: RMB63,490,000), respectively.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

以公允價值計量且其變動計入其他全面收益的債務投資

以公允價值計量且其變動計入其他全面收益的債務投資包括債務證券，是在透過收取合約現金流量和出售金融資產來實現目標的業務模式中持有的應收票據。由於管理階層認為交易對手均為信譽良好、信用評等較高的銀行及金融機構，故已認定減值損失並不重大。自初始確認以來，信用風險並未顯著增加。於2023年12月31日，以公允價值計量且其變動計入其他全面收益的債務投資的最大風險的金額為其賬面價值。

(iii) 以公允價值計量且其變動計入損益的金融資產

本集團還面臨與以公允價值計量且其變動計入損益的債務工具有關的信用風險，於報告期末，財富管理產品及或有業績補償的最高信貸風險承擔分別為賬面值人民幣3,847,748,000元(2022年：人民幣1,594,315,000元)及人民幣34,290,000元(2022年：人民幣63,490,000元)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group. The directors monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs and that the Group does not breach borrowing covenants on its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and if applicable, external regulatory or legal requirements – for example, currency restrictions.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險

現金流量預測是在集團的經營主體執行。董事監控集團的流動資金需求的滾動預測，確保有足夠資金應付經營需要，但同時確保集團不違反其貸款條款。此等預測考慮了集團債務融資計劃、條款遵從、符合內部財務狀況表比率目標，及外部的監管或法例規定－例如貨幣限制(如適用)。

下表顯示本集團的金融負債按照相關的到期組別，根據由資產負債表日至合同到期日的剩餘期間進行分析。在表內披露的金額為未經貼現的合同現金流量。金額在十二個月內到期乃相等於其賬面值是由於貼現的影響不重大。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

		Less than 1 year 一年以下	Between 1 and 2 years 一年至兩年	Between 2 and 3 years 兩年至三年	Between 3 and 4 years 三年至四年	Between 4 and 5 years 四年至五年	Total 總計
At 31 December 2023	於2023年12月31日						
Borrowings (including interest)	貸款 (包括利息)	421,901	38,412	-	-	-	460,313
Trade and other payables excluding non-financial liabilities	貿易及其他應付款項 (不包括非金融 負債)	439,133	-	-	-	-	439,133
Financial liability for NCI put option	非控制性權益認沽期 權之金融負債	-	85,887	99,856	-	-	185,743
Lease liabilities	租賃負債	18,098	14,677	5,668	5,785	2,536	46,764
		879,132	138,976	105,524	5,785	2,536	1,131,953
At 31 December 2022	於2022年12月31日						
Borrowings (including interest)	貸款 (包括利息)	684,651	-	-	-	-	684,651
Trade and other payables excluding non-financial liabilities	貿易及其他應付款項 (不包括非金融 負債)	527,407	-	-	-	-	527,407
Financial liability for NCI put option	非控制性權益認沽期 權之金融負債	-	-	85,887	99,856	-	185,743
Lease liabilities	租賃負債	23,684	19,259	15,862	2,642	1,240	62,687
		1,235,742	19,259	101,749	102,498	1,240	1,460,488

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The operating cash inflows of the Group are sufficient for investing activities including acquisition of new businesses.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險(續)

3.2 資本風險管理

本集團的資本管理政策目的是保障其能繼續營運，以為股東提供回報和為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東的股息數額、向股東分派的資本返還、發行新股或出售資產以減低債務。本集團經營活動產生的現金流可足夠用於投資活動包括收購新業務。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management (Continued)

The Group monitors its capital risk based on the debt-to-equity ratio. This ratio is calculated by dividing the net debt by the total owners' equity. The Group's net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. No debt-to-equity ratio is presented as the Group had net cash surplus as at 31 December 2023 and 2022.

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table:

	Note 附註	Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 共計
At 31 December 2023					
Financial assets at FVPL	於2023年12月31日 以公允價值計量且其 變動計入損益之 金融資產				
- Listed equity investments	- 上市權益投資	17	21,963	-	21,963
- Wealth management products	- 財富管理產品	17	-	-	3,847,748
- Unlisted equity investments	- 非上市權益投資	17	-	-	155,846
- Contingent consideration	- 或有業績補償	17	-	-	34,290
Financial assets at FVOCI	以公允價值計量且其 變動計入其他全面 收益之金融資產				
- Unlisted equity investments in the PRC	- 於中國的非上市 權益投資	13	-	-	10,378
- Debt securities	- 債務證券	13	-	-	23,168
			21,963	-	4,071,430
					4,093,393

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.2 資本風險管理(續)

本集團以資本負債比率監察其資本風險。此比率乃按照債務淨額除以總資本計算。本集團的債務淨額為總貸款(包括流動及非流動貸款)減去現金及現金等價物。由於本集團的現金及現金等價物金額大於貸款金額，本集團於2023年及2022年12月31日沒有列報資本負債比率因本集團有現金盈餘淨額。

3.3 公允價值估計

(a) 公允價值層級

此部份解釋了在確定金融資產的公允價值時所做出的判斷和估計，在財務報表中以公允價值計量的金融資產。為了顯示用於確定公允價值的輸入資料的可靠性，本集團將其金融資產按會計準則規定分為的三個層級。表格下方附有每個層級的說明：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

There were no transfers of financial assets between level 1, level 2 and level 3 fair value hierarchy classifications for the years ended 31 December 2023 and 2022. There are no other financial instruments that were measured at fair value as at 31 December 2023 and 2022.

The financial assets of level 1 within the fair value hierarchy as at 31 December 2023 and 2022 were the listed equity investments included in financial assets at FVPL. The fair value of these financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets of level 1 held by the Group is the current bid price.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.3 公允價值估計(續)

(a) 公允價值層級(續)

第二層：不在活躍市場交易的金融工具(例如場外衍生性商品)的公允價值採用估值技術確定，該估值技術最大限度地利用可觀察的市場數據。如果資產公允價值所需的所有重要輸入值均可觀察，則該資產包含在第二層。

第三層：如果一項或多項重要輸入值並非基於可觀察的市場數據，則該資產是包含在第三層。非上市股本證券和ESG風險導致重大不可觀察調整的資產就是這種情況。

截至2023年及2022年12月31日止年度，概無金融資產於第一層，第二層和第三層架構類別之間轉入或轉出。於2023及2022年12月31日，並無其他金融工具乃按公允價值計量。

於2023及2022年12月31日，公允價值層級中的第一層金融資產是計入以公允價值計量且其變動計入損益的金融資產中的上市權益投資。在活躍市場中交易的這些金融工具的公允價值基於報告日的市場報價。如果可以從交易所，交易商，經紀人，行業組織，定價服務或監管機構隨時獲得定期報價，則這些市場被認為是活躍的，並且這些價格代表了獨立交易基礎上的實際和定期發生的市場交易。本集團持有的第一層金融資產使用的市場報價為當前買入價。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine fair values

Asset-based approach, market approach and income approach are adopted in the valuation of financial assets of level 3.

(c) Fair value measurements using significant unobservable inputs (level 3)

The financial assets of level 3 within the fair value hierarchy as at 31 December 2023 and 2022 were financial assets at FVOCI and financial assets at FVPL. The following table presents the changes of the Group's financial assets of level 3 within the fair value hierarchy for the years ended 31 December 2023 and 2022:

		Unlisted equity investments 非上市 股權投資	Wealth management products 財富 管理產品	Debt securities 債務證券	Contingent consideration 或有 業績補償	Total 共計
At 1 January 2022	於2022年1月1日	233,549	3,256,499	48,785	-	3,538,833
Additions	添置	7,795	15,004,000	342,081	-	15,353,876
Disposals	出售	-	(16,747,528)	(341,072)	-	(17,088,600)
Fair value change recognised in other comprehensive income	於其他全面收益中確認的公允價值變動	(1,862)	-	-	-	(1,862)
Fair value change recognised in other income and other gains – net	於其他收入和其他收益—淨額中確認之公允價值變動	(42,739)	81,344	-	63,490	102,095
Currency translation differences	貨幣換算差額	8,831	-	-	-	8,831
At 31 December 2022	於2022年12月31日	205,574	1,594,315	49,794	63,490	1,913,173

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.3 公允價值估計(續)

(b) 公允價值所採用的估值方法

第三層級金融資產所採用之估值方法為資產基礎法、市場法及收益法。

(c) 使用重大不可觀察輸入數據進行公允價值計量(第三層)

截至2023年和2022年12月31日，公允價值層級中的第三層金融資產為以公允價值計量且其變動計入其他全面收益的金融資產和以公允價值計量且其變動計入損益的金融資產。下表列出了本集團截至2023年及2022年12月31日止年度的公允價值層級中第三層金融資產的變化：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(c) Fair value measurements using significant unobservable inputs (level 3) (Continued)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.3 公允價值估計(續)

(c) 使用重大不可觀察輸入數據進行公允價值計量(第三層)(續)

		Unlisted equity investments 非上市 股權投資	Wealth management products 財富 管理產品	Debt securities 債務證券	Contingent consideration 或有 業績補償	Total 共計
At 1 January 2023	於2023年1月1日	205,574	1,594,315	49,794	63,490	1,913,173
Additions	添置	8,170	13,545,500	121,860	-	13,675,530
Transfer from associate to financial assets at FVOCI (Note 10)	由聯營公司之投資轉入至以公允價值計量且其變動計入其他全面收益的金融資產(附註10)	179,391	-	-	-	179,391
Disposals	出售	(4,632)	(11,373,530)	(148,486)	-	(11,526,648)
Fair value change recognised in other comprehensive income (Note 13)	於其他全面收益中確認之公允價值變動(附註13)	(185,019)	-	-	-	(185,019)
Fair value change recognised in other income and other gains – net	於其他收入和其他收益—淨額中確認之公允價值變動	(39,249)	81,463	-	(29,200)	13,014
Currency translation differences	貨幣換算差額	1,989	-	-	-	1,989
At 31 December 2023	於2023年12月31日	166,224	3,847,748	23,168	34,290	4,071,430

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(d) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description 描述	Fair value 公允價值		Unobservable inputs 不可觀察輸入數據	Range of inputs 數據範圍		Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值的關係
	At 31 December 於12月31日			2023	2022	
	2023 2023年	2022 2022年		2023 2023年	2022 2022年	
Unlisted equity investment 非上市權益投資	166,224	205,574	Discount for lack of marketability 缺乏市場流通性折扣	9%-29.50%	9%-19%	The higher the Discount for lack of marketability, the lower the fair value 缺乏市場流通性折扣越高，公允價值越低
			Enterprise Value/Sales multiple of peers 市場倍數 EV/Sales	0.83-4.19	1.60-3.65	The higher the Enterprise Value/Sales multiple, the higher the fair value 市場倍數 EV/Sales 越高，公允價值越高
			Price/Sales multiple of peers 市場倍數 P/S	3.74-5.00	4.43-6.80	The higher the Price/Sales multiples, the higher the fair value 市場倍數 P/S 越高，公允價值越高
			Price/Earnings multiple of peers 市場倍數 P/E	20	20	The higher the Price/Earnings multiples, the higher the fair value 市場倍數 P/E 越高，公允價值越高
Wealth management products 財富管理產品	3,847,748	1,594,315	Expected rate of return 預期回報率	1.00%-9.55%	1.00%-4.71%	The higher the Expected rate of return, the higher the fair value 預期回報率越高，公允價值越高
Debt securities 債務證券	23,168	49,794	Risk-adjusted discount rate 風險調整貼現率	1.25%-2.60%	2.55%	The higher the Risk-adjusted discount rate, the lower the fair value 風險調整貼現率越高，公允價值越低
Contingent consideration 或有業績補償	34,290	63,490	Risk-adjusted discount rates 風險調整貼現率	14.54%	12.86%-14.95%	The higher the Risk-adjusted discount rates, the lower the fair value 風險調整貼現率越高，公允價值越低
			Revenue growth rates 收入增長率	9%-24%	5%-65%	The higher the Revenue growth rate, the higher the fair value 收入增長率越高，公允價值越高
			Gross margin 毛利率	13.38%-23.56%	20.24%-28.08%	The higher the Gross margin, the higher the fair value 毛利率越高，公允價值越高

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.3 公允價值估計(續)

(d) 不可觀察輸入數據與公允價值之關係

下表列出使用於公允價值層級第三層金融資產中的不可觀察輸入數據。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(e) Group's valuation processes

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes with the assistance of an independent valuer when necessary, including level 3 fair values. This team reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO and the valuation team at least once for every six months, in line with the Group's reporting dates.

- (f) As at 31 December 2023 and 2022, the fair value of financial assets and liabilities measured at amortised cost approximate their carrying amounts due to the short maturities or the impact of discounting is insignificant.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 財務風險管理(續)

3.3 公允價值估計(續)

(e) 本集團的估值過程

本集團之財務部設有一個小組，負責就財務報告事宜執行，並在需要時由獨立評估機構的協助下對金融資產進行估值，包括有關第三層公允價值。此小組直接向財務總監(「財務總監」)匯報。財務總監及評估小組乃按本集團之報告日期即每半年舉行一次討論估值流程與其結果。

- (f) 於2023年12月31日及2022年12月31日，由於到期日較短或折現影響較小，以攤銷成本計量的金融資產和負債的公允價值乃與其賬面值相若。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill

The Group tests at least annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.6 and Note 2.7. The recoverable amounts of CGUs have been determined based on the higher of value in use and the fair value less costs to disposal. These calculations require the use of estimates. Details of impairment charge, key assumptions and impact of possible changes in key assumptions are disclosed in Note 9.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 關鍵會計估計及判斷

估算和判斷會被持續評估，並基於過往經驗及其他因素，包括在有關情況下相信對未來事件的合理預測。

本集團為未來作出估算及假設。所得之會計估計如其定義，很少與相關的實際結果相符。涉及導致資產及負債之賬面值可能於下一個財政年度內須作出重大調整之估計及假設如下。

(a) 商譽減值

根據附註2.6及2.7所述的會計政策，本集團每年測試商譽是否出現減值。CGU的可收回金額乃根據使用價值與公允價值減銷售成本兩者中的較高者釐定。此等計算均需利用估算。有關減值金額、關鍵假設及關鍵假設的可能變動所造成的影響於附註9詳細披露。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) *Estimation of the fair values of financial assets and financial liabilities*

The fair values of financial instruments that are not traded in active markets are determined using valuation techniques. The Group uses its judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair values of these financial assets and financial liabilities (Note 3.3).

(c) *PRC enterprise income tax and deferred taxation*

The Group's subsidiaries that operate in the PRC is subject to enterprise income tax in the PRC. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it's probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 關鍵會計估計及判斷(續)

(b) *估計金融資產和金融負債的公允價值*

未於活躍市場交易的金融工具的公允價值採用估值技術確定。本集團利用其判斷選擇多種方法並作出主要基於各報告期末現有市場狀況的假設。該等假設及估計的變化可能會對該等金融資產及金融負債的各自公允價值產生重大影響(附註3.3)。

(c) *中國企業所得稅及遞延稅項*

本集團於中國經營的附屬公司須繳納中國企業所得稅。於釐定所得稅撥備時需要作出重要的判斷。在日常業務過程中，許多交易及計算均無法最終釐定。當該等事宜的最終稅款與最初記賬金額不同時，有關差額將影響作出有關釐定期間的所得稅和遞延稅項撥備。

當管理層認為日後可能有應課稅溢利可供動用以抵銷暫時差額或稅項虧損時，有關若干暫時差額及稅項虧損的遞延稅項資產會予以確認。其實際利用結果可能不同。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) PRC enterprise income tax and deferred taxation (Continued)

Pursuant to the Corporate Income Tax Laws of the PRC approved by the National People's Congress on 16 March 2007, a 10% withholding tax is levied on dividends remitted from the PRC entities to overseas investors with effect from 1 January 2008. A lower withholding tax rate of 5% is applied to Hong Kong investors as there is a tax treaty between the PRC and Hong Kong. However, the 5% treaty rate is not automatically granted. The taxpayer needs to apply to the relevant tax bureau for an approval for the treaty rate. The directors estimated that a portion of profits generated by the PRC subsidiaries would be distributed to their Hong Kong immediate parent companies and the approval for the treaty rate will be obtained. Therefore, deferred income tax liabilities had been provided based on 5% or 10% of the estimated profits to be remitted to Hong Kong. The directors of the Company will review the funding requirements of the Group and revise the dividend distribution policy of its subsidiaries as appropriate.

(d) Estimation of financial liability for NCI put option

The Group granted put option to the non-controlling interest owners that they have the right to request the Group to further acquire the equity interests in a non-wholly owned subsidiary that held by the non-controlling interest owners when certain conditions are met. The Group initially recognise a financial liability at the present value of the estimated future cash outflows under the put option arrangement, and at the end of each subsequent period, the Group will review their estimations. If the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect actual and revised estimated cash outflows and the adjustments will be recognized in finance cost in the consolidated income statement.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 關鍵會計估計及判斷(續)

(c) 中國企業所得稅及遞延稅項(續)

根據全國人民代表大會於2007年3月16日通過的中國企業所得稅法，由2008年1月1日起，中國企業向外商投資企業分派股息，需按10%之稅率徵收所得稅。基於中國及香港有特別稅務協定，故中國企業向香港投資企業分派股息，可享有較優惠的稅率5%徵收。但該5%協定稅率並非自動獲得，納稅人需向有關主管稅局申請批准享有稅務協定。本公司董事預計會將某些中國大陸附屬公司之盈利派發股息予其於香港之直接母公司並獲得協定稅率批准。因此，遞延所得稅負債乃按預期匯出香港之盈利以5%或10%的稅率計算。本公司董事將不時檢討本集團之資金需求並適時調整附屬公司之股息政策。

(d) 非控制性權益認沽期權之金融負債之估計

本集團向非控制性權益擁有人授予認沽期權，在滿足一定條件時，非控制性權益擁有人有權要求本集團進一步購買一非全資附屬公司的股權。本集團初始按認沽期權安排下預計未來現金流出的現值確認一項減少母公司權益的金融負債，及在每個後續期末時，本集團將重新審視估計。若本集團修改支付估計，本集團會調整金融負債之賬面值以反映實際及經修訂之估計現金流出。此調整將在綜合收益表中確認為財務費用。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b).

5. REVENUE AND SEGMENT INFORMATION

The Group has organised its operations into four main operating segments:

- (1) Flavours and fragrances, and food ingredients ("F&F and Food ingredients");
- (2) Tobacco raw materials;
- (3) Aroma raw materials; and
- (4) Condiment.

The chief operating decision-makers have been identified as the executive directors (the "Executive Directors"). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 關鍵會計估計及判斷(續)

(e) 金融資產減值

金融資產的損失準備金是基於對違約風險和預期損失率的假設。本集團根據過去的歷史、現有的市場狀況，以及在每個報告期結束時的前瞻性估計，在作出這些假設和選擇減值計算的輸入時使用判斷。所使用的主要假設和投入的詳情載於附註3.1(b)的表格。

5. 營業額及分部資料

本集團的經營分為四項主要營運分部：

- (1) 香精及食品配料；
- (2) 煙用原料；
- (3) 香原料；及
- (4) 調味品。

主要經營決策者明確為執行董事(「執行董事」)，執行董事審閱本集團的內部報告以評估表現及分配資源。管理層按照此報告以決定營運分部。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The Executive Directors consider the business from the operation's perspective and assess the performance of F&F and Food ingredients, tobacco raw materials, aroma raw materials and condiment segments.

- (1) F&F and Food ingredients segment includes research and development, production and sale of flavours and fragrances products, and food ingredients.
- (2) Tobacco raw materials segment includes research and development, production and sale of paper-making reconstituted tobacco leaves and new materials products that are innovative, functional and applicable to tobacco industry.
- (3) Aroma raw materials segment includes research and development, manufacture and sale of aroma raw materials products that are extracted from natural materials or generated from chemical process.
- (4) Condiment segment includes production, sales, marketing and distribution of condiments.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

5. 營業額及分部資料(續)

執行董事從經營活動角度考慮業務及評估香精及食品配料、煙用原料、香原料及調味品之分部業務表現。

- (1) 香精及食品配料業務包括研發、生產及銷售香精產品及食品配料產品。
- (2) 煙用原料業務包括研發、生產及銷售造紙法再造煙葉產品及創新、具功能性等適用於煙草行業的新材料產品。
- (3) 香原料業務包括研發、生產及銷售香原料產品，香原料乃通過化學反應合成或天然提取的「帶香物質」。
- (4) 調味品業務包括生產、銷售、營銷及分銷調味品產品。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The segment information for the year ended 31 December 2023 is presented below:

		Year ended 31 December 2023 截至2023年12月31日止年度					
		F&F and Food ingredients 香精及食品配料	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Total revenue	總營業額	1,484,628	485,751	630,255	754,060	-	3,354,694
Inter-segment revenue	分部間營業額	(20,195)	(21,091)	(5,569)	-	-	(46,855)
Segment revenue – net	分部營業額－淨額	1,464,433	464,660	624,686	754,060	-	3,307,839
Segment result	分部業績	405,526	90,768	(83,412)	116,751	(151,582)	378,051
Finance income	財務收入						84,952
Finance costs	融資成本						(24,846)
Finance income – net	財務收入－淨額						60,106
Share of results of associates and jointly controlled entities	應佔聯營公司及共同控制實體之業績						59
Provision for impairment relating to the investment in an associate	於聯營公司投資之減值撥備						(22,291)
Profit before income tax	除稅前盈利						415,925
Income tax expense	所得稅開支						(125,442)
Profit for the year	本年度盈利						290,483
Depreciation	折舊	66,679	57,861	64,112	16,890	5,456	210,998
Amortisation	攤銷	12,367	8,688	9,105	74,793	1,646	106,599

		As at 31 December 2023 於2023年12月31日					
		F&F and Food ingredients 香精及食品配料	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Segment assets	分部資產	8,214,006	2,137,936	1,450,550	3,325,617	874,002	16,002,111

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

5. 營業額及分部資料(續)

截至2023年12月31日止年度之分部資料呈列如下：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The segment information for year ended 31 December 2022 is presented below:

		Year ended 31 December 2022 截至2022年12月31日止年度					
		F&F and Food ingredients 香精及食品配料	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Total revenue	總營業額	1,893,883	475,082	929,619	573,069	—	3,871,653
Inter-segment revenue	分部間營業額	(16,547)	(20,825)	(5,297)	—	—	(42,669)
Segment revenue – net	分部營業額－淨額	1,877,336	454,257	924,322	573,069	—	3,828,984
Segment result	分部業績	824,095	(237,514)	79,526	(1,116,941)	(157,141)	(607,975)
Finance income	財務收入						71,791
Finance costs	融資成本						(37,970)
Finance income – net	財務收入－淨額						33,821
Share of results of associates and jointly controlled entities	應佔聯營公司及共同控制實體之業績						(7,056)
Provision for impairment relating to the investment in an associate	於聯營公司投資之減值撥備						(139,000)
Loss before income tax	除稅前虧損						(720,210)
Income tax expense	所得稅開支						(180,840)
Loss for the year	本年度虧損						(901,050)
Depreciation	折舊	67,075	83,945	58,713	10,595	5,010	225,338
Amortisation	攤銷	9,548	8,645	11,200	74,546	964	104,903

		As at 31 December 2022 於2022年12月31日					
		F&F and Food ingredients 香精及食品配料	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Segment assets	分部資產	8,982,722	2,017,984	1,446,564	3,305,516	866,236	16,619,022

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

5. 營業額及分部資料(續)

截至2022年12月31日止年度之分部資料呈列如下：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment result represents the profit before income tax earned by each segment without inclusion of unallocated corporate expenses, finance costs, finance income, share of results of associates and jointly controlled entities and provision for impairment relating to the investment in an associate. This is the measure reported to chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Segment assets are measured in the same way as in financial statements and allocated based on the operations of the segment. Non-current assets other than financial instruments and deferred tax assets of the Group as at 31 December 2023 and 2022 are mainly located in the PRC.

The Group's revenue is generated from contracts with customers and recognized at a point in time. Revenues from external customers are derived from the sales to customers mainly of whom located in the PRC.

Revenue derived from sales made to the single largest external customer for the year ended 31 December 2023 amounted to 5% (2022: 7%) of the Group's total revenue. These revenues are attributable to F&F and Food ingredients segment.

(a) Liabilities related to contracts with customers

The Group has recognised the liabilities related to contracts with customers:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

5. 營業額及分部資料(續)

分部業績是代表各分部之除稅前盈利，當中並沒有包括未分類的公司開支、融資成本、財務收入，應佔聯營公司及共同控制實體之業績及聯營公司投資之減值撥備。此分部業績主要是為分配資源和評估各分部之表現而向主要經營決策者呈列的方式。

分部資產採用與財務報表相同的計量方法，並依分部的經營狀況進行分配。除金融工具和遞延所得稅資產以外，於2023年及2022年12月31日本集團的非流動資產主要位於中國。

本集團之收入乃由與客戶的合同而產生並確認在一時間點。來自外部客戶的收入主要來源自銷售予國內客戶。

截至2023年12月31日止年度，來源於最大外部單一客戶的收入佔集團總收入5% (2022年：7%)。這些收入是由香精及食品配料分部產生的。

(a) 與客戶之合同相關的負債

本集團已確認與客戶合約有關之負債為：

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
Prepayment from customers	客戶預付貨款	127,428	76,724
Unrealized sales incentives	未實現的銷售激勵	33,404	39,238
Total contract liabilities	總合同負債	160,832	115,962

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Liabilities related to contracts with customers (Continued)

(i) Significant changes in contract liabilities

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance under the contracts which are mainly from sales of condiments. The increase in contract liabilities were mainly attributable to the increase in condiments business.

(ii) Revenue recognised in relation to contract liabilities

		2023	2022
		2023年	2022年
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	已包含在年初合同負債餘額內之已確認的收入	88,253	127,854

All contracts are for periods of one year or less. As permitted under HKFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied contracts is not disclosed.

(iii) Contract liabilities related to unrealized sales incentives are analysed as follows:

		2023	2022
		2023年	2022年
Unrealised sales incentives expected to be redeemed within one year	預期於一年內兌現的未變現銷售獎勵	18,650	19,387
Unrealised sales incentives expected to be redeemed over one year	預期於一年後兌現的未變現銷售獎勵	14,754	19,851
		33,404	39,238

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

5. 營業額及分部資料(續)

(a) 與客戶之合同相關的負債(續)

(i) 合同負債之重大變動

本集團按照合約約定的付款安排自客戶處收到款項。款項通常於合約履約義務完成前收到，這些合約主要來自銷售調味品。合同負債增加的主要原因是調味品的業務增加。

(ii) 與合同負債相關的已確認收入

Year ended 31 December
截至12月31日止年度

	2023	2022
	2023年	2022年
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	88,253	127,854

所有合同的期限為一年或更短。根據香港財務報告準則第15號「客戶合約收入」的規定，未披露未履約合同的交易價格。

(iii) 與合同負債相關的未變現銷售獎勵分析如下：

As at 31 December
於12月31日

	2023	2022
	2023年	2022年
Unrealised sales incentives expected to be redeemed within one year	18,650	19,387
Unrealised sales incentives expected to be redeemed over one year	14,754	19,851
	33,404	39,238

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

6. PROPERTY, PLANT AND EQUIPMENT

6. 物業、機器及設備

	Note	Buildings	Plant and machinery	Mature bearer plants	Immature bearer plants	Motor vehicles	Furniture, fixtures and equipment	Leasehold improvements	Construction in progress	Others	Total
	附註	樓宇	機器及設備	成熟的生產性植物	未成熟的生產性植物	汽車	傢俬、裝置及設備	租賃裝修	在建工程	其他	總計
At 1 January 2022	於2022年1月1日										
Cost	成本	1,056,678	1,350,802	-	-	58,963	239,874	90,072	249,138	2,962	3,048,489
Accumulated depreciation	累計折舊	(414,296)	(756,555)	-	-	(46,162)	(164,981)	(22,106)	-	(1,823)	(1,405,923)
Net book amount	賬面淨值	642,382	594,247	-	-	12,801	74,893	67,966	249,138	1,139	1,642,566
Year ended 31 December 2022	截至2022年12月31日止年度										
Net book amount at 1 January	於1月1日賬面淨值	642,382	594,247	-	-	12,801	74,893	67,966	249,138	1,139	1,642,566
Acquisition of equity interest in Shanghai Yifang	收購上海奕方之股權	21,749	49,135	38,130	84,944	1,596	1,547	20,740	802	-	218,643
Additions	添置	2,819	26,098	411	7,327	4,243	28,334	3,825	357,751	-	430,808
Transfers	轉移	54,367	120,825	-	-	-	2,142	23,403	(200,737)	-	-
Disposals	出售	(3,293)	(8,434)	-	-	(1,390)	(1,105)	(560)	-	(843)	(15,625)
Depreciation	折舊	(45,263)	(100,668)	(1,791)	-	(3,408)	(30,410)	(19,831)	-	(296)	(201,667)
Provision for impairment	減值撥備	-	-	-	-	-	-	-	(31,774)	-	(31,774)
Currency translation differences	貨幣換算差額	(16)	(758)	-	-	(6)	320	-	153	-	(307)
Net book amount at 31 December	於12月31日賬面淨值	672,745	680,445	36,750	92,271	13,836	75,721	95,543	375,333	-	2,042,644
At 31 December 2022	於2022年12月31日										
Cost	成本	1,123,142	1,534,324	38,541	92,271	54,930	256,791	159,963	407,107	2,962	3,670,031
Accumulated depreciation and impairment	累計折舊及減值撥備	(450,397)	(853,879)	(1,791)	-	(41,094)	(181,070)	(64,420)	(31,774)	(2,962)	(1,627,387)
Net book amount	賬面淨值	672,745	680,445	36,750	92,271	13,836	75,721	95,543	375,333	-	2,042,644
Year ended 31 December 2023	截至2023年12月31日止年度										
Net book amount at 1 January	於1月1日賬面淨值	672,745	680,445	36,750	92,271	13,836	75,721	95,543	375,333	-	2,042,644
Additions	添置	45,626	45,819	-	2,780	2,180	14,495	3,290	306,289	-	420,479
Transfers	轉移	173,243	94,168	842	(842)	-	6,861	10,746	(285,018)	-	-
Disposals	出售	(3,239)	(7,205)	-	-	(274)	(868)	(216)	-	-	(11,802)
Depreciation	折舊	(50,721)	(93,253)	(2,417)	-	(3,180)	(17,645)	(18,083)	-	-	(185,299)
Provision for impairment	減值撥備	-	(47,062)	(8,504)	(20,787)	-	-	-	-	-	(76,353)
Currency translation differences	貨幣換算差額	1,470	2,449	-	-	16	109	-	-	-	4,044
Net book amount at 31 December	於12月31日賬面淨值	839,124	675,361	26,671	73,422	12,578	78,673	91,280	396,604	-	2,193,713
At 31 December 2023	於2023年12月31日										
Cost	成本	1,339,152	1,586,908	39,383	94,209	55,942	273,108	173,998	428,378	2,962	3,994,040
Accumulated depreciation and impairment	累計折舊及減值撥備	(500,028)	(911,547)	(12,712)	(20,787)	(43,364)	(194,435)	(82,718)	(31,774)	(2,962)	(1,800,327)
Net book amount	賬面淨值	839,124	675,361	26,671	73,422	12,578	78,673	91,280	396,604	-	2,193,713

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation was recorded in the following categories:

		Year ended 31 December 截至 12 月 31 日止年度	
		2023 2023 年	2022 2022 年
Manufacturing overheads	製造費用	141,570	156,631
Administrative expenses	行政費用	43,065	44,258
Selling and marketing expenses	銷售及推廣開支	664	718
Other non-current assets	其他非流動資產	–	60
Total depreciation	折舊總額	185,299	201,667

- (i) The amount represents impairment loss provided for the bearer plants and plant and machinery due to the decrease in revenue and operating profit generated from the CGU of Shanghai Yifang and the CGU of Jiangxi Xianghai, respectively.
- (ii) As at 31 December 2023, buildings with net book value of RMB28,661,000 were pledged as collateral for the Group's borrowings (31 December 2022: RMB5,996,000).

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

6. 物業、機器及設備(續)

折舊按以下分類支銷：

- (i) 此金額指由於上海奕方CGU和江西香海CGU產生的收入和營業利潤分別減少而對生產性植物以及機器及設備計提的減值損失。
- (ii) 於2023年12月31日，賬面淨值為人民幣28,661,000元的樓宇已被抵押為本集團貸款的抵押品(2022年12月31日：人民幣5,996,000元)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

7. LEASE

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to lease:

		As at 31 December 於 12 月 31 日		
		Note 附註	2023 2023 年	2022 2022 年
Right-of-use assets:	使用權資產：			
Land use rights	土地使用權	(i)	330,591	327,497
Properties	物業		43,820	58,001
			374,411	385,498
Lease liabilities:	租賃負債：			
Current	流動		16,554	23,480
Non-current	非流動		28,365	37,290
			44,919	60,770

Additions to the right-of-use assets for the year ended 31 December 2023 were RMB37,817,000.

- (i) The Group's interests in right-of-use assets for land use rights represent prepaid operating lease payments and their net book amounts.

At 31 December 2023, land use rights with net book value of RMB10,584,000 were pledged as collateral for the Group's borrowings (31 December 2022: RMB11,666,000).

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

7. 租賃

(a) 於綜合財務狀況表確認的金額

綜合財務狀況表顯示以下與租賃有關的金額：

截至2023年12月31日止年度，使用權資產增加額為人民幣37,817,000元。

- (i) 本集團在土地使用權相關之使用權資產的權益為預付的經營租賃款項及其賬面淨值。

於2023年12月31日，賬面淨值為人民幣10,584,000元的土地使用權已被抵押為本集團貸款的抵押品。(2022年12月31日：人民幣11,666,000元)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

7. LEASE (CONTINUED)

(b) Amounts recognised in the consolidated income statement

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2023 2023 年	2022 2022 年
Depreciation and amortisation charge of right-of-use assets:	使用權資產的折舊和攤銷費用：			
Land use rights	土地使用權		12,583	11,162
Properties	物業		24,080	23,318
			36,663	34,480
Interest expense	利息支出	29	1,550	1,735
Expense relating to short-term leases	短期租賃費用	27	30,830	29,669

The total cash outflow for leases for the year ended 31 December 2023 was RMB57,224,000 (2022: RMB58,394,000).

截至 2023 年 12 月 31 日止年度的租賃現金流出總額為人民幣 57,224,000 元 (2022 年：人民幣 58,394,000 元)。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

7. 租賃(續)

(b) 於綜合收益表確認的金額

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

8. INVESTMENT PROPERTIES

8. 投資性物業

		Land and buildings 土地及樓宇	Construction in progress 在建工程	Total 總計
Year ended	截至 2022 年			
31 December 2022	12 月 31 日止年度			
Net book amount at 1 January	於 1 月 1 日賬面淨值	–	–	–
Additions	添置	6,732	21,002	27,734
Depreciation	折舊	(413)	–	(413)
Currency translation differences	貨幣換算差額	11	–	11
Net book amount at 31 December	於 12 月 31 日賬面淨值	6,330	21,002	27,332
At 31 December 2022	於 2022 年 12 月 31 日			
Cost	成本	6,743	21,002	27,745
Accumulated depreciation	累計折舊	(413)	–	(413)
Net book amount	賬面淨值	6,330	21,002	27,332
Year ended	截至 2023 年			
31 December 2023	12 月 31 日止年度			
Net book amount at 1 January	於 1 月 1 日賬面淨值	6,330	21,002	27,332
Additions	添置	–	788	788
Transfers	轉移	22,403	(22,403)	–
Depreciation	折舊	(1,619)	–	(1,619)
Currency translation differences	貨幣換算差額	268	613	881
Net book amount at 31 December	於 12 月 31 日賬面淨值	27,382	–	27,382
At 31 December 2023	於 2023 年 12 月 31 日			
Cost	成本	29,414	–	29,414
Accumulated depreciation	累計折舊	(2,032)	–	(2,032)
Net book amount	賬面淨值	27,382	–	27,382

Depreciation is included in cost of goods sold in the consolidated income statement.

投資性物業之折舊金額現包括於綜合收益表的銷售成本中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

9. INTANGIBLE ASSETS

9. 無形資產

		Goodwill 商譽 (a)	Trademarks and licenses 商標及許可證 (b)	Customer relationships 客戶關係	Non- competition agreement 非競爭協議	Computer software 電腦軟件	Patents 專利	Total 總計
At 1 January 2022	於 2022 年 1 月 1 日							
Cost	成本	5,903,875	544,838	787,443	3,085	14,768	64,173	7,318,182
Accumulated amortisation and impairment	累計攤銷及減值	(825,134)	(149,337)	(430,832)	(3,013)	(8,803)	(53,756)	(1,470,875)
Net book amount	賬面淨值	5,078,741	395,501	356,611	72	5,965	10,417	5,847,307
Year ended 31 December 2022	截至 2022 年 12 月 31 日止年度							
Net book amount at 1 January	於 1 月 1 日賬面淨值	5,078,741	395,501	356,611	72	5,965	10,417	5,847,307
Acquisition of equity interest in Shanghai Yifang	收購上海奕方之股權	49,418	75	15,869	-	-	6,900	72,262
Additions	添置	-	9	-	-	5,315	-	5,324
Amortisation	攤銷	-	(23,169)	(61,441)	-	(2,355)	(7,498)	(94,463)
Impairment	減值	(1,507,710)	-	-	-	-	-	(1,507,710)
Net book amount at 31 December	於 12 月 31 日 賬面淨值	3,620,449	372,416	311,039	72	8,925	9,819	4,322,720
At 31 December 2022	於 2022 年 12 月 31 日							
Cost	成本	5,953,293	544,922	803,312	3,085	20,083	71,073	7,395,768
Accumulated amortisation and impairment	累計攤銷及減值	(2,332,844)	(172,506)	(492,273)	(3,013)	(11,158)	(61,254)	(3,073,048)
Net book amount	賬面淨值	3,620,449	372,416	311,039	72	8,925	9,819	4,322,720
Year ended 31 December 2023	截至 2023 年 12 月 31 日止年度							
Net book amount at 1 January	於 1 月 1 日賬面淨值	3,620,449	372,416	311,039	72	8,925	9,819	4,322,720
Additions	添置	-	-	-	-	23,151	2,481	25,632
Amortisation	攤銷	-	(23,172)	(61,883)	-	(4,665)	(4,296)	(94,016)
Impairment	減值	(56,502)	-	(9,850)	-	-	-	(66,352)
Net book amount at 31 December	於 12 月 31 日 賬面淨值	3,563,947	349,244	239,306	72	27,411	8,004	4,187,984
At 31 December 2023	於 2023 年 12 月 31 日							
Cost	成本	5,953,293	544,922	803,312	3,085	43,234	73,554	7,421,400
Accumulated amortisation and impairment	累計攤銷及減值	(2,389,346)	(195,678)	(564,006)	(3,013)	(15,823)	(65,550)	(3,233,416)
Net book amount	賬面淨值	3,563,947	349,244	239,306	72	27,411	8,004	4,187,984

Amortisation is included in cost of goods sold, administrative expenses and selling and marketing expenses.

攤銷包括在銷售成本，行政費用及銷售及市場推廣費用內。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

- (a) Goodwill is mainly attributable to the anticipated profitability of operations, the anticipated future operating synergies and enlarged market share. Goodwill arising from prior year is allocated to the Group's CGUs identified. The goodwill is allocated in CGUs as follows:

		As at 31 December 2023 於2023年12月31日					As at 31 December 2022 於2022年12月31日				
		Reconstituted Tobacco				Total	Reconstituted Tobacco				Total
		Flavours Subgroup 香精	Leaves ("RTL") 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others (i) 其他		Flavours Subgroup 香精	Leaves ("RTL") 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他	
Goodwill	商譽	1,186,344	356,168	1,969,377	52,058	3,563,947	1,186,344	356,168	1,969,377	108,560	3,620,449

- (i) During the year ended 31 December 2023, there are three CGUs with goodwill impairment included in others, comprising the CGU of Shanghai Yifang, Yancheng City Chunzhu Aroma Co., Ltd ("Yancheng Chunzhu") and Jiangxi Xianghai Biological Technology Co.,Ltd ("Jiangxi Xianghai").

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

9. 無形資產(續)

- (a) 商譽主要由經營活動的預期盈利狀況、預期的未來經營協同效應和擴大的市場份額決定。本集團於以前年度產生之商譽已分配至可辨識的CGUs。商譽分配至CGUs呈列如下：

- (i) 截至2023年12月31日止年度，有3個包括於「其他」的CGU發生商譽減值，包括上海奕方CGU、鹽城市春竹香料有限公司(「鹽城春竹」)CGU和江西香海生物科技有限公司(「江西香海」)CGU。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

- (a) (Continued)
- (i) (Continued)

Following the ending resurgence of Novel Coronavirus Pneumonia Pandemic (“Pandemic”) in the PRC in 2022, demanding for food and beverages increased in 2023, triggering the increase of Shanghai Yifang’s sale of products. However, even though the industry has recovered from the previous winter season, the recovering rate has not reached management’s previous forecast, leading to continuing impairment loss in 2023. As at 31 December 2023, management engaged an independent valuer to conduct an impairment test on goodwill of CGU of Shanghai Yifang. In the goodwill impairment test carried out by the valuer, fair value less costs to disposal and VIU of the CGU of Shanghai Yifang was assessed by using market approach and income approach respectively. According to the result of the test, VIU was higher than fair value less costs to disposal and therefore VIU was adopted to be the recoverable amount of the CGU of Shanghai Yifang. Based on the test result, an impairment of RMB5,578,000 was recognised for the CGU of Shanghai Yifang for the year ended 31 December 2023, resulted in a reduction in the carrying amount of the goodwill of Shanghai Yifang from RMB5,578,000 to zero as at 31 December 2023.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

9. 無形資產(續)

- (a) (續)
- (i) (續)

隨著2022年中國新型冠狀病毒肺炎疫情(「疫情」)結束，2023年食品及飲料需求增加，帶動上海奕方產品銷售量增加。然而，儘管業界已從上個銷售寒冬恢復，但復甦速度並未達到管理層先前的預測，導致2023年減值損失持續存在。截至2023年12月31日，管理層聘請獨立評估師對上海奕方CGU之商譽進行減值測試。評估師進行商譽減值測試時，分別以市場法和收益法評估上海奕方CGU的公允價值減去處置費用和VIU。根據測試結果，VIU高於公允價值減去處置費用後的淨額，故採用VIU作為上海奕方CGU的可收回金額。根據測試結果，上海奕方截至2023年12月31日止年度的CGU確認減值人民幣5,578,000元，導致上海奕方商譽賬面價值於2023年12月31日由人民幣5,578,000元減至零。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

- (a) (Continued)
- (i) (Continued)

Following the decrease in revenue and operating profit of Yancheng Chunzhu and Jiangxi Xianghai due to decline in the demand, the price drop for aroma raw material products and the increased tariff, the profit margins of for aroma raw material products were squeezed. As a result, the performance of of Yancheng Chunzhu and Jiangxi Xianghai, under the Group's aroma raw materials segment, were directly affected. As at 31 December 2023, management engaged an independent valuer to conduct an impairment test respectively on goodwill of both CGU of Yancheng Chunzhu and Jiangxi Xianghai. In the goodwill impairment test carried out by the valuer, fair value less costs to disposal and VIU of the CGU of Yancheng Chunzhu and Jiangxi Xianghai was assessed by using market approach and income approach respectively. According to the result of the test, VIU was higher than fair value less costs to disposal and therefore VIU was adopted to be the recoverable amount of the CGU of Yancheng Chunzhu and Jiangxi Xianghai. Based on the test results, an impairment of RMB37,420,000 was recognised for the CGU of Yancheng Chunzhu for the year ended 31 December 2023, and an impairment of RMB13,504,000 was recognised for the CGU of Jiangxi Xianghai. As at 31 December 2023, the impairment losses resulted in a reduction in the carrying amount of the goodwill of Yancheng Chunzhu from RMB66,730,000 to RMB29,310,000, and a reduction in the carrying amount of the goodwill of Jiangxi Xianghai from RMB13,504,000 to zero, respectively.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

9. 無形資產(續)

- (a) (續)
- (i) (續)

繼鹽城春竹和江西香海因需求下降、香原料產品價格下降以及關稅上調等因素導致收入和營業利潤下降後，香原料產品的利潤空間受到擠壓。因此，集團香原料板塊旗下的鹽城春竹和江西香海的表現受到直接影響。截至2023年12月31日，管理層聘請了獨立評估師對鹽城春竹和江西香海CGU的商譽分別進行了減值測試。評估師進行商譽減值測試時，分別以市場法和收益法評估鹽城春竹和江西香海CGU的公允價值減去處置費用和VIU。根據測試結果，VIU高於公允價值減去處置費用後的淨額，因此採用VIU作為鹽城春竹和江西香海CGU的可收回金額。根據測試結果，截至2023年12月31日止年度，鹽城春竹的CGU確認減值人民幣37,420,000元，江西香海的CGU確認減值人民幣13,504,000元。於2023年12月31日，減值損失導致鹽城春竹商譽賬面價值由人民幣66,730,000元減少至人民幣29,310,000元，江西香海商譽賬面價值由人民幣13,504,000元減少至人民幣零元。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

(a) (Continued)

(i) (Continued)

Other than the CGU of Shanghai Yifang, Yancheng Chunzhu and Jiangxi Xianghai, as at 31 December 2023, management reassessed the key assumptions for impairment testing of goodwill of all CGUs. Based on the assessment, the Group considered that there was no additional impairment.

The VIU calculations use pre-tax cash flow projections based on financial budgets prepared by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated terminal growth rates below. The terminal growth rate does not exceed the long-term average growth rate for the businesses in which the CGU operates. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments or entities as below. Management determined budgeted gross margin based on past performance and their expectations for the market development. The key assumptions used for VIU calculations are as follows:

		As at 31 December 2023 於2023年12月31日				As at 31 December 2022 於2022年12月31日			
		Flavours Subgroup 香精	RTL 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他	Flavours Subgroup 香精	RTL 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他
Forecast growth rate	預計增長率	-5.0%-0.0%	2.1%-27.6%	7.1%-17.7%	-5.8%-51.8%	-14.0%-0.0%	-6.0%-20.1%	7.8%-22.7%	-27.2%-82.4%
Terminal growth rate	永續年增長率	0.0%	4.0%	3.0%	0.0%-3.0%	0.0%	3.0%	3.0%	0.0%-3.0%
Budgeted gross profit margin	預計毛利率	82.6%	47.7%-49.2%	51.7%-53.3%	13.4%-46.0%	82.6%	51.9%-54.9%	53.7%-55.6%	13.4%-44.9%
Pre-tax discount rate	稅前貼現率	16.3%	20.0%	17.3%	14.5%-19.0%	14.6%	19.0%	15.9%	15.0%-19.8%

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

9. 無形資產(續)

(a) (續)

(i) (續)

除了上海奕方CGU、鹽城春竹CGU及江西香海CGU外，於2023年12月31日，管理層再次評估所有CGU在商譽減值測試中的關鍵假設。根據評估，本集團認為並無額外商譽減值。

VIU是基於管理層編製的五年期財務預算而預計之稅前現金流量計算。超逾五年期的現金流量使用以下的預計永續年增長率去推斷。該永續年增長率不會超過CGU之業務分部營運的長期平均增長率。所用之貼現率為稅前貼現率並反映各有關營運分部或公司之特定風險並例示如下。管理層根據過往的業績及其對市場發展的預期確定預計毛利率。計算VIU的關鍵假設列示如下：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

- (a) (Continued)
(i) (Continued)

The recoverable amounts and the headrooms available (the excess of the recoverable amounts over the carrying amounts) of the CGU of Flavours Subgroup, CGU of RTL and CGU of Jiahao Foodstuff are as follows:

		As at 31 December 2023 於 2023 年 12 月 31 日			As at 31 December 2022 於 2022 年 12 月 31 日		
		Flavours Subgroup 香精	RTL 再造煙葉	Jiahao Foodstuff 嘉豪食品	Flavours Subgroup 香精	RTL 再造煙葉	Jiahao Foodstuff 嘉豪食品
Recoverable amount	可收回金額	5,689,407	1,049,362	3,317,437	8,643,717	910,991	3,065,913
Headroom	不減值空間	1,282,007	135,373	297,424	3,564,620	-	-

As at 31 December 2023, analysis has been performed by the management of the Group on the reasonably possible changes in each of the key assumptions, with all other variables held constant, of goodwill impairment tests of the CGUs. Based on the results of the analysis, reasonably possible changes in the key assumptions would not cause the CGUs' carrying amount to exceed their recoverable amount.

		As at 31 December 2023 於 2023 年 12 月 31 日						As at 31 December 2022 於 2022 年 12 月 31 日					
		Flavours Subgroup 香精		RTL 再造煙葉		Jiahao Foodstuff 嘉豪食品		Flavours Subgroup 香精		RTL 再造煙葉		Jiahao Foodstuff 嘉豪食品	
		From 由	To 至	From 由	To 至	From 由	To 至	From 由	To 至	From 由	To 至	From 由	To 至
Forecast growth rate	預計增長率	-5.0%-0.0%	-30.8%--25.8%	2.1%-27.6%	-5.9%-19.6%	7.1%-17.7%	1.2%-11.8%	-14.0%-0.0%	-107.0%--121.8%	NA	NA	NA	NA
Terminal growth rate	永續年增長率	NA	NA	4.0%	1.8%	3.0%	1.2%	NA	NA	NA	NA	NA	NA
Budgeted gross profit margin	預計毛利率	82.6%	60.2%	47.7%-49.2%	44.0%-45.5%	51.7%-53.3%	48.7%-50.3%	82.6%	38.5%	NA	NA	NA	NA
Pre-tax discount rate	稅前貼現率	16.3%	30.0%	20.0%	23.9%	17.3%	20.5%	14.6%	65.6%	NA	NA	NA	NA

- (b) Trademarks mainly represent Peacock, Xinghu, Samshiang, Chunzhu, Jinba, Jiahao, Zhanwang, Jinchan, and Sanfan trademarks.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

9. 無形資產(續)

- (a) (續)
(i) (續)

香精業務的CGU、再造煙葉的CGU和嘉豪食品的CGU之可收回金額及不減值空間(可收回金額超過賬面值部份)列示如下：

於2023年12月31日，本集團管理層已就CGU的商譽減值測試的各項關鍵假設的合理可能變動(在所有其他變數保持不變的情況下)進行分析。根據分析結果，關鍵假設的合理可能變動並未導致現金產生單位賬面值超過其可收回金額。

- (b) 商標主要指孔雀、星湖、湘農山香、春竹、勁霸、嘉豪、詹王、金禪、三番牌商標。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

10. INVESTMENTS IN ASSOCIATES

As at 31 December 2023, the Group has interests in eight individually immaterial associates (31 December 2022: ten). The following table analyses the movements of the carrying amount of the Group's investments in these associates and its share of results of these associates.

An analysis of the movements of equity investments in associates is as follows:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

10. 於聯營公司之投資

於2023年12月31日，本集團於八個（2022年12月31日：十個）並非個別重大的聯營公司擁有權益。下表分析本集團於該等聯營公司投資之賬面值變動及其應佔該等聯營公司的業績。

於聯營公司的權益投資變動分析如下：

		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
At the beginning of the year	年初	691,748	806,407
Acquisition of equity interest in Shenzhen Ruili Technology Co., Ltd. ("Shenzhen Ruili")	購入深圳市銳麗科技有限公司（「深圳銳麗」）之股權	–	4,000
Increase investment in Hunan Jiapinjiawei Technology Development Group Co., Ltd. ("Hunan Jiapinjiawei")	增資湖南省嘉品嘉味科技發展集團有限公司（「湖南嘉品嘉味」）	–	5,200
Provision for impairment relating to the investment in Junjieshang Network Technology Co., Ltd. ("Junjieshang")	投資駿杰尚網絡科技有限公司（「駿杰尚」）之減值撥備	(i) (22,291)	(139,000)
Transferred to financial assets at FVOCI	轉出至以公允價值計量且其變動計入其他全面收益的金融資產	(i) (179,391)	–
Disposal of Yunnan Ruisheng Tobacco Technology Group Co., Ltd. ("Yunnan Ruisheng")	出售雲南瑞升煙草技術（集團）有限公司（「雲南瑞升」）	(ii) (48,771)	–
Disposal of Shenzhen Ruili	出售深圳銳麗	(3,100)	–
Share of results of associates	應佔聯營公司業績	(2,269)	(7,156)
Dividends received	已收股息	(4,548)	(5,110)
Transferred from a subsidiary	由附屬公司轉入	(iii) 779	–
Dilution of investment in an associate	投資聯營公司之股權稀釋	–	25,755
Exchange difference	匯兌差異	285	1,652
At the end of the year	年末	432,442	691,748

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(All amounts in RMB thousands unless otherwise stated)

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

As at 31 December 2023, the Group had interests in the following associates:

Name 名稱	Place of incorporation 註冊成立地點	% of ownership Interests 所持權益百分比	Principal activities 主要業務
Guizhou Huangguoshu Golden Leaf Technology Co., Ltd. ("Huangguoshu Golden Leaf") 貴州黃果樹金葉科技有限公司 (「黃果樹金葉」)	PRC 中國	40.00%	Produce and sell RTL 生產和銷售再造煙葉
Yunnan Hongta Blue Eagle Paper Co., Ltd. ("Hongta Blue Eagle") 雲南紅塔藍鷹紙業有限公司 (「紅塔藍鷹」)	PRC 中國	25.10%	Manufacture and sales of cigarette paper and auxiliary products 生產和銷售捲煙用紙及輔助品
Yunnan Nongken Gaoyuan Food Co., Ltd. 雲南農墾高原食品有限公司	PRC 中國	30.00%	Purchase and sale of agricultural products, coffee and tea raw materials 採購及銷售農業產品、咖啡及茶原料
Xiamen Fengtao Ceramics Co., Ltd. 廈門蜂濤陶瓷有限公司	PRC 中國	13.04%	Manufacture special ceramic products, special machinery for water resources and special equipment for environmental protection 生產特種陶瓷製品、水資源專用機械及環保專用設備
Broad Far (Hong Kong) Limited and its subsidiaries ("Broad Far Group") 博遠(香港)有限公司及其附屬公司 (「博遠集團」)	Hong Kong 香港	21.06%	Research and development, production and sales of heat-not-burn tobacco products 研發、生產和銷售加熱不燃燒煙草產品
Yingtian Dongwu Technology Co., Ltd ("Yingtian Dongwu") 鷹潭東霧科技有限責任公司 (「鷹潭東霧」)	PRC 中國	35.00%	Produce and sell household chemical products 生產及銷售日用化學產品
Hunan Jiapinjiawei 湖南嘉品嘉味	PRC 中國	40.57%	Research, develop, produce and sell health food and biological products 研發、生產及銷售保健食品及生物製品
PT.SPV International Indonesia ("PT SPV") (iii) PT.SPV International Indonesia (「PT SPV」)(iii)	Indonesia 印度尼西亞	40.00%	Production of tobacco raw-material 生產煙用原料

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

10. 於聯營公司之投資(續)

於2023年12月31日，本集團於以下聯營公司擁有權益：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

The associates are private entities and no quoted price is available.

- (i) Both external and internal sources of information of associates are considered in assessing whether there is any indication that the investment may be impaired, including but not limited to financial position, business performance and market capitalization. The Group carries out impairment assessment on those investments with impairment indications, and the respective recoverable amounts of investments are determined with reference to the higher of fair value less costs of disposal and VIU.

On 30 April 2023, the Group lost significant influence over Junjieshang. The Group carried out a fair value assessment of the investment in Junjieshang and an impairment of investment of RMB22,291,000 was recognised in respect of the difference between the fair value and the carrying amount of the investment in Junjieshang. The fair value of the investment in Junjieshang of RMB179,391,000 was designated to "Financial assets at FVOCI".

- (ii) During the year ended 31 December 2023, the Group disposed the shares of Yunnan Ruisheng due to the business development.
- (iii) In August 2023, the Group disposed 60% shares of PT SPV, which caused the Group losing control and maintaining significant influence over PT SPV. The carrying amount of the investment in PT SPV of RMB779,000 was transferred to "investment in associates", remaining 40% shares.

11. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

The Group has interests in two immaterial joint ventures as at 31 December 2023 (31 December 2022: two). The following table analyses the movement of the carrying amount of the Group's investments in these jointly controlled entities, and its share of results of these jointly controlled entities.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

10. 於聯營公司之投資(續)

此等聯營公司為私人實體，並無公開市場報價。

- (i) 於評估投資是否出現減值跡象時，聯營公司的所有外部和內部資料來源均會被考慮，包括但不限於聯營公司的財務狀況、業務表現和市值。本集團對有減值跡象的投資進行減值評估，而可收回的投資金額乃參考公允價值減出售成本與VIU中的較高者釐定。

於2023年4月30日，本集團喪失對駿杰尚的重大影響力。本集團對駿杰尚的投資進行公允價值評估，並就駿杰尚投資的公允價值與賬面值之間的差異確認了人民幣22,291,000元的投資減值。駿杰尚投資的公允價值人民幣179,391,000元被重分類至「以公允價值計量且其變動計入其他全面收益的金融資產」。

- (ii) 於2023年12月31日止年度期間，本集團因業務發展而出售雲南瑞升之股權。
- (iii) 本集團於2023年8月出售PT SPV 60%的股權，導致本集團喪失對PT SPV的控制權並維持重大影響力。剩餘40%對PT SPV的股權投資的賬面價值人民幣779,000元轉入「於聯營公司之投資」。

11. 於共同控制實體之投資

於2023年12月31日，本集團於兩個(2022年12月31日：兩個)並非個別重大的共同控制實體擁有權益。下表分析本集團於該等共同控制實體的投資之賬面值變動及其應佔該等共同控制實體之業績。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

11. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (CONTINUED)

An analysis of the movements of equity investments in jointly controlled entities is as follows:

		Year ended 31 December 截至 12 月 31 日止年度	
		2023 2023 年	2022 2022 年
At the beginning of the year	年初	19,802	202,831
Transfer to investments in subsidiaries upon gaining control over Shanghai Yifang	取得對上海奕方的控制權後轉入對附屬公司之投資		
		-	(183,129)
Share of results of jointly controlled entities	應佔共同控制實體業績	2,328	100
At the end of the year	年末	22,130	19,802

As at 31 December 2023, the Group had interests in the following jointly controlled entities:

於 2023 年 12 月 31 日，本集團於以下共同控制實體擁有權益：

Name 名稱	Place of incorporation 註冊成立地點	% of ownership Interests 所持權益百分比	Principal activities 主要業務
Wuxi Jintou Huikai Emerging Industry Venture Capital Fund Partnership (Limited Partnership) 無錫金投惠開新興產業創業投資基金合夥企業(有限合夥)	PRC 中國	40.00%	Equity investment, investment management, asset management and other activities 股權投資，投資管理及資產管理等活動
Shanghai Miou Food Technology Co., Ltd ("Shanghai Miou") 上海米偶食品科技有限公司 (「上海米偶」)	PRC 中國	20.00%	Purchase and sale of agricultural products. 採購及銷售農產品

The above entities are accounted for as jointly controlled entities of the Group, whereby the Group and the counterparty have joint control and rights to the net assets of the arrangement, pursuant to Article of Association.

根據《公司章程》，上述主體作為本集團的共同控制實體入賬，本集團與交易對手對該安排的淨資產具有共同控制權利。

The jointly controlled entities are private entities and no quoted price is available.

此等共同控制實體為私人實體，並無公開市場報價。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

11. 於共同控制實體之投資(續)

於共同控制實體的權益投資變動分析如下：

Year ended 31 December
截至 12 月 31 日止年度

		2023 2023 年	2022 2022 年
At the beginning of the year	年初	19,802	202,831
Transfer to investments in subsidiaries upon gaining control over Shanghai Yifang	取得對上海奕方的控制權後轉入對附屬公司之投資		
		-	(183,129)
Share of results of jointly controlled entities	應佔共同控制實體業績	2,328	100
At the end of the year	年末	22,130	19,802

As at 31 December 2023, the Group had interests in the following jointly controlled entities:

於 2023 年 12 月 31 日，本集團於以下共同控制實體擁有權益：

Name 名稱	Place of incorporation 註冊成立地點	% of ownership Interests 所持權益百分比	Principal activities 主要業務
Wuxi Jintou Huikai Emerging Industry Venture Capital Fund Partnership (Limited Partnership) 無錫金投惠開新興產業創業投資基金合夥企業(有限合夥)	PRC 中國	40.00%	Equity investment, investment management, asset management and other activities 股權投資，投資管理及資產管理等活動
Shanghai Miou Food Technology Co., Ltd ("Shanghai Miou") 上海米偶食品科技有限公司 (「上海米偶」)	PRC 中國	20.00%	Purchase and sale of agricultural products. 採購及銷售農產品

The above entities are accounted for as jointly controlled entities of the Group, whereby the Group and the counterparty have joint control and rights to the net assets of the arrangement, pursuant to Article of Association.

根據《公司章程》，上述主體作為本集團的共同控制實體入賬，本集團與交易對手對該安排的淨資產具有共同控制權利。

The jointly controlled entities are private entities and no quoted price is available.

此等共同控制實體為私人實體，並無公開市場報價。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

12. FINANCIAL INSTRUMENTS BY CATEGORY

12. 金融資產分類

		As at 31 December 於 12 月 31 日		
		Note 附註	2023 2023 年	2022 2022 年
Financial assets	金融資產			
At amortised cost	以攤銷成本計量			
Trade and other receivables (excluding non-financial assets)	貿易應收款及其他應收款 (不包括非金融資產)		890,265	1,179,751
Cash and bank balances	現金及銀行存款	18	2,539,493	4,747,978
At fair value	以公允價值計量			
Financial assets at FVOCI	以公允價值計量且其 變動計入其他全面 收益的金融資產	13	33,546	65,800
Financial assets at FVPL	以公允價值計量且其 變動計入損益的 金融資產	17	4,059,847	1,890,671
			7,523,151	7,884,200
Financial liabilities	金融負債			
At amortised cost	以攤銷成本計量			
Trade and other payables (excluding non-financial liabilities)	貿易及其他應付款項 (不包括非金融負債)		439,133	527,407
Borrowings	貸款	24	455,250	677,700
Lease liabilities	租賃負債	7	44,919	60,770
Financial liability for NCI put option	非控制性權益認沽 期權之金融負債	23	147,656	131,836
			1,086,958	1,397,713

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Classification of financial assets at FVOCI

Financial assets at FVOCI comprise:

- Equity investments which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category.
- Debt investments where the contractual cash flows are solely principal and interest and the objective of the group's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at FVOCI include:

Non-current assets:
Unlisted equity investments in the PRC

非流動資產：
於國內的非上市權益投資

Current assets:
Debt securities (i)

流動資產：
債務證券 (i)

Total

總計

- (i) Debt securities are notes receivable which held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

13. 以公允價值計量且其變動計入其他全面收益之金融資產

(a) 以公允價值計量且其變動計入其他全面收益之金融資產的分類

以公允價值計量且其變動計入其他全面收益之金融資產包括：

- 不為交易而持有的股權投資，而本集團在初始確認時已不可撤銷地選擇將其確認為該類別。
- 合同現金流量僅為本金和利息且通過收取合同現金流量和出售金融資產來實現集團業務模式目標的債務投資。

以公允價值計量且其變動計入其他全面收益之金融資產包括：

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
Non-current assets:	非流動資產：		
Unlisted equity investments in the PRC	於國內的非上市權益投資	10,378	16,006
Current assets:	流動資產：		
Debt securities (i)	債務證券 (i)	23,168	49,794
Total	總計	33,546	65,800

- (i) 債務證券是一種以收取合同現金流量和出售金融資產為目的業務模式下持有的應收票據。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Amounts recognised in other comprehensive income

		Year ended 31 December 截至 12 月 31 日止年度	
		2023 2023 年	2022 2022 年
Losses recognised in other comprehensive income:	於其他全面收益中確認的虧損：		
– Related to equity investments	– 與權益投資相關	(185,019)	(1,862)

During the year ended 31 December 2023, the losses recognised in other comprehensive income mainly represent the losses in investment on Junjieshang. Considering that the actual advertising orders is much lower than the forecast based on the framework contract signed in prior year, Junjieshang is confronted with huge challenges in developing its existing business and expanding its new business in the face of weakening downstream markets. Based on the the assessment results, the Group recognised fair value loss of RMB177,260,000 in other comprehensive income, with the fair value of RMB2,131,000 at the end of the year.

(c) Fair value, impairment and risk exposure

Information about the methods and assumptions used in determining fair value is provided in Note 3.3.

The fair value measurements of financial assets at FVOCI are categorised within level 3 of the fair value hierarchy and are denominated in RMB.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

13. 以公允價值計量且其變動計入其他全面收益之金融資產(續)

(b) 其他全面收益中確認的金額

		Year ended 31 December 截至 12 月 31 日止年度	
		2023 2023 年	2022 2022 年
Losses recognised in other comprehensive income:	於其他全面收益中確認的虧損：		
– Related to equity investments	– 與權益投資相關	(185,019)	(1,862)

截至 2023 年 12 月 31 日止年度，在其他全面收益中確認的損失主要為對駿杰尚的投資損失。考慮到實際廣告訂單遠低於根據上年度簽訂的框架合約預測，駿杰尚面對下游市場疲軟，發展現有業務和拓展新業務面臨巨大挑戰。根據評估結果，本集團在其他全面收益中確認公允價值損失人民幣 177,260,000 元，年末公允價值為人民幣 2,131,000 元。

(c) 公允價值，減值及風險承擔

附註 3.3 提供了有關確定公允價值所使用的方法和假設的信息。

以公允價值計量且其變動計入其他全面收益之金融資產的公允價值計量屬於公允價值層級的第三層，並以人民幣計價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

14. DEFERRED INCOME TAX ASSETS/LIABILITIES

The movements in the deferred income tax are as follows:

14. 遞延所得稅資產／負債

遞延所得稅變動如下：

	Deferred income tax assets 遞延所得稅資產				Deferred income tax liabilities 遞延所得稅負債				
	Unrealised profits arising from inter-group sales 集團內公司間銷售所產生的集團內未變現盈利	Recoverable tax loss 可彌補虧損	Others 其他	Total 總計	Valuation surplus of assets and recognition of intangible assets 資產評估盈餘及無形資產的確認	Withholding income tax expected to be remitted from group entities incorporated in the PRC 集團內位於中國國內的公司預期匯出的股息所產生之預提所得稅	Others 其他	Total 總計	
At 1 January 2022	於 2022 年 1 月 1 日	83,484	50,260	40,425	174,169	136,558	12,892	6,627	156,077
Acquisition of equity interest in Shanghai Yifang	收購上海奕方之股權	-	2,803	645	3,448	13,054	-	-	13,054
Disposal of Xinjiang Huabao	處置新疆華寶	-	-	(509)	(509)	-	-	-	-
Recognised in the income statement	於損益表確認	774	(2,874)	2,187	87	(9,930)	(12,892)	4,009	(18,813)
Recognised in other comprehensive income	於其他全面收益中確認	-	-	279	279	-	-	-	-
Total	總計	84,258	50,189	43,027	177,474	139,682	-	10,636	150,318
Set-off of deferred income tax assets/liabilities	相抵消之遞延所得稅資產／負債				(24,950)				(24,950)
At 31 December 2022	於 2022 年 12 月 31 日				152,524				125,368
At 1 January 2023	於 2023 年 1 月 1 日	84,258	50,189	43,027	177,474	139,682	-	10,636	150,318
Recognised in the income statement	於損益表確認	8,938	21,271	10,971	41,180	(21,554)	15,000	(4,565)	(11,119)
Recognised in other comprehensive income	於其他全面收益中確認	-	-	1,164	1,164	-	-	-	-
Total	總計	93,196	71,460	55,162	219,818	118,128	15,000	6,071	139,199
Set-off of deferred income tax assets/liabilities	相抵消之遞延所得稅資產／負債				(14,239)				(14,239)
At 31 December 2023	於 2023 年 12 月 31 日				205,579				124,960

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

14. DEFERRED INCOME TAX ASSETS/LIABILITIES (CONTINUED)

As at 31 December 2023, deferred income tax liabilities of RMB298,827,000 (31 December 2022: RMB226,563,000) have not been recognised for the withholding tax that would otherwise be payable on the undistributed profits amounting to approximately RMB4,930,220,000 (31 December 2022: RMB4,525,522,000) retained by certain subsidiaries, as the management expects it is probable that such amount of profit will not be distributed in the foreseeable future.

15. INVENTORIES

Raw materials - at cost	原材料－按成本
Raw materials - at NRV	原材料－按可變現淨值
Work in progress - at cost	在製品－按成本
Finished goods - at cost	製成品－按成本
Finished goods - at NRV	製成品－按可變現淨值

For the year ended 31 December 2023, the cost of inventories recognised as expense and included in cost of goods sold and administrative expenses amounted to approximately RMB1,287,000,000 (2022: RMB1,451,284,000).

As at 31 December 2023, the Group recognised provision for impairment of approximately RMB4,386,000 in respect of the losses on obsolete inventories (31 December 2022: RMB4,312,000).

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

14. 遞延所得稅資產／負債(續)

於2023年12月31日，本集團並未就若干附屬公司之未分派盈利約人民幣4,930,220,000元(2022年12月31日：人民幣4,525,522,000元)須支付的預提所得稅確認遞延所得稅負債人民幣298,827,000元(2022年12月31日：人民幣226,563,000元)，因管理層預計該筆盈利在可預見的未來很可能不會分配。

15. 存貨

		As at 31 December 於12月31日	
		2023 2023年	2022 2022年
Raw materials - at cost	原材料－按成本	460,528	419,976
Raw materials - at NRV	原材料－按可變現淨值	192,710	206,848
Work in progress - at cost	在製品－按成本	80,569	88,851
Finished goods - at cost	製成品－按成本	134,179	162,854
Finished goods - at NRV	製成品－按可變現淨值	126,606	141,494
		994,592	1,020,023

截至2023年12月31日止年度之存貨成本確認為費用並計入銷售成本及行政費用的金額約為人民幣1,287,000,000元(2022年：人民幣1,451,284,000元)。

於2023年12月31日，本集團就陳舊存貨減值而確認減值撥備約為人民幣4,386,000元(2022年12月31日：人民幣4,312,000元)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

16. TRADE AND OTHER RECEIVABLES

		As at 31 December 於 12月31日		
		Note 附註	2023 2023年	2022 2022年
Trade receivables	貿易應收款項	(a)	739,537	1,038,189
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	3.1 (b)	(66,095)	(27,704)
Trade receivables - net	貿易應收款項－淨額		673,442	1,010,485
Notes receivable	應收票據		46,182	27,574
Prepayments and other receivables	預付款項及其他應收款項		212,025	228,234
Advances to staff	員工墊款		2,469	2,532
Others	其他		2,412	1,318
Less: provision for impairment of other receivables	減：其他應收款項減值撥備	3.1 (b)	(5,748)	(27,965)
			930,782	1,242,178

(a) The credit period generally granted to customers ranges from 0 to 180 days. As at 31 December 2023 and 2022, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on invoice dates were as follows:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

16. 貿易及其他應收款項

		As at 31 December 於 12月31日		
		Note 附註	2023 2023年	2022 2022年
Trade receivables	貿易應收款項	(a)	739,537	1,038,189
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	3.1 (b)	(66,095)	(27,704)
Trade receivables - net	貿易應收款項－淨額		673,442	1,010,485
Notes receivable	應收票據		46,182	27,574
Prepayments and other receivables	預付款項及其他應收款項		212,025	228,234
Advances to staff	員工墊款		2,469	2,532
Others	其他		2,412	1,318
Less: provision for impairment of other receivables	減：其他應收款項減值撥備	3.1 (b)	(5,748)	(27,965)
			930,782	1,242,178

(a) 授予客戶的信貸期一般為0至180日。於2023年及2022年12月31日，貿易應收款項(包括關聯方的貿易應收款項)根據發票日期的賬齡分析如下：

		As at 31 December 於 12月31日	
		2023 2023年	2022 2022年
0 - 1 year	0至1年	625,220	936,796
1 - 2 years	1至2年	16,580	68,068
2 - 3 years	2至3年	64,924	28,592
Over 3 years	3年以上	32,813	4,733
		739,537	1,038,189

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) (Continued)

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
RMB	人民幣	663,811	971,811
USD	美元	57,296	61,112
IDR	印尼盾	15,434	3,130
Others	其他	2,996	2,136
		739,537	1,038,189

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Classification of financial assets at FVPL

The Group classifies the following financial assets at FVPL:

- debt instruments that do not qualify for measurement at either amortised cost or FVOCI, and
- equity instruments that are held for trading

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

16. 貿易及其他應收款項(續)

(a) (續)

本集團的貿易應收款的賬面值以下列貨幣為單位：

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
RMB	人民幣	663,811	971,811
USD	美元	57,296	61,112
IDR	印尼盾	15,434	3,130
Others	其他	2,996	2,136
		739,537	1,038,189

17. 以公允價值計量且其變動計入損益之金融資產

(a) 按公允價值計量且其變動計入損益的金融資產分類

本集團將以下金融資產分類為以公允價值計量且其變動計入損益的金融資產：

- 不符合以攤銷成本或以公允價值計量且其變動計入其他全面收益的債務工具，以及
- 為交易而持有的權益工具

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Classification of financial assets at FVPL (Continued)

Financial assets at FVPL include:

		As at 31 December 於 12月 31日		
		Note 附註	2023 2023年	2022 2022年
Non-current assets:	非流動資產：			
Unlisted equity investments	於非上市權益投資		155,846	189,568
Contingent consideration	或有業績補償	(i)	34,290	63,490
			190,136	253,058
Current assets:	流動資產：			
Listed equity investments	上市權益投資		21,963	43,298
Wealth management products	財富管理產品	(ii)	3,847,748	1,594,315
			3,869,711	1,637,613
Total	總計		4,059,847	1,890,671

- (i) The contingent consideration receivable by the Group is contingent upon the future financial performance of Shanghai Yifang and the fair value of the contingent consideration is nil at the acquisition date and subsequent change of the fair value is recognised in "other income and other gains - net". As at 31 December 2023, the fair value of the contingent consideration is RMB34,290,000 (2022: RMB63,490,000). The fair value was estimated based on the value of probable future cash inflow extending beyond one year of the business combination and applying an appropriate discount rate to arrive at the present value, taking into account the credit risk.
- (ii) The wealth management products were placed in banks in the PRC for cash management purposes and with expected rate of return ranging from 1.00% to 9.55% (2022: 1.00% to 4.71%) per annum.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

17. 以公允價值計量且其變動計入損益之金融資產(續)

(a) 按公允價值計量且其變動計入損益之金融資產分類(續)

以公允價值計量且其變動計入損益之金融資產包括：

		As at 31 December 於 12月 31日		
		Note 附註	2023 2023年	2022 2022年
Non-current assets:	非流動資產：			
Unlisted equity investments	於非上市權益投資		155,846	189,568
Contingent consideration	或有業績補償	(i)	34,290	63,490
			190,136	253,058
Current assets:	流動資產：			
Listed equity investments	上市權益投資		21,963	43,298
Wealth management products	財富管理產品	(ii)	3,847,748	1,594,315
			3,869,711	1,637,613
Total	總計		4,059,847	1,890,671

- (i) 本集團應收的或有業績補償取決於上海奕方未來的財務表現，且該或有業績補償於購買日的公允價值為零，公允價值的後續變動計入「其他收入及其他收益－淨額」。於2023年12月31日，或有業績補償的公允價值為人民幣34,290,000元(2022年：人民幣63,490,000元)。公允價值是根據企業合併一年以上的可能未來現金流入的價值，並考慮信用風險，採用適當的折現率得出現值來估計的。
- (ii) 理財產品存放於中國銀行用於現金管理目的，預期回報率介乎每年1.00%至9.55%(2022年：1.00%至4.71%)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Amounts recognised in profit or loss

During the year, the following (losses)/gains were recognised in profit or loss:

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2023 2023 年	2022 2022 年
Fair value (losses)/gains on equity instruments recognised at FVPL in other income and other gains - net	於其他收入及其他收益－淨額確認之權益工具的公允價值(虧損)／收益		(21,824)	3,957
Fair value gains on debt instruments recognised at FVPL in other income and other gains - net	於其他收入及其他收益－淨額確認之債務工具的公允價值收益		42,214	38,605
Fair value (losses)/gains on contingent consideration recognised in other income and other gains - net	於其他收入及其他收益－淨額確認之或有業績補償公允價值(虧損)／收益		(29,200)	63,490
		26	(8,810)	106,052

(c) Risk exposure

Information about the Group's exposure to credit risk is disclosed in Note 3.1. For information about the methods and assumptions used in determining fair value see Note 3.3.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

17. 以公允價值計量且其變動計入損益之金融資產(續)

(b) 於損益確認之金額

於年內，於損益確認之(虧損)／收益如下：

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2023 2023 年	2022 2022 年
Fair value (losses)/gains on equity instruments recognised at FVPL in other income and other gains - net	於其他收入及其他收益－淨額確認之權益工具的公允價值(虧損)／收益		(21,824)	3,957
Fair value gains on debt instruments recognised at FVPL in other income and other gains - net	於其他收入及其他收益－淨額確認之債務工具的公允價值收益		42,214	38,605
Fair value (losses)/gains on contingent consideration recognised in other income and other gains - net	於其他收入及其他收益－淨額確認之或有業績補償公允價值(虧損)／收益		(29,200)	63,490
		26	(8,810)	106,052

(c) 風險承受

有關本集團承受的信用風險的信息在附註3.1中披露。有關確定公允價值所使用的方法和假設的信息，請參見附註3.3。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

18. CASH AND BANK BALANCES

		As at 31 December 於 12 月 31 日		
		Note 附註	2023 2023 年	2022 2022 年
Cash and bank balances	現金及銀行存款	(a)	2,539,493	4,747,978
Less: Restricted bank balances	減：受限的銀行存款	(b)	(62,705)	(79,503)
Short-term deposit	短期存款	(c)	(95,760)	–
Cash and cash equivalents	現金及現金等價物		2,381,028	4,668,475

(a) Cash and bank balances are denominated in the following currencies:

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
RMB	人民幣	1,668,765	3,963,834
USD	美元	630,044	273,165
HKD	港幣	200,275	496,464
Others	其他	40,409	14,515
		2,539,493	4,747,978

(b) As at 31 December 2023, restricted bank balances represented security deposits.

(c) As at 31 December 2023, short-term deposit represented the bank deposit over three months.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

18. 現金及銀行存款

		As at 31 December 於 12 月 31 日		
		Note 附註	2023 2023 年	2022 2022 年
Cash and bank balances	現金及銀行存款	(a)	2,539,493	4,747,978
Less: Restricted bank balances	減：受限的銀行存款	(b)	(62,705)	(79,503)
Short-term deposit	短期存款	(c)	(95,760)	–
Cash and cash equivalents	現金及現金等價物		2,381,028	4,668,475

(a) 現金及銀行存款以下列貨幣金額列示：

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
RMB	人民幣	1,668,765	3,963,834
USD	美元	630,044	273,165
HKD	港幣	200,275	496,464
Others	其他	40,409	14,515
		2,539,493	4,747,978

(b) 於 2023 年 12 月 31 日，受限的銀行存款為保證金。

(c) 於 2023 年 12 月 31 日，短期存款為定期多於三個月的銀行存款。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

19. SHARE CAPITAL

Ordinary shares, issued and fully paid:	普通股，已發行及繳足：
At 31 December 2022,	於2022年12月31日，
1 January 2023 and	2023年1月1日及
31 December 2023	2023年12月31日

	Share capital 股本
Number of shares 股份數目	RMB'000 人民幣千元
3,229,926,876	328,619

20. SHARE-BASED PAYMENT

On 1 December 2020, shares of Guangdong Jiahao, a subsidiary of the Group, were granted to 80 eligible employees (the "Grantees") of Guangdong Jiahao and its subsidiary (the "Employee Share Plan"). Four limited partnerships controlled by the Group were incorporated in the PRC under the Partnership Enterprise Law of the People's Republic of China as a vehicle to hold the ordinary shares for the Grantees under the Employee Share Plan. Under this plan, approximately 1.98% equity interest in Guangdong Jiahao was granted to the Grantees through their interests in the four limited partnerships with consideration of approximately RMB46,496,000 and will be vested if certain services conditions are met.

As certain Grantees ceased the employment with Guangdong Jiahao, the corresponding 0.28% of the equity interests were repurchased by the general partner of the vehicle at a consideration of the price that the employees initially purchased. On 13 January 2023, Guangdong Jiahao redistributed 0.22% of the equity interests to 29 Grantees with consideration of approximately RMB6,201,083. After that, Guangdong Jiahao has granted a total of approximately 1.92% equity interests under this plan.

The amounts of share-based compensation recognised as expenses with a corresponding credit to reserves of the Group during the year ended 31 December 2023 was RMB4,103,000 (2022: RMB3,713,000).

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

19. 股本

20. 股份為基礎的支付

於2020年12月1日，廣東嘉豪，本集團之附屬公司，授予80名廣東嘉豪及其附屬公司的合資格僱員（「被授予以人」）廣東嘉豪的股份（「僱員股權計劃」）。根據《僱員股權計劃》，四家由本集團控制的並根據《中華人民共和國合夥企業法》在中國註冊成立的有限合夥企業，會作為被授予以人持有普通股的持股平台。根據該計劃，被授予以人通過其在四家有限合夥企業的權益獲授予以約1.98%廣東嘉豪的股權，代價約為人民幣46,496,000元；而股權將會歸屬如果滿足某些服務條件。

由於部分被授予以人不再受僱於廣東嘉豪，相應的0.28%股權由普通合夥人按照員工最初購買的價格回購。於2023年1月13日，廣東嘉豪重新分配29名被授予以人0.22%股權，代價約為人民幣6,201,083元。此後，廣東嘉豪已依本計劃累計授予以約1.92%的股權。

截至2023年12月31日止年度，本集團將以股份為基礎的酬金確認為支出，並相應計入儲備之金額為人民幣4,103,000元（2022年：人民幣3,713,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

21. RESERVES

21. 儲備

	Note	Contributed surplus	Merger reserve	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Currency translation reserve	Statutory Reserve	Other reserves	Total
	附註	實繳盈餘	合併儲備	股份溢價	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	貨幣換算儲備	法定儲備	其他儲備	總計
At 1 January 2022	於2022年1月1日	296,853	(628,438)	2,183,766	2,411	4,760	6,283	92,638	821,508	1,607,738	4,387,519
Fair value changes on financial assets at FVOCI, net of tax	以公允價值計量且其變動計入其他全面收益之金融資產之除稅後的公允價值變動	(a)	-	-	-	-	-	-	-	(1,583)	(1,583)
Appropriations from net profit	自純利撥付	22	-	-	-	-	-	-	21,523	-	21,523
Share-based payment – Value of employee services	股份為基礎的支付 – 僱員服務價值	20	-	-	-	-	3,713	-	-	-	3,713
Acquisitions of additional equity interests in non wholly-owned subsidiaries from non-controlling interests	向非控制性權益收購非全資附屬公司之額外股權	-	-	-	-	-	-	-	-	(27,566)	(27,566)
Additional investment in a non wholly-owned subsidiary of Shanghai Yifang	額外注資於上海奕方之非全資附屬公司	-	-	-	-	-	-	-	-	(6,530)	(6,530)
Put option liability arising from business combination	業務合併產生之認沽期權負債	-	-	-	-	-	-	-	-	(119,887)	(119,887)
Dilution of investment in an associate	於聯營公司之投資的股權稀釋	-	-	-	-	-	-	-	-	25,755	25,755
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	97,516	-	-	97,516
At 31 December 2022	於2022年12月31日	296,853	(628,438)	2,183,766	2,411	4,760	9,996	190,154	843,031	1,477,927	4,380,460
At 1 January 2023	於2023年1月1日	296,853	(628,438)	2,183,766	2,411	4,760	9,996	190,154	843,031	1,477,927	4,380,460
Fair value changes on financial assets at FVOCI, net of tax	以公允價值計量且其變動計入其他全面收益之金融資產之除稅後的公允價值變動	(a)	-	-	-	-	-	-	-	(183,855)	(183,855)
Appropriations from net profit	自純利撥付	22	-	-	-	-	-	-	19,419	-	19,419
Share-based payment – Value of employee services	股份為基礎的支付 – 僱員服務價值	20	-	-	-	-	4,103	-	-	-	4,103
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	28,032	-	-	28,032
At 31 December 2023	於2023年12月31日	296,853	(628,438)	2,183,766	2,411	4,760	14,099	218,186	862,450	1,294,072	4,248,159

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

21. RESERVES (CONTINUED)

- (a) For the year ended 31 December 2023, the fair value loss of RMB183,855,000 on financial assets at FVOCI were recognised in other comprehensive income, net of tax (2022: fair value loss of RMB1,583,000), of which RMB1,164,000 (2022: RMB279,000) was recognised in other comprehensive income as deferred tax (Note 14).
- (b) Contributed surplus of the Company represents (i) the difference between the consolidated shareholders' funds of the subsidiaries at the date on which the corporate reorganisation became effective and the nominal amount of the Company's shares issued under the reorganisation; (ii) the transfer of credit balance from share premium pursuant to the capital reorganisation in 2006 and relevant laws and regulations in Bermuda.

22. RETAINED EARNINGS

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

21. 儲備(續)

- (a) 截至2023年12月31日止年度，以公允價值計量且其變動計入其他全面收益之金融資產之公允價值虧損(稅後)金額為人民幣183,855,000元(2022年：公允價值虧損人民幣1,583,000元)，當中於其他全面收益確認人民幣1,164,000元為遞延稅項(2022年：人民幣279,000元)(附註14)。
- (b) 本公司之實繳盈餘指(i)重組生效之日附屬公司之綜合股東資金與重組時本公司已發行股份面值之差額；(ii)在2006年根據資本重組及百慕達相關法律法規由股份溢價轉入的貸方餘額。

22. 保留盈利

		Year ended 31 December 截至12月31日止	
		Note 附註	2022 2022年
		2023 2023年	
At the beginning of the year	年初	7,941,787	9,168,518
Profit/(loss) for the year	年度盈利/(虧損)	233,633	(1,054,547)
Appropriations from net profit	自純利撥付	21 (19,419)	(21,523)
Special dividends for the year ended 31 December 2022	截至2022年12月31日止年度之特別股息	32 (148,866)	–
Interim dividends for the six months ended 30 June 2023	截至2023年6月30日止六個月之中期股息	32 (47,306)	–
Special dividends for the six months ended 30 June 2023	截至2023年6月30日止六個月之特別股息	32 (56,176)	–
Final dividends for the year ended 31 December 2021	截至2021年12月31日止年度之期末股息	–	(54,821)
Special dividends for the six months ended 30 June 2022	截至2022年6月30日止六個月之特別股息	–	(95,840)
At the end of the year	年末	7,903,653	7,941,787

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

23. FINANCIAL LIABILITY FOR NON-CONTROLLING INTEREST PUT OPTION (“NCI PUT OPTION”)

Present value of liability in relation to a put option granted to non-controlling shareholders of a subsidiary

授予一附屬公司非控股股東的認沽期權相關的負債現值

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

23. 非控制性權益認沽期權金融負債 (「認沽期權負債」)

Year ended 31 December

截至 12 月 31 日止

	2023 2023 年	2022 2022 年
Present value of liability in relation to a put option granted to non-controlling shareholders of a subsidiary	147,656	131,836

According to the “Equity Transfer Agreement in respect of Shanghai Yifang”, signed on 8 March 2022, the non-controlling shareholders of Shanghai Yifang, after Shanghai Yifang being acquired by Huabao Flavours & Fragrances Co., Ltd. (“Huabao Flavours”), shall have the right to request Huabao Flavours to further acquire the non-controlling shareholders’ equity interests in Shanghai Yifang when certain conditions are met. The further acquisition price was determined by making reference to the net profit to be generated by Shanghai Yifang in future periods. Accordingly, the liability was initially recognised at present value of redemption amount of approximately RMB119,887,000 by the Huabao Flavours with reference to the present value of the estimated future cash outflows under the arrangement and was accreted to redemption amount of approximately RMB147,656,000 as at 31 December 2023 (2022: RMB131,836,000). The accretion charge of the financial liability for NCI put option in the finance cost was amounting to approximately RMB15,820,000 for the year ended 31 December 2023 (2022: RMB11,949,000) (Note 29).

根據於 2022 年 3 月 8 日簽訂的《上海奕方股權轉讓協議》，華寶香精股份有限公司(「華寶股份」)於上述收購後，上海奕方的非控股股東有權在滿足一定條件時要求華寶股份進一步購買非控股股東在上海奕方的股權。進一步購買價格乃參考上海奕方於未來期間的淨利潤確定。據此，該負債初步確認為贖回金額之現值約人民幣 119,887,000 元，乃由華寶股份參考認沽期權安排下預計未來現金流出的現值，而贖回金額於 2023 年 12 月 31 日已增加至約人民幣 147,656,000 元(2022 年：人民幣 131,836,000 元)。截至 2023 年 12 月 31 日止年度，財務費用中認沽期權負債增加費用約人民幣 15,820,000 元(2022 年：人民幣 11,949,000 元)(附註 29)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

24. BORROWINGS

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

24. 貸款

		As at 31 December 於 12 月 31 日		
		Note 附註	2023 2023 年	2022 2022 年
Non-current	非流動			
Long-term bank borrowings	長期銀行貸款			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	36,000	15,000
Less: current portion	減：流動部分		–	(15,000)
			36,000	–
Current	流動			
Short-term bank borrowings	短期銀行貸款			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	–	50,000
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	419,250	612,700
Current portion of non-current liabilities	非流動負債下之流動部份			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	–	15,000
			419,250	677,700
Total borrowings	總貸款		455,250	677,700

(a) As at 31 December 2023, the Group's secured bank borrowings of RMB36,000,000 (31 December 2022: RMB65,000,000) were repayable within two years (31 December 2022: repayable within one year) and secured by certain buildings and right-of-use assets of Shanghai Yifang with total carrying values of approximately RMB39,245,000 (31 December 2022: RMB17,662,000). During the year, the average interest rate of the borrowings was 4.2% (2022: 4.2%) per annum.

(a) 於 2023 年 12 月 31 日，本集團之有抵押銀行貸款為人民幣 36,000,000 元 (2022 年 12 月 31 日：人民幣 65,000,000 元)，該貸款需於兩年內償還 (2022 年 12 月 31 日：一年內償還)，並以上海奕方賬面值約為人民幣 39,245,000 元的若干物業及使用權資產作抵押 (2022 年 12 月 31 日：人民幣 17,662,000 元)。於年內，該貸款平均利息為每年 4.2 厘 (2022 年：4.2 厘)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

24. BORROWINGS (CONTINUED)

- (b) The Group's unsecured bank borrowings are repayable within one year. During the year, the average interest rate was 2.9% (2022: 2.8%) per annum.
- (c) An analysis of the carrying amounts of the Group's borrowings by type is as follows:

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
At fixed rates	固定利率	450,250	677,700
At floating rates	浮動利率	5,000	-
		455,250	677,700

- (d) As at 31 December 2023 and 2022, the maturities of the borrowings are as follows:

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
Within 1 year	一年以內	419,250	677,700
Between 1 and 2 years	一至二年	36,000	-
		455,250	677,700

- (e) As at 31 December 2023 and 2022, the carrying amounts of the Group's borrowings were denominated in RMB.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

24. 貸款(續)

- (b) 本集團之無抵押銀行貸款需於一年內到期償還。於年內，該貸款平均利息為每年2.9厘(2022年：2.8厘)。
- (c) 按類別分析本集團貸款的賬面值如下：

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
At fixed rates	固定利率	450,250	677,700
At floating rates	浮動利率	5,000	-
		455,250	677,700

- (d) 於2023年及2022年12月31日，貸款到期日如下：

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
Within 1 year	一年以內	419,250	677,700
Between 1 and 2 years	一至二年	36,000	-
		455,250	677,700

- (e) 於2023年及2022年12月31日，本集團貸款的賬面值是以人民幣為單位。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

25. TRADE AND OTHER PAYABLES

		As at 31 December 於 12 月 31 日		
		Note 附註	2023 2023 年	2022 2022 年
Trade payables	貿易應付款項	(a)	238,732	277,249
Note payables	應付票據		18,530	–
Wages payable	應付工資		115,466	97,021
Other taxes payable	其他應付稅項		59,300	98,107
Accruals for expenses	應計開支		10,088	9,677
Other payables	其他應付款項		171,783	240,481
Deferred income from government grants	政府補貼產生之遞延收入		11,446	11,763
			625,345	734,298

The non-current and current portion of trade and other payables was as follows:

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
Non-current	非流動	11,446	12,163
Current	流動	613,899	722,135
		625,345	734,298

The non-current portion of trade and other payables mainly represents the deferred income derived from various grants received from government authorities in PRC.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

25. 貿易及其他應付款項

		As at 31 December 於 12 月 31 日		
		Note 附註	2023 2023 年	2022 2022 年
Trade payables	貿易應付款項	(a)	238,732	277,249
Note payables	應付票據		18,530	–
Wages payable	應付工資		115,466	97,021
Other taxes payable	其他應付稅項		59,300	98,107
Accruals for expenses	應計開支		10,088	9,677
Other payables	其他應付款項		171,783	240,481
Deferred income from government grants	政府補貼產生之遞延收入		11,446	11,763
			625,345	734,298

貿易及其他應付款項的非流動及流動部份如下：

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
Non-current	非流動	11,446	12,163
Current	流動	613,899	722,135
		625,345	734,298

貿易及其他應付款項下的非流動部分主要指來自中國政府機構的各種補助金的遞延收入。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

25. TRADE AND OTHER PAYABLES (CONTINUED)

- (a) As at 31 December 2023 and 2022, the ageing analysis of the trade payables (including amounts due to related parties which are trade in nature) based on invoice dates was as follows:

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
0 - 90 days	0 至 90 日	216,774	245,146
91 - 180 days	91 至 180 日	8,112	9,721
181 - 360 days	181 至 360 日	3,704	5,113
Over 360 days	360 日以上	10,142	17,269
		238,732	277,249

The carrying amounts of the Group's trade payables are denominated in the following currencies:

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
RMB	人民幣	233,210	263,867
IDR	印尼盾	1,405	7,786
USD	美元	3,016	1,753
HKD	港幣	307	1,363
Others	其他	794	2,480
		238,732	277,249

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

25. 貿易及其他應付款項(續)

- (a) 於 2023 年及 2022 年 12 月 31 日，貿易應付款項(包括關聯方的貿易應付款項)根據發票日期的賬齡分析如下：

本集團的貿易應付款的賬面值以下列貨幣為單位：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

26. OTHER INCOME AND OTHER GAINS - NET

26. 其他收入及其他收益－淨額

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2023 2023 年	2022 2022 年
Changes in fair value of financial assets at FVPL	以公允價值計量且其變動計入損益的金融資產的公允價值變動	17	(8,810)	106,052
Dividend income from financial assets at FVPL	以公允價值計量且其變動計入損益的金融資產之股息收入		10,251	3,444
Loss on disposal of associates	出售聯營公司之虧損		(3,442)	–
Loss on disposal of a subsidiary	出售附屬公司之虧損		(3)	(1,184)
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益		3,743	5,085
Government grants	政府津貼		151,051	126,085
Foreign exchange losses - net	貨幣匯兌虧損－淨額		(5,635)	(17,871)
Change in fair value of previously held interest in a jointly controlled entity upon acquisition as a subsidiary	以前持有共同控制實體之權益於成為附屬公司時的公允價值變動		–	(24,083)
Written off of payables	沖銷應付款		195	12,234
Donations	捐贈		(302)	(839)
Others	其他		(440)	3,889
			146,608	212,812

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

27. EXPENSES BY NATURE

Expenses included in cost of goods sold, selling and marketing expenses and administrative expenses are analysed according to their nature (with the exception of “research and development expenses” which are shown as a single item and analysed according to their nature in Note (a) below) as follows:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

27. 按性質分類的開支

費用包括銷售成本、銷售及市場推廣開支及行政費用，並根據其性質(除附註(a)按照性質所單獨列示的「研發開支」外，每項開支均已不包括有關研發的金額)分析如下：

		Year ended 31 December 截至12月31日止年度		
		Note 附註	2023 2023年	2022 2022年
Depreciation	折舊		195,292	207,173
Amortisation	攤銷		101,446	98,253
Provision for impairment of property, plant and equipment	物業、機器及設備減值撥備	6	76,353	31,774
Provision for impairment of intangible assets	無形資產減值撥備		9,850	–
Provision for impairment of inventories	存貨減值撥備		3,421	1,760
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動		51,844	(8,106)
Raw materials and consumables used	已用原材料及消耗品		1,142,332	1,385,390
Short-term lease rentals	短期租賃租金	7	30,830	29,669
Auditor’s remuneration	核數師酬金			
– Audit services	– 核數服務		9,360	10,418
– Non-audit services	– 非核數服務		311	–
Consulting service fee	專業服務費		21,724	18,229
Travelling expenses	差旅開支		32,004	17,307
Employee benefit expenses	僱員及福利開支		652,530	608,149
Research and development expenses	研發開支	(a)	253,196	266,233
Delivery expenses	運輸開支		37,730	38,064
Utilities expenses	公共設施開支		98,990	92,055
Motor vehicle expenses	汽車費用開支		7,119	6,163
Maintenance expenses	維修費		22,335	16,123
Advertising, promotion and agency services expenses	廣告、推廣及服務代理費		92,894	124,624
Office administrative and communication expenses	辦公及通訊費		9,350	9,370
Other surcharges	其他附加稅費		39,025	44,738
Others	其他		108,213	124,399
Total of cost of goods sold, selling and marketing expenses and administrative expenses	總銷售成本、銷售及市場推廣開支和行政費用		2,996,149	3,121,785

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

27. EXPENSES BY NATURE (CONTINUED)

- (a) Depreciation, amortisation and employee benefit expenses included in research and development expenses are set out below:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Depreciation	折舊	15,706	18,165
Amortisation	攤銷	5,153	6,650
Employee benefit expenses	僱員及福利開支	147,318	137,114
		168,177	161,929

No development cost has been capitalised for the year ended 31 December 2023 (2022: nil).

在截至2023年12月31日止年度內並無任何發展成本已資本化(2022年：無)。

28. EMPLOYMENT BENEFIT EXPENSES

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

27. 按性質分類的開支(續)

- (a) 研發開支中包括的折舊、攤銷及僱員福利開支列示如下：

		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Depreciation	折舊	15,706	18,165
Amortisation	攤銷	5,153	6,650
Employee benefit expenses	僱員及福利開支	147,318	137,114
		168,177	161,929

No development cost has been capitalised for the year ended 31 December 2023 (2022: nil).

在截至2023年12月31日止年度內並無任何發展成本已資本化(2022年：無)。

28. EMPLOYMENT BENEFIT EXPENSES

28. 僱員及福利開支

		Year ended 31 December 截至12月31日止年度		
		Note 附註	2023 2023年	2022 2022年
Wages, salaries and bonus	工資、薪酬及花紅		647,462	597,579
Defined contribution plans and other employee insurances	定額供款計劃及其他員工保險	(a)	110,196	91,702
Share-based benefits	以股份為基礎之福利	20	4,103	3,713
Other benefits	其他福利		38,087	52,269
			799,848	745,263

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

28. EMPLOYMENT BENEFIT EXPENSES (CONTINUED)

(a) Defined contribution plans and other employee insurances

The expenses mainly include contribution of pension, housing scheme and other employee insurances for employees, of which the arrangement of pension scheme is as below:

In Hong Kong, the Group operates a MPF Scheme for all eligible employees. The assets of the MPF Scheme are held separately from those of the Group.

Under the MPF Scheme, the employees are required to contribute 5% of their monthly salaries up to a maximum of HKD1,500 per employee with a choice to make additional contributions. The employer's monthly contributions are calculated at 5% of each employee's monthly salaries up to a maximum of HKD1,500 (the "mandatory contributions"). The employees are entitled to 100% of the employer's mandatory contributions upon their retirement at the age of 65 years old, death or total incapacity.

In Mainland China, the Group makes defined contribution to retirement schemes managed by the local governments. It is the local governments' responsibility to pay the retirement benefits to those staff who retire.

In Germany, the Group makes defined contributions at certain percentage of monthly salary to retirement schemes managed by the insurance company in accordance with German rules and regulations. It is the insurance company's responsibility to pay the retirement benefits to those staff who retire. In Botswana, no pension obligation is required under its laws and regulations.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

28. 僱員及福利開支(續)

(a) 定額供款計劃及其他員工保險

此費用包括退休金供款、員工住房計劃及其他員工保險。退休金計劃之安排如下：

本集團為香港所有合資格僱員設立強積金計劃。強積金計劃之資產與本集團所持者獨立分開。

根據強積金計劃，每名僱員須按月薪5%（最高供款額為港幣1,500元）作出供款，並可選擇作出額外供款。僱主亦須按每名僱員月薪5%（最高供款額為港幣1,500元）作出供款（「強制供款」）。僱員可於六十五歲退休、身故或完全喪失工作能力時收取僱主作出之全部強制供款。

本集團在中國內地根據合資格員工的基本薪金若干百分比向中國地方政府所管理的退休金計劃作出定額供款。地方政府有責任向該等退休僱員支付退休金。

另本集團亦根據德國的相關法律和法規向合資格員工按月薪的若干百分比向有關保險公司作出供款。保險公司有責任向該等退休僱員支付退休金。博茨瓦納的相關法律和法規並無要求需向員工支付退休金的責任。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

28. EMPLOYMENT BENEFIT EXPENSES (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 4 (2022: 4) directors whose emoluments are reflected in Note 39(a). The emoluments paid and payable to the remaining 1 (2022: 1) individual during the year are as follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Basic salaries and allowances	基本薪金及津貼	10,460	11,171
Contributions to the retirement scheme	退休福利計劃供款	13	15
		10,473	11,186

The emoluments fell within the following bands:

彼等之酬金在以下範圍：

		Number of employees 僱員人數	
		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Emolument bands	酬金範圍		
HKD11,500,001–HKD12,000,000	港幣 11,500,001 元 – 港幣 12,000,000 元	1	–
HKD13,000,001–HKD13,500,000	港幣 13,000,001 元 – 港幣 13,500,000 元	–	1

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

28. 僱員及福利開支(續)

(b) 五名最高薪酬人士

年內，在本集團之五名最高薪酬人士包括四位(2022年：四位)為董事，而彼等之酬金詳情已載於附註39(a)。本年度已付及應付餘下一位(2022年：一位)人士之酬金如下：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

29. FINANCE INCOME AND FINANCE COSTS

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2023 2023 年	2022 2022 年
Finance income:	財務收入：			
– Interest income on bank deposits	– 銀行存款之利息收入		84,952	71,791
Finance costs:	融資成本：			
– Interest expense on bank borrowings and others	– 銀行貸款及其他利息費用		(16,560)	(24,286)
– Interest expense on financial liability for NCI put option	– 認沽期權負債之利息費用	23	(15,820)	(11,949)
– Interest expense on lease liabilities	– 租賃負債之利息費用	7	(1,550)	(1,735)
			(33,930)	(37,970)
Amount capitalised	利息費用資本化	(i)	9,084	—
Finance costs expensed	融資成本費用化		(24,846)	(37,970)
Finance income - net	財務收入－淨額		60,106	33,821

(i) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 3.10%.

(i) 用於確定借款費用資本化金額的資本化率是公司本年度一般借款適用的加權平均利率 3.10%。

30. INCOME TAX EXPENSE

The amount of taxation charged to the consolidated income statements represents:

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2023 2023 年	2022 2022 年
Current income tax	當期稅項			
– PRC corporate income tax	– 中國企業所得稅	(a)	176,938	196,512
– Hong Kong profits tax	– 香港所得稅	(b)	61	2,955
– Botswana company income tax	– 博茨瓦納企業所得稅	(c)	1	142
– Germany company income tax	– 德國企業所得稅	(d)	58	54
– Indonesia company income tax	– 印度尼西亞企業所得稅	(e)	683	77
Deferred income tax	遞延所得稅	14	(52,299)	(18,900)
			125,442	180,840

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

29. 財務收入及融資成本

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2023 2023 年	2022 2022 年
Finance income:	財務收入：			
– Interest income on bank deposits	– 銀行存款之利息收入		84,952	71,791
Finance costs:	融資成本：			
– Interest expense on bank borrowings and others	– 銀行貸款及其他利息費用		(16,560)	(24,286)
– Interest expense on financial liability for NCI put option	– 認沽期權負債之利息費用	23	(15,820)	(11,949)
– Interest expense on lease liabilities	– 租賃負債之利息費用	7	(1,550)	(1,735)
			(33,930)	(37,970)
Amount capitalised	利息費用資本化	(i)	9,084	—
Finance costs expensed	融資成本費用化		(24,846)	(37,970)
Finance income - net	財務收入－淨額		60,106	33,821

(i) 用於確定借款費用資本化金額的資本化率是公司本年度一般借款適用的加權平均利率 3.10%。

30. 所得稅開支

計入綜合收益表之稅項金額列示如下：

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2023 2023 年	2022 2022 年
Current income tax	當期稅項			
– PRC corporate income tax	– 中國企業所得稅	(a)	176,938	196,512
– Hong Kong profits tax	– 香港所得稅	(b)	61	2,955
– Botswana company income tax	– 博茨瓦納企業所得稅	(c)	1	142
– Germany company income tax	– 德國企業所得稅	(d)	58	54
– Indonesia company income tax	– 印度尼西亞企業所得稅	(e)	683	77
Deferred income tax	遞延所得稅	14	(52,299)	(18,900)
			125,442	180,840

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

30. INCOME TAX EXPENSE (CONTINUED)

- (a) PRC corporate income tax has been calculated on the estimated assessable profit for the year at the tax rates applicable to respective companies of the Group.

The income tax rates enacted or substantively enacted to the major subsidiaries of the Group incorporated in the PRC are derived from various tax policies as follows:

- (i) The Corporate Income Tax Law of the PRC stipulates the applicable income tax rate at 25% for domestic enterprises in the PRC.
- (ii) Enterprises supported by Western Development Strategy can continue to enjoy tax rate of 15% until 2030. High/New tech enterprises whose main business income accounts for more than 60% of the total income, simultaneously enjoy additional tax incentives from Tibet Autonomous Region Government that can be exempted from the local share of corporate income tax, can accrue income tax expenses at reduced rate of 9%.
- (iii) The Corporate Income Tax Law also stipulated that the Corporate Income Tax shall be levied at the reduced rate of 15% for High/New Tech Enterprises that are specifically supported by the State.
- (b) Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the year. Under the current Hong Kong Inland Revenue Ordinance, from the year of assessment 2018/2019 onwards, the subsidiaries in Hong Kong are subject to profits tax at the rate of 8.25% on assessable profits up to HK\$2,000,000, and 16.5% on any part of assessable profits over HK\$2,000,000.
- (c) Botswana company income tax has been provided at the rate of 15% (2022: 15%) on the estimated assessable profit for the year.
- (d) Germany company income tax has been provided at the rate of 15% (2022: 15%) on the estimated assessable profit for the year.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

30. 所得稅開支(續)

- (a) 中國企業所得稅按本集團在中國大陸企業於本年度估計應課稅盈利以其適用的稅率計算。

本集團於中國大陸註冊之主要企業的所得稅適用稅率來自不同的政策如下：

- (i) 企業所得稅法規定中國國內企業的適用所得稅稅率為25%。
- (ii) 西部大開發策略支援企業繼續享有15%的稅率至2030年。如高新技術企業之主營業務收入佔總收入60%以上的，可同時享有西藏自治區政府額外稅收優惠免徵企業所得稅地方份額，並可按9%的稅率計提所得稅費用。
- (iii) 企業所得稅法規定，國家重點扶持的高新技術企業按15%的稅率徵收企業所得稅。
- (b) 香港所得稅按本年度估計應課稅盈利以稅率16.5% (2022年：16.5%)撥備。根據現行香港稅務條例，自2018/2019課稅年度起，位於香港之附屬公司首港幣2,000,000元應評稅利潤之部分按8.25%的稅率繳納利得稅，而應評稅利潤超過港幣2,000,000元之部分則按16.5%的稅率繳納利得稅。
- (c) 博茨瓦納企業所得稅按本年度估計應課稅盈利以稅率15% (2022年：15%)撥備。
- (d) 德國企業所得稅按本年度估計應課稅盈利以稅率15% (2022年：15%)撥備。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

30. INCOME TAX EXPENSE (CONTINUED)

- (e) Indonesia company income tax has been provided at the rate of 22% (2022: 22%) on the estimated assessable profit for the year.
- (f) No provision for income tax in other jurisdictions has been made as the Group had no assessable profit in other jurisdictions for the years ended 31 December 2023 and 2022.
- (g) The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the standard tax rates applicable to the respective companies of the Group as follows:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

30. 所得稅開支(續)

- (e) 印度尼西亞企業所得稅按本年度估計應課稅盈利以稅率22%(2022年: 22%)撥備。
- (f) 本集團於截至2023年及2022年12月31日止年度在其他司法權區並無取得應課所得稅收入，故無為其他司法權區的所得稅作出撥備。
- (g) 本集團就除所得稅前盈利的稅項，與本集團旗下相關公司所在地在免稅期前適用稅率釐定的理論稅額有所不同，載列如下：

		Year ended 31 December 截至12月31日止年度		
		Note 附註	2023 2023年	2022 2022年
Profit/(loss) before income tax	除稅前盈利/(虧損)		415,925	(720,210)
Less: Share of results of associates and jointly controlled entities	減：應佔聯營公司及共同控制實體之業績	10, 11	(59)	7,056
			415,866	(713,154)
Tax calculated at statutory tax rate	按適用稅率計算的稅項		159,326	223,247
Tax incentives	稅收優惠	30(a)	(114,736)	(121,514)
Super deduction for research and development expenditure	研發費用加計扣除的影響		(16,138)	(17,806)
Utilisation of previously unrecognised tax losses	動用之前未確認的稅務虧損		(1,581)	(1,670)
Expenses not deductible for tax purposes	不可扣稅開支之稅務影響		26,373	45,574
Income not subject to tax	無須課稅收入的影響		(5,621)	(5,828)
Withholding tax on the earnings from subsidiaries	向附屬公司收取收入所產生之預提所得稅		40,824	19,032
Tax losses for which no deferred income tax assets were recognised	並無確認遞延所得稅資產的稅務虧損		36,995	39,805
Income tax expense	所得稅開支		125,442	180,840

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

30. INCOME TAX EXPENSE (CONTINUED)

As the directors are not certain whether future taxable profit would be available in certain subsidiaries, the Group did not recognise deferred income tax assets of RMB143,491,000 (31 December 2022: RMB112,095,000) as at 31 December 2023 in respect of tax losses of such subsidiaries amounting to RMB759,410,000 (31 December 2022: RMB606,230,000). The tax loss will expire in the following years:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

30. 所得稅開支(續)

因為董事無法確定於未來是否有足夠應課稅盈利彌補稅損，本集團並沒有於2023年12月31日確認若干附屬公司之可抵稅虧損人民幣759,410,000元(2022年12月31日：人民幣606,230,000元)的遞延所得稅資產約人民幣143,491,000元(2022年12月31日：人民幣112,095,000元)。可抵稅虧損將於下列年度到期：

		As at 31 December 於12月31日	
		2023 2023年	2022 2022年
Year	年度		
2023	2023年	–	9,507
2024	2024年	36,052	36,329
2025	2025年	31,840	33,858
2026	2026年	90,875	91,487
2027	2027年	146,012	151,476
2028	2028年	158,499	–
No expiring date	沒有到期日	296,132	283,573
		759,410	606,230

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

31. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2023 and 2022.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

31 每股盈利／（虧損）

(a) 每股基本盈利／（虧損）

每股基本盈利／（虧損）乃根據年內本公司權益持有人應佔盈利／（虧損），除以截至2023年及2022年12月31日止年度已發行普通股的加權平均數目計算。

		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Profit/(loss) attributable to equity holders of the Company	本公司權益持有人應佔盈利／（虧損）	233,633	(1,054,547)
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數（千計）	3,229,927	3,229,927
Basic earnings/(loss) per share for profit attributable to the equity holders of the Company (RMB cents per share)	本公司權益持有人應佔每股基本盈利／（虧損）（每股人民幣分）	7.23	(32.65)

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

31. EARNINGS/(LOSS) PER SHARE (CONTINUED)

(b) Diluted earnings/(loss) per share

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

31 每股盈利／(虧損)(續)

(b) 每股攤薄盈利／(虧損)

		Year ended 31 December 截至 12 月 31 日止年度	
		2023 2023 年	2022 2022 年
Profit/(loss) attributable to equity holders of the Company:	本公司權益持有人應佔盈利／(虧損)：		
Used in calculating basic earnings/(loss) per share	用於計算每股基本盈利／(虧損)	233,633	(1,054,547)
Less: profit adjusted for restricted shares granted by a subsidiary (i)	減：因附屬公司授予限制性股票而調整的利潤(i)	(15)	—
Used in calculating diluted earnings/(loss) per share	用於計算每股攤薄盈利／(虧損)	233,618	(1,054,547)
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數(千計)	3,229,927	3,229,927
Weighted average number of ordinary shares for diluted earnings/(loss) per share ('000)	每股攤薄盈利／(虧損)的加權平均普通股數量(千計)	3,229,927	3,229,927
Diluted earnings/(loss) per share for profit attributable to the equity holders of the Company (RMB cents per share)	本公司權益持有人應佔每股攤薄盈利／(虧損)(每股人民幣分)	7.23	(32.65)

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

31. EARNINGS/(LOSS) PER SHARE (CONTINUED)

(b) Diluted earnings/(loss) per share (Continued)

- (i) As disclosed in Note 20, the subsidiary's Employee Share Plan should be considered in calculating the diluted earnings per share, by adjusting the profit or loss attributable to equity holders of the Company.

For the year ended 31 December 2022, the 1.98% restricted equity interests unvested by the end of 31 December 2022 are not included in the calculation of diluted earnings/(loss) per share because they are antidilutive.

For the year ended 31 December 2023, the 1.70% restricted equity interests unvested by the end of 31 December 2023 are not included in the calculation of diluted earnings/(loss) per share because they are antidilutive. While for the 0.22% restricted equity interests granted during the year, the profit or loss amounted to RMB15,000 attributable to equity holders of the Company is adjusted.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

31 每股盈利／(虧損)(續)

(b) 每股攤薄盈利／(虧損)(續)

- (i) 如附註20披露，該附屬公司的員工持股計劃應在計算每股攤薄盈利時考慮，並調整本公司權益持有人應佔損益。

截至2022年12月31日止年度，於2022年12月31日尚未歸屬的1.98%限制性股權不包含在每股攤薄盈利／(虧損)的計算中，因為它們具有反稀釋性。

截至2023年12月31日止年度，於2023年12月31日尚未歸屬的1.70%限制性股權由於具有反稀釋性，因此不包含在每股攤薄盈利／(虧損)的計算。而本年授予的0.22%限制性股權則調整了歸屬於本公司權益持有人應佔損益人民幣15,000元。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

32. DIVIDENDS

32. 股息

		Year ended 31 December 截至 12 月 31 日止年度	
		2023 2023 年	2022 2022 年
Paid interim dividend of HK1.60 cents per share for the six months ended 30 June 2023	已付截至 2023 年 6 月 30 日止六個月之中期股息每股港幣 1.60 仙	47,306	–
Paid special dividend of HK1.90 cents per share for the six months ended 30 June 2023	已付截至 2023 年 6 月 30 日止六個月之特別股息每股港幣 1.90 仙	56,176	–
Paid special dividend of HK3.38 cents per share for the six months ended 30 June 2022	已付截至 2022 年 6 月 30 日止六個月之特別股息每股港幣 3.38 仙	–	95,840
		103,482	95,840
Proposed final dividend of HK0.8 cents per share for the year ended 31 December 2023	擬派截至 2023 年 12 月 31 日止年度之期末股息每股港幣 0.8 仙	23,416	–
Proposed special dividend of HK4.2 cents per share for the year ended 31 December 2023	擬派截至 2023 年 12 月 31 日止年度之特別股息每股港幣 4.2 仙	122,935	–
Paid special dividend of HK5.1 cents per share for the year ended 31 December 2022	已付截至 2022 年 12 月 31 日止年度之特別股息每股港幣 5.1 仙	–	148,866
		146,351	148,866
		249,833	244,706

On 26 March 2024, the Board proposed a final dividend of HK0.8 cents per share and special dividend of HK4.2 cents per share, totalling approximately RMB146,351,000 for the year ended 31 December 2023. The proposed dividend in respect of the year ended 31 December 2023 is calculated based on the total number of shares in issue as at the date of this report. The proposed dividend is subject to the shareholder's approval at the Company's forthcoming Annual General Meeting. The financial statements do not reflect this dividend payable.

於 2024 年 3 月 26 日，董事會建議派發截至 2023 年 12 月 31 日止年度的期末股息每股港幣 0.8 仙及特別股息每股港幣 4.2 仙，共約人民幣 146,351,000 元。截至 2023 年 12 月 31 日止年度的擬派股息乃按照於本報告日期已發行股份總數計算。建議派發之股息需要於本公司臨近舉行的股東週年大會上獲股東批准。財務報表未反映此應付股息。

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綜合財務報表附註

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

33. CASH GENERATED FROM OPERATIONS

(a) Reconciliation of profit/(loss) before tax to cash generated from operations

33. 營運產生之現金

(a) 除稅前盈利/(虧損)與營運產生之現金調節表

		Year ended 31 December 截至12月31日止年度	
		Note 附註	
		2023 2023年	2022 2022年
Profit/(loss) before income tax	除稅前盈利/(虧損)	415,925	(720,210)
Adjustments for:	調整：		
- Depreciation	- 折舊	210,998	225,338
- Amortisation	- 攤銷	106,599	104,903
- Provision for impairment of goodwill	- 商譽減值撥備	9 56,502	1,507,710
- Provision for impairment of inventories	- 存貨減值撥備	27 3,421	1,760
- Provision for impairment of trade and other receivables	- 貿易及其他應收款項減值撥備	23,745	20,276
- Provision for impairment of property, plant and equipment	- 物業、機器及設備減值撥備	6 76,353	31,774
- Provision for impairment of intangible assets	- 無形資產減值撥備	9 9,850	-
- Provision for impairment relating to the investment in an associate	- 聯營公司投資之減值撥備	10 22,291	139,000
- Share-based payment-value of employee services	- 股份為基礎的支付 - 僱員服務價值	20 4,103	3,713
- Interest expense	- 利息費用	29 24,846	37,970
- Interest income	- 利息收入	29 (84,952)	(71,791)
- Share of results of associates and jointly controlled entities	- 應佔聯營公司及共同控制實體之業績	(59)	7,056
- Gains on disposal of property, plant and equipment	- 出售物業、機器及設備之收益	26 (3,743)	(5,085)
- Written off of payables	- 沖銷應付款	26 (195)	12,234
- Loss on disposal of a subsidiary	- 出售附屬公司之虧損	26 3	1,184
- Gain on disposal of an associate	- 出售聯營公司之收益	26 3,442	-
- Change in fair value of previously held interest in a jointly controlled entity upon acquisition as a subsidiary	- 以前於共同控制實體之權益於成為附屬公司時的公允值變動	-	24,083
- Changes in fair value of financial assets at FVPL	- 以公允價值計量且其變動計入損益的金融資產之公允值變動	26 8,810	(106,052)
- Losses/(gains) on fair value change of biological assets	- 生物資產的公允價值變動虧損/(收益)	1,919	(2,094)
- Dividend income from financial assets at FVPL	- 以公允價值計量且其變動計入損益的金融資產之股息收入	26 (10,251)	(3,444)
- (Gains)/losses on termination of leases	- 終止租賃之(收益)/虧損	(995)	1,294
- Foreign exchange losses - net	- 貨幣匯兌虧損 - 淨額	26 5,635	17,871
Changes in working capital:	營運資金變動：		
- Biological assets	- 生物資產	(6,612)	(2,425)
- Inventories	- 存貨	27,963	(60,053)
- Trade and other receivables	- 貿易及其他應收款項	354,756	7,042
- Trade and other payables	- 貿易及其他應付款項	(108,579)	(91,135)
- Contract liabilities	- 合同負債	44,870	(51,001)
Cash generated from operations	營運產生之現金	1,186,645	1,029,918

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

33. CASH GENERATED FROM OPERATIONS (CONTINUED)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

33. 營運產生之現金(續)

(b) 於綜合現金流量表內，出售物業、機器及設備之所得款包括：

		Year ended 31 December 截至12月31日止年度		
		Note 附註	2023 2023年	2022 2022年
Net book amount	賬面淨值	6	11,802	12,916
Gains on disposal of property, plant and equipment	出售物業、機器及設備之收益	26	3,743	5,085
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備的所得款		15,545	18,001

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

33. CASH GENERATED FROM OPERATIONS (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities

This section sets out an analysis of the movements in liabilities from financing activities:

		Liabilities from financing activities 融資活動產生的負債				
			Lease liabilities 租賃負債	Financial liability for NCI put option 認沽期權負債		Total 總計
	Note 附註	Borrowings 借款				
At 1 January 2022	於 2022 年 1 月 1 日	962,774	40,927	-		1,003,701
Changes from financing cash flow:	融資活動的現金流量變化：					
Proceeds from borrowings	借貸所得款	750,590	-	-		750,590
Repayments of borrowings	償還借款	(1,179,178)	-	-		(1,179,178)
Principal elements of lease payments	租賃付款之本金部份	-	(26,987)	-		(26,987)
Interest paid	已付利息	(24,286)	(1,735)	-		(26,021)
Total changes from financing cash flow	融資活動的現金流量變化總計	(452,874)	(28,722)	-		(481,596)
Other changes:	其他變動：					
Acquisition of equity interest in Shanghai Yifang	收購上海奕方之股權	134,500	19,069	119,887		273,456
Increase in lease liabilities from entering into new leases during the year	本年度因訂立新租賃而增加的租賃負債	-	34,158	-		34,158
Decrease in lease liabilities from termination of leases during the year	本年度因終止租賃而減少的租賃負債	-	(6,397)	-		(6,397)
Interest expenses	利息支出	29	1,735	11,949		37,970
Currency translation difference	匯兌差異	9,014	-	-		9,014
Total other changes	其他變動總計	167,800	48,565	131,836		348,201
At 31 December 2022	於 2022 年 12 月 31 日	677,700	60,770	131,836		870,306

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

33. 營運產生之現金(續)

(c) 融資活動產生的負債調節表

本節對融資活動中的負債變動進行了分析：

Liabilities from financing activities 融資活動產生的負債

			Lease liabilities 租賃負債	Financial liability for NCI put option 認沽期權負債		Total 總計
	Note 附註	Borrowings 借款				
At 1 January 2022	於 2022 年 1 月 1 日	962,774	40,927	-		1,003,701
Changes from financing cash flow:	融資活動的現金流量變化：					
Proceeds from borrowings	借貸所得款	750,590	-	-		750,590
Repayments of borrowings	償還借款	(1,179,178)	-	-		(1,179,178)
Principal elements of lease payments	租賃付款之本金部份	-	(26,987)	-		(26,987)
Interest paid	已付利息	(24,286)	(1,735)	-		(26,021)
Total changes from financing cash flow	融資活動的現金流量變化總計	(452,874)	(28,722)	-		(481,596)
Other changes:	其他變動：					
Acquisition of equity interest in Shanghai Yifang	收購上海奕方之股權	134,500	19,069	119,887		273,456
Increase in lease liabilities from entering into new leases during the year	本年度因訂立新租賃而增加的租賃負債	-	34,158	-		34,158
Decrease in lease liabilities from termination of leases during the year	本年度因終止租賃而減少的租賃負債	-	(6,397)	-		(6,397)
Interest expenses	利息支出	29	1,735	11,949		37,970
Currency translation difference	匯兌差異	9,014	-	-		9,014
Total other changes	其他變動總計	167,800	48,565	131,836		348,201
At 31 December 2022	於 2022 年 12 月 31 日	677,700	60,770	131,836		870,306

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

33. CASH GENERATED FROM OPERATIONS (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (Continued)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

33. 營運產生之現金(續)

(c) 融資活動產生的負債調節表(續)

		Liabilities from financing activities 融資活動產生的負債			
		Borrowings 借款	Lease liabilities 租賃負債	Financial liability for NCI put option 認沽期權負債	Total 總計
At 1 January 2023	於 2023 年 1 月 1 日	677,700	60,770	131,836	870,306
Changes from financing cash flow:	融資活動的現金流量變化：				
Proceeds from borrowings	借貸所得款	632,550	-	-	632,550
Repayments of borrowings	償還借款	(855,000)	-	-	(855,000)
Principal elements of lease payments	租賃付款之本金部份	-	(24,880)	-	(24,880)
Interest paid	已付利息	(16,560)	(1,550)	-	(18,110)
Total changes from financing cash flow	融資活動的現金流量變化總計	(239,010)	(26,430)	-	(265,440)
Other changes:	其他變動：				
Increase in lease liabilities from entering into new leases during the year	本年度因訂立新租賃而增加的租賃負債	-	22,259	-	22,259
Decrease in lease liabilities from termination of leases during the year	本年度因終止租賃而減少的租賃負債	-	(13,230)	-	(13,230)
Interest expenses	利息支出	16,560	1,550	15,820	33,930
Total other changes	其他變動總計	16,560	10,579	15,820	42,959
At 31 December 2023	於 2023 年 12 月 31 日	455,250	44,919	147,656	647,825

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

34. CONTINGENCY

Reference is made to the announcement of the Group dated 9 August 2023 in relation to the initiation of arbitration by Huabao Flavours against Qian Rong and Wong Kam Wing, both of whom are the non-controlling shareholders of Shanghai Yifang. Considering that Qian Rong and Wong Kam Wing's failure to fulfil their obligation to pay the second phase of capital injection has seriously violated the Equity Transfer Agreement in respect of Shanghai Yifang (the "Agreement") and Shanghai Yifang has been continuously sustaining loss during the performance commitment period, Huabao Flavours has submitted arbitration application to the Shanghai International Arbitration Center, with Qian Rong and Wong Kam Wing as defendants. Huabao Flavours requests that the respondent compensate a total of RMB332,030,000 for breach of contract damages, expected loss of benefits, legal fees and the corresponding arbitration costs. At the time the financial statements were authorised for issue, the arbitration application has not been adjudicated. The contingent asset has not been recognised as a receivable at 31 December 2023 as receipt of the amount is dependent on the outcome of the arbitration process.

As at 31 December 2023, the Group had no significant contingent liabilities (31 December 2022: nil).

35. CAPITAL COMMITMENTS

Capital expenditure contracted for but not yet recognised as liabilities at the end of the year are as follows:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

34. 或然事件

茲提述本集團日期為2023年8月9日的公告，內容涉及華寶股份對上海奕方之非控制性股東錢戎及黃錦榮提起仲裁。考慮到錢戎、黃錦榮未履行第二期注資支付義務，嚴重違反了《上海奕方股權轉讓協議》(以下簡稱「協議」)，且上海奕方在履約過程中於承諾期內持續虧損，華寶股份已向上海國際仲裁中心提交仲裁申請，要求被申請人錢戎及黃錦榮賠償違約金、預期利益損失、律師費及相應的仲裁費用共計人民幣332,030,000元。截至本財務報表批准報出時，仲裁申請尚未裁決。於2023年12月31日，或有資產尚未確認為應收款，因為能否收到該金額取決於仲裁的結果。

於2023年12月31日，集團並無重大之或然負債(2022年12月31日：無)。

35. 資本承擔

於年末已簽約但仍未確認為負債的資本開支如下：

		As at 31 December 於12月31日	
		2023 2023年	2022 2022年
Property, plant and equipment	物業、機器及設備	85,507	139,761
Intangible assets	無形資產	8,266	23,878
Right-of-use assets	使用權資產	6,110	4,760
Investment in a jointly controlled entity	於共同控制實體之投資	28,000	28,000
Financial assets at FVPL	以公允價值計量且變動計入 損益之金融資產	12,572	19,164
		140,455	215,563

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. RELATED PARTY TRANSACTIONS

(a) Names and relationship with related parties

Name 名稱	Relationship 關係
Huangguoshu Golden Leaf 黃果樹金葉	An associate indirectly held by the Company 本公司間接持有的聯營公司
Hongta Blue Eagle 紅塔藍鷹	An associate indirectly held by the Company 本公司間接持有的聯營公司
Broad Far Group 博遠集團	An associate indirectly held by the Company and an entity controlled by the Company's ultimate holder 本公司間接持有的聯營公司及本公司最終持有人控制之公司
Yingtian Dongwu 鷹潭東霧	An associate indirectly held by the Company 本公司間接持有的聯營公司
Hunan Jiapinjiawei 湖南嘉品嘉味	An associate indirectly held by the Company 本公司間接持有的聯營公司
Shanghai Miou 上海米偶	A jointly controlled entity indirectly held by the Company 本公司間接持有的共同控制實體
Yingtian Weizhijia Food Co. Ltd. and its subsidiaries ("Weizhijia")	An entity controlled by the Company's ultimate holder
鷹潭味之家食品有限公司及其附屬公司(「味之家」)	本公司最終持有人控制之公司
PT SPV	An associate indirectly held by the Company
PT SPV	本公司間接持有的聯營公司

During the year ended 31 December 2023, the Group disposed of Yunnan Ruisheng and Shenzhen Ruili, the associates indirectly held by the Company, and since then it was no longer a related party.

The Group further acquired 27% and reached 67% in aggregate of equity interests in Shanghai Yifang in March 2022, and Shanghai Yifang becomes a subsidiary of the Group.

36. 關聯方交易

(a) 關聯方名稱與關係

截至2023年12月31日止年度，本集團出售了本公司間接持有的聯營公司雲南瑞升及深圳銳麗，自此不再是關聯方。

本集團於2022年3月進一步收購上海奕方27%股權，合計持股比例達67%，上海奕方自此成為本集團的附屬公司。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. 關聯方交易(續)

(b) 與關聯方的交易

		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Sales of goods and services:	銷售商品及服務：		
– Huangguoshu Golden Leaf	– 黃果樹金葉	5,606	6,350
– Broad Far Group	– 博遠集團	33,223	17,299
– Hunan Jiapinjiawei	– 湖南嘉品嘉味	447	314
– Shanghai Miou	– 上海米偶	37	22
– Shanghai Yifang	– 上海奕方	–	28
		39,313	24,013
Purchase of goods and services:	購買商品及服務：		
– Huangguoshu Golden Leaf	– 黃果樹金葉	–	134
– Broad Far Group	– 博遠集團	31	15
– Yunnan Ruisheng	– 雲南瑞升	21	113
– Hunan Jiapinjiawei	– 湖南嘉品嘉味	153	857
– Shenzhen Ruili	– 深圳銳麗	–	136
– Shanghai Miou	– 上海米偶	1,024	268
– Weizhijia	– 味之家	1,074	–
– Shanghai Yifang	– 上海奕方	–	680
		2,303	2,203
Dividend revenue:	股息收入：		
– Hongta Blue Eagle	– 紅塔藍鷹	3,088	5,110
Sales of property, plant and equipment:	出售物業，機器及設備		
– Hunan Jiapinjiawei	– 湖南嘉品嘉味	–	44

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
Balances due from related parties:	應收關聯方結餘：		
– Huangguoshu Golden Leaf	– 黃果樹金葉		
– trade and other receivables	– 貿易及其他應收款	5,182	6,553
– Broad Far Group	– 博遠集團		
– trade and other receivables	– 貿易及其他應收款	15,434	8,815
– Yunnan Ruisheng	– 雲南瑞升		
– other receivables	– 其他應收款	–	35
– Yingtian Dongwu	– 鷹潭東霧		
– trade receivables	– 貿易應收款	714	504
– Hunan Jiapinjiawei	– 湖南嘉品嘉味		
– trade and other receivables	– 貿易及其他應收款	7	21
– prepayment	– 預付款項	130	—
		21,467	15,928
Balance due to related parties:	應付關聯方結餘：		
– Huangguoshu Golden Leaf	– 黃果樹金葉		
– trade payables	– 貿易應付款	–	36
– Broad Far Group	– 博遠集團		
– trade and other payables	– 貿易及其他應付款	400	353
– Yunnan Ruisheng	– 雲南瑞升		
– trade payables	– 貿易應付款	–	31
– Hunan Jiapinjiawei	– 湖南嘉品嘉味		
– trade payables	– 貿易應付款	167	127
– Shenzhen Ruili	– 深圳銳麗		
– trade payables	– 貿易應付款	–	136
– PT SPV	– PT SPV		
– other payables	– 其他應付款	228	–
		795	683

The balance with related parties was unsecured, interest-free and repayable on demand.

所有關聯方結餘均為無抵押，免息及須於通知時清還。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. 關聯方交易(續)

(c) 關聯方結餘

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Key management compensation

Key management includes directors (executive, non-executive and independent non-executive) and senior management. The amounts of compensation paid and payable to directors is disclosed in Note 39(a). The amounts of compensation paid and payable to senior management for employee services is shown below:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Fees, salaries and bonus	工資、薪酬及花紅	21,300	21,597
Employer's contributions to retirement benefit scheme	僱主就退休計劃供款	544	512
		21,844	22,109

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. 關聯方交易(續)

(d) 主要管理人員酬金

主要管理人員包括董事(執行董事、非執行董事與獨立非執行董事)和高級管理人員。已付及應付予董事的酬金已在附註39(a)披露。就僱員服務已付及應付高級管理層的酬金如下：

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(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

37. 主要附屬公司之詳情

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行普通股/ 註冊資本面值	Ownership interest held by the Group % 本集團持有的權益 %		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Amber (XiaMen) Fragrance Co., Ltd. (formerly known as "Xiamen Amber Daily Chemical Technology Co., Ltd.") 廈門琥珀香精股份有限公司 ^{LX1, LX2} (前稱「廈門琥珀日化科技股份有限公司」)	PRC, Limited liability company 中國，股份有限公司	RMB30,000,000 人民幣30,000,000元	-	51	Research, development, distribution and retail of fragrances in the PRC 研發、生產、批發及零售日用化工產品，中國
Aromascape Development Centre GmbH Aromascape Development Centre GmbH ^{AD1}	Germany, Limited liability company 德國，有限責任公司	EUR25,000 歐元25,000	-	100	Research and development of flavours & fragrances in Germany 研發香精，德國
F&G (Botswana) (Pty) Limited F&G (Botswana) (Pty) Limited	Republic of Botswana, Limited liability company 博茨瓦納共和國，有限責任公司	BWP100 普拉100元	-	100	Production and sales of flavours of fragrances in Botswana 生產和銷售香精，香料博茨瓦納共和國
Guangdong Golden leaf Technology Development Co., Ltd. 廣東省金葉科技開發有限公司 ^{GX1, GX2}	PRC, Limited liability company 中國，有限責任公司	RMB100,000,000 人民幣100,000,000元	-	100	Research & development, manufacture and sale of reconstituted tobacco leaves in the PRC 研發、生產及銷售再造煙葉，中國
Guangdong Jiahao Foodstuff Co., Ltd. 廣東嘉豪食品有限公司 ^{C1, X1}	PRC, Limited liability company 中國，有限責任公司	RMB119,680,000 人民幣119,680,000元	-	99.2	Production, sales, marketing and distribution of condiment products in the PRC 生產、銷售、營銷及分銷調味品，中國
Guangdong Jiahao Marketing Co., Ltd. 廣東嘉豪營銷有限公司	PRC, Limited liability company 中國，有限責任公司	RMB5,000,000 人民幣5,000,000元	-	99.2	Sales, marketing and distribution of condiment products in the PRC 銷售、營銷及分銷調味品，中國
Guangdong Jinke Reconstituted Tobacco Leaves Co., Ltd. 廣東金科再造煙葉有限公司 ^{GX1}	PRC, Limited liability company 中國，其他有限責任公司	RMB40,000,000 人民幣40,000,000元	-	55.375	Manufacture & sale of reconstituted tobacco leaves in the PRC 生產及銷售再造煙葉，中國
Guangzhou Huabao Food Co., Ltd. 廣州華寶食品有限公司 ^{LX1, LX2}	PRC, Limited liability company 中國，有限責任公司	RMB10,000,000 人民幣10,000,000元	-	100	Research, development, manufacturing & sales of flavours & fragrances in the PRC 研發、生產及銷售香精，中國
GuangZhou Hua Fang Tobacco Flavors Ltd. 廣州華芳煙用香精有限公司 ^{YX1}	PRC, Limited liability company 中國，有限責任公司	RMB23,380,000 人民幣23,380,000元	-	51	Manufacturing & sales of tobacco flavours & fragrances in the PRC 生產及銷售煙用香精，中國

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(All amounts in RMB thousands unless otherwise stated)

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(除另有指明者外，所有金額均以人民幣千元列示)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

37. 主要附屬公司之詳情(續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行普通股/ 註冊資本面值	Ownership interest held by the Group % 本集團持有的權益 %		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Huabao Flavour & Chemical Technology Development(Shanghai) Co., Ltd. 華寶香化科技發展(上海)有限公司 ^{ZD1, ZD2}	PRC, Limited liability company 中國·有限責任公司	RMB530,000,000 人民幣 530,000,000 元	-	100	Research, development, manufacturing & sales of tobacco raw materials in the PRC 研發、生產及銷售適用於煙草行業的新材料產品·中國
Huabao Flavours & Fragrances (HK) Limited 華寶香精(香港)有限公司 ^{X1}	Hong Kong, Limited liability company 香港·有限公司	HKD3,000,000 港幣 3,000,000 元	-	100	Research, development, manufacturing & sales of flavours & fragrances in Hong Kong 研發、生產及銷售香精·香港
Huabao Flavours & Fragrances Co, Ltd 華寶香精股份有限公司 ^{X1, X2, L1, YX1, RM1, GX1}	PRC, Limited liability company 中國·股份有限公司	RMB615,880,000 人民幣 615,880,000 元	-	81.184	Manufacturing & sales of tobacco flavours & fragrances in the PRC 生產及銷售煙用香精·中國
Huabao Korea Company Limited 華寶韓國株式會社 ^{GX1, GX2}	Korea, Limited liability company 韓國·有限責任公司	WON16,320,000,000 韓圓 16,320,000,000	-	100	Manufacture and sale of filter materials in Korea 研發、生產及銷售香煙濾咀產品·韓國
Hunan Jishou Minzu Materials Co., Ltd 湖南吉首市民族煙材有限公司 ^{GX1, GX2}	PRC, Limited liability company 中國·其他有限責任公司	RMB60,000,000 人民幣 60,000,000 元	-	85	Production of tobacco raw materials and cigarette filter in the PRC 生產及銷售煙用濾棒·中國
Jiangxi Xianghai Biological Technology Co., Ltd 江西香海生物科技有限公司	PRC, Limited liability company 中國·有限責任公司	RMB100,000,000 人民幣 100,000,000 元	-	100	Produce, research and sale of synthetic perfume in the PRC 生產及銷售香原料·中國
Jiangxi H&K Food Technology Development Co., Ltd 江西省華寶孔雀食品科技發展有限公司 ^{YX1, YX2}	PRC, Limited liability company 中國·有限責任公司	RMB350,000,000 人民幣 350,000,000 元	-	100	Manufacturing and sales of food flavours and fragrances in the PRC 生產及銷售香原料·中國
Jiangxi Yifang Rural Technology Co., Ltd. 江西奕方農業科技有限公司 ^{LX1, LX2}	PRC, Limited liability company 中國·有限責任公司	RMB205,000,000 人民幣 205,000,000 元	-	67.244	Production of food additives & food production and sales in the PRC 食品添加劑生產及食品生產銷售·中國
Owada Flavours (Guangzhou) Co., Ltd. 澳華達香精(廣州)有限公司	PRC, Limited liability company 中國·有限責任公司	HKD60,000,000 港幣 60,000,000 元	-	100	Research, development, production and sale of tobacco flavours & fragrances in the PRC 生產及銷售煙用香精產品·中國

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(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

37. 主要附屬公司之詳情(續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行普通股/ 註冊資本面值	Ownership interest held by the Group % 本集團持有的權益%		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Shanghai H&K Flavors & Fragrances Co., Ltd. 上海華寶孔雀香精有限公司 ^{X1, YX1, YX2}	PRC, Limited liability company 中國·有限責任公司	RMB260,000,000 人民幣 260,000,000 元	-	100	Manufacturing & sales of food flavours & fragrances in the PRC 生產及銷售食品香精，中國
Shanghai Huabao Biological Technology Co., Ltd. 上海華寶生物科技有限公司 ^{ZD1, ZD2, GX1}	PRC, Limited liability company 中國·有限責任公司	RMB10,000,000 人民幣 10,000,000 元	-	100	Production and sale of tobacco raw material in the PRC 生產及銷售煙用原料，中國
Shanghai Yifang Rural Technology Holdings Co., Ltd. 上海奕方農業科技有限公司 ^{LX1, LX2}	PRC, Limited liability company 中國·有限責任公司	RMB120,000,000 人民幣 120,000,000 元	-	67.244	Research and development, production and sales of food additives in the PRC 食品配料的研發、生產及銷售，中國
Smart Sino International Investment Holdings (China) Co., Ltd. 華烽國際投資控股(中國)有限公司 ^{C1, L1, L2, ZD1}	PRC, Limited liability company 中國·有限責任公司	USD55,640,000 美元 55,640,000	-	100	Investments holding in the PRC 投資控股，中國
Shanghai Xiangyue Technology Development Co., Ltd. 上海香悅科技發展有限公司 ^{L1, L2}	PRC, Limited liability company 中國·有限責任公司	HKD10,000,000 港幣 10,000,000 元	-	100	Sale of aromatic raw materials and natural extracts in the PRC 銷售香原料及天然提取物，中國
Yancheng City Chunzhu Aroma Co., Ltd. 鹽城市春竹香料有限公司	PRC, Limited liability company 中國·有限責任公司	RMB6,000,000 人民幣 6,000,000 元	-	100	Production and sales of aromatic raw materials in the PRC 生產及銷售香原料，中國
Yingtian Huabao Flavors & Fragrances Co., Ltd. 鷹潭華寶香精有限公司 ^{YX1, YX2}	PRC, Limited liability company 中國·有限責任公司	RMB96,500,000 人民幣 96,500,000 元	-	100	Production and sale of tobacco flavours & fragrances in the PRC 生產及銷售香精，中國
Yongzhou Shanxiang Flavour Co., Ltd. 永州山香香料有限公司	PRC, Limited liability company 中國·有限責任公司	RMB35,000,000 人民幣 35,000,000 元	-	94.14	Production and sale of flavours & fragrances in the PRC 生產及銷售香原料，中國
Yunnan Tianhong Flavor and Fragrance Co., Ltd. 雲南天宏香精有限公司	PRC, Limited liability company 中國·有限責任公司	USD2,550,000 美元 2,550,000	-	60	Production and sale of tobacco flavours & fragrances in the PRC 生產及銷售煙用香精，中國
Zhaoqing Perfumery Co., Ltd. (Guangdong) 廣東省肇慶香料廠有限公司	PRC, Limited liability company 中國·有限責任公司	RMB11,000,000 人民幣 11,000,000 元	-	100	Manufacturing & sales of food flavours & fragrances in the PRC 生產及銷售食用香精，中國

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests

The total comprehensive income attributable to non-controlling interests for the year ended 31 December 2023 is RMB68,164,000 (2022: RMB160,397,000), of which RMB66,366,000 (2022: RMB146,288,000) is from Huabao Flavours & Fragrances Co., Ltd. and its subsidiaries (“Huabao Flavours Group”). The non-controlling interests in other subsidiaries are not material.

Set out below are the summarised financial information of Huabao Flavours Group:

Summarised consolidated statement of financial position of Huabao Flavours Group

		As at 31 December 於 12 月 31 日	
		2023 2023 年	2022 2022 年
Current Assets	流動資產	5,905,767	6,559,465
Liabilities	負債	(670,457)	(1,080,830)
Total current net assets	流動淨資產總額	5,235,310	5,478,635
Non-current Assets	非流動資產	2,325,764	2,447,122
Liabilities	負債	(207,616)	(177,831)
Total non-current net assets	非流動淨資產總額	2,118,148	2,269,291
Net assets	淨資產	7,353,458	7,747,926

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

37. 主要附屬公司之詳情(續)

(a) 重大非控制性權益

截至2023年12月31日止年度，非控制性權益應佔全面收益總額為人民幣68,164,000元(2022年：人民幣160,397,000元)，其中來自華寶香精股份有限公司及其附屬公司(「華寶股份集團」)之非控制性權益應佔全面收益總額為人民幣66,366,000元(2022年：人民幣146,288,000元)。於其他附屬公司的非控制性權益並不重大。

以下載列華寶股份集團的財務資料摘要：

華寶股份集團之綜合財務狀況表概要

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (Continued)

Summarised consolidated income statement and consolidated statement of comprehensive income of Huabao Flavours Group

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

37. 主要附屬公司之詳情(續)

(a) 重大非控制性權益(續)

華寶股份集團之綜合收益表及綜合全面收益表概要

		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Revenue	營業額	1,484,628	1,893,883
Profit before income tax	除稅前盈利	437,471	866,784
Income tax expense	所得稅開支	(62,943)	(134,512)
Profit for the year	本年度盈利	374,528	732,272
Other comprehensive income	其他全面收益	7,146	48,835
Total comprehensive income	全面收益總額	381,674	781,107
Total comprehensive income allocated to non-controlling interests	分配予非控制性權益的全面收益總額	66,366	146,288
Dividends paid to non-controlling interests	向非控制性權益派付之股利	37,219	37,313

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (Continued)

Summarised consolidated statement of cash flows of Huabao Flavours Group

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

37. 主要附屬公司之詳情(續)

(a) 重大非控制性權益(續)

華寶股份集團綜合現金流量表概要

		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	營運產生之現金	781,253	855,076
Income tax paid	已付所得稅	(97,452)	(164,993)
Net cash generated from operating activities	營運活動產生之現金淨額	683,801	690,083
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額	(2,116,350)	1,224,959
Net cash used in financing activities	融資活動所用之現金淨額	(996,845)	(646,958)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(2,429,394)	1,268,084
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	3,575,161	2,271,032
Effects of currency translation on cash and cash equivalents	貨幣換算對現金及現金等價物的影響	6,456	36,045
Cash and cash equivalents at the end of the year	於年末之現金及現金等價物	1,152,223	3,575,161

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

38. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

Statement of financial position of the Company

		As at 31 December 於 12月 31日		
		Note 附註	2023 2023年	2022 2022年
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資		1,128,321	1,112,197
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項		893	763
Amounts due from subsidiaries	應收附屬公司款項		6,222,057	6,191,600
Cash and cash equivalents	現金及現金等價物		59,652	31,112
			6,282,602	6,223,475
Total assets	總資產		7,410,923	7,335,672
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	本公司權益持有人應佔股本及儲備			
Share capital	股本		328,619	328,619
Reserves	儲備	(a)	2,816,101	2,710,794
Retained earnings	保留盈利		4,019,530	4,110,756
Total equity	總權益		7,164,250	7,150,169
LIABILITIES	負債			
Current liabilities	流動負債			
Amounts due to subsidiaries	應付附屬公司款項		245,481	184,596
Trade and other payables	貿易及其他應付款項		1,192	907
			246,673	185,503
Total liabilities	總負債		246,673	185,503
Total equity and liabilities	總權益及負債		7,410,923	7,335,672

The statement of financial position of the Company was approved by the Board of Directors on 26 March 2024 and was signed on its behalf.

Mr. XIA Liqun
夏利群先生
Director
董事

Mr. LAM Ka Yu
林嘉宇先生
Director
董事

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

38. 本公司的財務狀況表及儲備變動

本公司的財務狀況表

		As at 31 December 於 12月 31日		
		Note 附註	2023 2023年	2022 2022年
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資		1,128,321	1,112,197
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項		893	763
Amounts due from subsidiaries	應收附屬公司款項		6,222,057	6,191,600
Cash and cash equivalents	現金及現金等價物		59,652	31,112
			6,282,602	6,223,475
Total assets	總資產		7,410,923	7,335,672
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	本公司權益持有人應佔股本及儲備			
Share capital	股本		328,619	328,619
Reserves	儲備	(a)	2,816,101	2,710,794
Retained earnings	保留盈利		4,019,530	4,110,756
Total equity	總權益		7,164,250	7,150,169
LIABILITIES	負債			
Current liabilities	流動負債			
Amounts due to subsidiaries	應付附屬公司款項		245,481	184,596
Trade and other payables	貿易及其他應付款項		1,192	907
			246,673	185,503
Total liabilities	總負債		246,673	185,503
Total equity and liabilities	總權益及負債		7,410,923	7,335,672

本公司之財務狀況表已於2024年3月26日由董事局批准並簽署。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

38. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY (CONTINUED)

(a) Reserve movements of the Company

		Contributed surplus	Share premium	Capital reserve	Capital	Other reserve	Currency	Total
					redemption reserve		Translation reserve	
		實繳盈餘	股份溢價	資本儲備	資本贖回儲備	其他儲備	貨幣換算儲備	總計
At 1 January 2022	於 2022 年 1 月 1 日	296,853	2,183,766	2,411	4,760	40,125	(432,132)	2,095,783
Currency translation differences	貨幣換算差異	-	-	-	-	-	615,011	615,011
At 31 December 2022	於 2022 年 12 月 31 日	296,853	2,183,766	2,411	4,760	40,125	182,879	2,710,794
At 1 January 2023	於 2023 年 1 月 1 日	296,853	2,183,766	2,411	4,760	40,125	182,879	2,710,794
Currency translation differences	貨幣換算差異	-	-	-	-	-	105,307	105,307
At 31 December 2023	於 2023 年 12 月 31 日	296,853	2,183,766	2,411	4,760	40,125	288,186	2,816,101

38. 本公司的財務狀況表及儲備變動 (續)

(a) 公司儲備變動

39. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and chief executive of the Company for the years ended 31 December 2023 and 2022 are set out below:

39. 董事的利益和權益

(a) 董事及行政總裁酬金

各董事及行政總裁於截至 2023 年及 2022 年 12 月 31 日止年度之酬金如下：

Name of directors	董事姓名	附註	Year ended 31 December 2023 截至 2023 年 12 月 31 日止年度						Year ended 31 December 2022 截至 2022 年 12 月 31 日止年度							
			Fees	Salaries	Bonus	Employer's contribution to pension scheme	Share-based benefits	Other benefits	Total	Fees	Salaries	Bonus	Employer's contribution to pension scheme	Share-based benefits	Other benefits	Total
			袍金	薪金	花紅	僱主就退休計劃供款	以股份為基礎之福利	其他福利	總計	袍金	薪金	花紅	僱主就退休計劃供款	以股份為基礎之福利	其他福利	總計
Executive directors:			執行董事：													
Ms. CHU Lam Yiu	朱林瑛女士	(i)	8,908	-	-	-	-	-	8,908	4,297	-	-	-	-	-	4,297
Mr. POON Chiu Kwok	潘昭國先生		-	2,269	-	1,529	-	-	3,798	-	2,165	-	1,459	-	-	3,624
Mr. XIA Liqun	夏利群先生		-	8,105	5,133	16	1,283	-	14,537	-	7,734	5,156	15	1,314	-	14,219
Mr. LAM Ka Yu	林嘉宇先生		3,782	-	-	-	-	-	3,782	2,503	-	-	-	-	-	2,503
Ms. LAM Ka Yan	林嘉妍女士	(ii)	2,161	-	-	-	-	-	2,161	1,811	-	-	-	-	-	1,811
Ms. CHOY Man Har	蔡文霞女士	(ii)	-	3,236	-	16	-	546	3,798	-	2,727	-	14	-	442	3,183
Independent non-executive directors:			獨立非執行董事：													
Mr. LEE Luk Shiu	李祿炎先生		243	-	-	-	-	-	243	206	-	-	-	-	-	206
Ms. MA Yunyan	麻雲燕女士	(iii)	-	-	-	-	-	-	-	80	-	-	-	-	-	80
Mr. YAN Jonathan Jun	Jonathan Jun Yan 先生		216	-	-	-	-	-	216	206	-	-	-	-	-	206
Mr. HOU Haitao	侯海濤先生	(iv)	216	-	-	-	-	-	216	127	-	-	-	-	-	127
			15,526	13,610	5,133	1,561	1,283	546	37,659	9,230	12,626	5,156	1,488	1,314	442	30,256

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

39. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and chief executive's emoluments (Continued)

- (i) Ms. CHU Lam Yiu is also the chief executive officer of the Company.
- (ii) Ms. LAM Ka Yan and Ms. CHOY Man Har were appointed on 14 February 2022.
- (iii) Ms. MA Yunyan retired on 20 May 2022.
- (iv) Mr. HOU Haitao was appointed on 20 May 2022.

No directors waived any emoluments during the years ended 31 December 2023 and 2022.

During the years ended 31 December 2023 and 2022, no emoluments had been paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for loss of office.

(b) Directors' retirement benefit

During the years ended 31 December 2023 and 2022, no retirement benefits paid to the directors of the Company by a defined benefit pension plan operated by the Group in respect of the director's services as a director of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking.

(c) Directors' termination benefit

During the years ended 31 December 2023 and 2022, no payments to the directors of the Company as compensation for the early termination of the appointment.

(d) Consideration provided to third parties for making available directors' services

During the years ended 31 December 2023 and 2022, the Company did not provide any consideration to any third party for making available director's services.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

39. 董事的利益和權益(續)

(a) 董事及行政總裁酬金(續)

- (i) 朱林瑤女士兼任本集團的首席執行官。
- (ii) 林嘉忻女士及蔡文霞女士於2022年2月14日獲委任。
- (iii) 麻雲燕女士於2022年5月20日退任。
- (iv) 侯海濤先生於2022年5月20日獲委任。

截至2023年及2022年12月31日止年度，無董事放棄任何酬金。

截至2023年及2022年12月31日止年度，本集團亦無向董事支付酬金作為加入本集團的獎勵或作為離職補償。

(b) 董事退休福利

截至2023年及2022年12月31日止年度，本集團並無向董事支付就其作為本公司及其子公司董事提供服務而由集團營運的設定收益退休計劃而向其支付的退休福利。

(c) 董事離職福利

截至2023年及2022年12月31日止年度，本集團並無向董事支付就終止其職位之賠償。

(d) 向第三方支付提供董事服務之代價

截至2023年及2022年12月31日止年度，本集團並無就提供董事服務而向第三方提供的對價。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

39. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the years ended 31 December 2023 and 2022, no loans, quasi-loans or other dealings in favour of directors of the Company, controlled bodies corporate by and connected entities with such directors.

(f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 36, during the years ended 31 December 2023 and 2022, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

40. EVENTS OCCURRING AFTER THE REPORTING PERIOD

According to the resolution of the Huabao Flavours Group's special general meeting held on 5 January 2024, the Board of Directors of the Company and Huabao Flavours Group have duly agreed to grant 14.5 million restricted shares to 46 eligible incentive recipients of Huabao Flavours Group at an exercise price of RMB10.93 per share. At the time the financial statements were authorised for issue, the Group had not yet completed the estimation of its financial effect.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

39. 董事的利益和權益(續)

(e) 有關以董事、董事之受控制法團及關聯實體為受益人之貸款、準貸款及其他交易之資料

截至2023年及2022年12月31日止年度，本集團並無向董事、受該等董事控制的法人團體及該董事的關連主體提供貸款和準貸款。

(f) 董事於交易、安排或合約之重大權益

除了如附註36所披露外，截至2023年及2022年12月31日止年度，本公司並無簽訂任何涉及本集團之業務而本公司之董事直接或間接在其中擁有重大權益之重要交易、安排或合同。

40. 報告期後事項

根據2024年1月5日召開的華寶股份集團臨時股東大會決議，本公司董事會與華寶股份集團正式同意向華寶股份集團46名符合股權激勵條件的激勵對象授予1,450萬股限制性股票，每股行使價為人民幣10.93元。截至本財務報表批准報出日，本集團尚未完成上述股權激勵計劃對其財務影響的估計。

Five Year Financial Summary

五年財務摘要

(All amount in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

RESULTS

業績

		Year ended 31 December 2019 截至2019年 12月31日 止年度	Year ended 31 December 2020 截至2020年 12月31日 止年度	Year ended 31 December 2021 截至2021年 12月31日 止年度	Year ended 31 December 2022 截至2022年 12月31日 止年度	Year ended 31 December 2023 截至2023年 12月31日 止年度
Revenue	營業額	4,241,040	3,854,058	3,882,683	3,828,984	3,307,839
Gross profit	毛利	2,745,410	2,442,407	2,296,662	1,877,563	1,469,365
Profit/(loss) before income tax	除稅前盈利/(虧損)	1,745,817	948,821	1,147,377	(720,210)	415,925
Income tax expenses	所得稅開支	(372,076)	(280,382)	(251,593)	(180,840)	(125,442)
Profit/(loss) for the year	本年度盈利/(虧損)	1,373,741	668,439	895,784	(901,050)	290,483

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 2019 於2019年 12月31日	As at 31 December 2020 於2020年 12月31日	As at 31 December 2021 於2021年 12月31日	As at 31 December 2022 於2022年 12月31日	As at 31 December 2023 於2023年 12月31日
Total assets	總資產	17,963,635	17,678,054	18,025,129	16,619,022	16,002,111
Total liabilities	總負債	(4,364,162)	(3,983,805)	(2,306,310)	(2,061,584)	(1,730,974)
Net assets	淨資產	13,599,473	13,694,249	15,718,819	14,557,438	14,271,137

Five Year Financial Summary

五年財務摘要

(All amount in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

OTHER FINANCIAL INFORMATION

其他財務數據

		2019	2020	2021	2022	2023
		2019年	2020年	2021年	2022年	2023年
Earnings/(loss) per share, basic (RMB cents)	每股盈利/(虧損)，基本(人民幣分)	35.78	13.46	21.70	(32.65)	7.23
Earnings/(loss) per share, diluted (RMB cents)	每股盈利/(虧損)，攤薄(人民幣分)	35.78	13.46	21.70	(32.65)	7.23
Aggregated dividend per share (HKD cents)	每股累計股息(港仙)	18.8	9.0	8.4	-	2.4
Aggregated special dividend per share (HKD cents)	每股累計特別股息(港仙)	-	6.0	-	8.48	6.1
Financial year-end share price (HKD)	財政年度結算日股價(港元)	2.86	10.68	14.40	4.03	2.49
EBIT ratio	EBIT率	40.8%	23.4%	28.7%	-15.9%	11.4%
EBITDA ratio	EBITDA率	47.0%	43.4%	43.5%	32.2%	22.9%
ROE	ROE	9.4%	3.5%	5.2%	-7.9%	1.9%

Glossary

詞彙

AGM	Annual general meeting	股東週年大會	股東週年大會
Board	The board of directors of the Company	董事會	本公司的董事會
Broad Far	Broad Far Limited	博遠	博遠有限公司
Broad Far Group	Broad Far and its subsidiaries and related companies	博遠集團	博遠及其附屬公司與關聯公司
Bye-laws	Bye-laws of the Company	公司細則	本公司之公司細則
CAGR	compound annual growth rate	複合增長率	複合增長率
CEO	Chief Executive Officer	首席執行官	首席執行官
CG Code	Corporate Governance Code set out in Appendix C1 of the Listing Rules	企業管治守則	上市規則附錄C1所載的企業管治守則
CGU	Cash-generating unit	CGU	現金產生單位
Chemactive	Chemactive Investments Limited	Chemactive	Chemactive Investments Limited
Company or Huabao	Huabao International Holdings Limited	本公司或華寶	華寶國際控股有限公司
Director(s)	The director(s) of the Company	董事	本公司董事
Executive Director(s)	Executive director(s) of the Company	執行董事	本公司之執行董事
FCG	Fellow member of The Chartered Governance Institute	FCG	英國特許公司治理公會資深會員
Group	The Company and its subsidiaries	本集團	本公司及其附屬公司
Guangdong Jiahao	Guangdong Jiahao Foodstuff Co., Ltd.	廣東嘉豪	廣東嘉豪食品有限公司
Guangdong Jinke	Guangdong Jinke Reconstituted Tobacco Leaves Co., Ltd.	廣東金科	廣東金科再造煙葉有限公司
Guangdong Jinye	Guangdong Golden Leaf Technology Development Co., Ltd.	廣東金葉	廣東省金葉科技開發有限公司
Guangdong Jinye Group	Guangdong Jinye and its subsidiaries and affiliated companies	廣東金葉集團	廣東金葉及其附屬公司及聯營公司

Glossary

Guangdong Tobacco	China Tobacco Guangdong Industrial Co., Ltd.
Guangdong Tobacco Company	Guangdong Tobacco and its subsidiaries and related companies
Guangdong Zhaoqing	Zhaoqing Perfumery Co., Ltd. (Guangdong)
HKD or HK\$	Hong Kong dollars, the lawful currency of Hong Kong
HKFCG	Fellow member of The Hong Kong Chartered Governance Institute
Hong Kong	Hong Kong Special Administrative Region of the People's Republic of China
HNB	Heat-not-burn
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Huabao Flavours	Huabao Flavours & Fragrances Co., Ltd., a joint stock limited company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
INEDs	Independent Non-executive Director(s) of the Company
Interim Period	For the six months ended 30 June 2023
Jiahao	Jiahao Foodstuff Limited and its subsidiaries
Jiangxi Xianghai	Jiangxi Xianghai Biological Technology Co., Ltd.
Junjieshang	Junjieshang Network Technology Co., Ltd.
Listing Rules	the Rules Governing the Listing of Securities on the Main Board of the Hong Kong Stock Exchange

詞彙

廣東中煙	廣東中煙工業有限責任公司
廣東中煙公司	廣東中煙及其附屬公司及關聯企業
廣東肇慶	廣東省肇慶香料廠有限公司
港幣或港元	港幣，香港法定貨幣
HKFCG	香港公司治理公會資深會員
香港	中華人民共和國香港特別行政區
加熱不燃燒	加熱不燃燒
香港聯交所	香港聯合交易所有限公司
華寶股份	華寶香精股份有限公司，於中國成立的股份有限公司，為本公司間接擁有的非全資附屬公司
獨立非執行董事	本公司之獨立非執行董事
中期	截至2023年6月30日止六個月
嘉豪	嘉豪食品有限公司及其附屬公司
江西香海	江西香海生物科技有限公司
駿杰尚	駿杰尚網絡科技有限公司
上市規則	香港聯交所主板證券上市規則

Glossary

詞彙

Mainland China or PRC	The People's Republic of China	中國或國內	中華人民共和國
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules	標準守則	上市規則附錄C3所列的上市發行人董事進行證券交易的標準守則
Reporting Period	For the year ended 31 December 2023	報告期	截至2023年12月31日止之年度
R&D	Research and development	研發	研究及發展
RMB	Renminbi, the lawful currency of the PRC	人民幣	人民幣，中國法定貨幣
RTL	Reconstituted Tobacco Leaves	再造煙葉	再造煙葉
SaaS	software as a service	SaaS	軟件即服務
Scheme Mandate Limit	The Maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other share option scheme(s) of the Company	計劃授權限額	與根據購股權計劃及任何其他本公司購股權計劃授出之購股權有關之股份數目上限
SFO	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong	證券及期貨條例	香港法例第571章證券及期貨條例
Shareholder(s)	Shareholder(s) of the Company	股東	本公司之股東
Share(s) or ordinary share(s)	Ordinary share(s) of HKD0.10 each in the capital of the Company	股份或普通股	本公司股本中每股面值港幣0.10元的普通股
Shenzhen Stock Exchange	Shenzhen Stock Exchange in the PRC	深圳證券交易所	中國深圳證券交易所
STMA	State Tobacco Monopoly Administration	國煙局	國家煙草專賣局
U.S.	United States of America	美國	美利堅合眾國
USD or US\$	US dollars, the lawful currency of the United States of America	美元	美元，美國法定貨幣

HUABAO INTERNATIONAL HOLDINGS LIMITED
華寶國際控股有限公司