



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)

Annual Report

2022

年度報告



Contents

目錄

2	Corporate Information 公司資料
4	Financial Highlights 財務摘要
5	Company Profile and Corporate Culture 集團簡介及企業文化
9	Chairman's Report 主席報告書
11	Management Discussion and Analysis 管理層討論及分析
49	Biographical Details of Directors and Senior Management 董事及高級管理層履歷
54	Corporate Governance Report 企業管治報告
82	Investor Relations Report 投資者關係報告
86	Directors' Report 董事會報告
117	Independent Auditor's Report 獨立核數師報告
126	Consolidated Statement of Financial Position 綜合財務狀況表
128	Consolidated Income Statement 綜合收益表
129	Consolidated Statement of Comprehensive Income 綜合全面收益表
130	Consolidated Statement of Changes in Equity 綜合權益變動表
132	Consolidated Statement of Cash Flows 綜合現金流量表
134	Notes to the Consolidated Financial Statements 綜合財務報表附註
268	Five Year Financial Summary 五年財務摘要
270	Glossary 詞彙



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, FCPA (Aust.)*

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISOR

Haiwen & Partners LLP

PRINCIPAL BANKERS

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

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*)
林嘉忻女士
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
林嘉忻女士

公司秘書

潘昭國先生 *FCG, HKFCG, FCPA (Aust.)*

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

主要往來銀行

中信銀行股份有限公司
招商銀行股份有限公司
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

Corporate Information

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

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

		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Revenue	營業額	3,828,984	3,882,683
Gross profit	毛利	1,877,563	2,296,662
Gross profit margin	毛利率	49.0%	59.2%
Operating (loss)/profit	營運(虧損)/盈利	(607,975)	1,114,477
EBITDA margin ^{##}	EBITDA率 ^{##}	32.2%	43.5%
EBIT margin	EBIT率	-15.9%	28.7%
Selling and marketing expenses to sales	銷售及市場推廣開支佔銷售比率	9.0%	7.5%
Administrative expenses to sales	行政開支佔銷售比率	21.6%	21.7%
(Loss)/profit for the year	本年度(虧損)/盈利	(901,050)	895,784
Adjusted profit for the year [*]	經調整後之本年盈利 [*]	606,660	1,189,054
(Loss)/profit attributable to the equity holders of the Company	本公司權益持有人應佔(虧損)/盈利	(1,054,547)	675,131
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 [*]	444,912	968,401
Basic and diluted (loss)/earnings per share (RMB cents)	每股基本及攤薄(虧損)/盈利(人民幣分)	(32.65)	21.70
Adjusted basic and diluted earnings per share (RMB cents) [*]	經調整後之每股基本及攤薄盈利(人民幣分) [*]	13.77	31.12
Net cash generated from operating activities	營運活動產生之現金淨額	798,746	1,413,246
Net cash [*]	淨現金 [*]	3,990,775	2,578,651
Total equity	總權益	14,557,438	15,718,819
Final dividend per share (HK cents)	每股期末股息(港仙)	5.1	2.0
Total dividend per share for the year (HK cents)	每股年度股息(港仙)	8.48	8.4
Dividend payout ratio for the year	年度派息率	52.9% **	32.3%
Debt ratio [#]	負債比率 [#]	5.4%	6.9%
Current ratio (times)	流動比率(倍)	5.0	4.2
Liquidity ratio (times)	速動比率(倍)	4.3	3.7
Inventory turnover (days)	存貨周轉率(日)	177	199
Trade receivables turnover (days)	應收賬款周轉率(日)	89	87
Trade payables turnover (days)	應付賬款周轉率(日)	53	65

^{##} "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 RMB1,507,710,000 for the year ended 31 December 2022 and RMB293,270,000 for the year ended 31 December 2021.

^{*} 撇除截至2022年12月31日止年度之商譽減值人民幣1,507,710,000元及2021年12月31日止年度之商譽減值人民幣293,270,000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)」。

^{**} "Dividend payout ratio for the year ended 31 December 2022" equals to "Total dividend per share for the year ended 31 December 2022 (HK cents)" times applicable HKD to RMB exchange rate and then divided by "Adjusted basic and diluted earnings per share for the year ended 31 December 2022 (RMB cents)".

^{**} 「截止2022年12月31日止年度之年度派息率」等於「截至2022年12月31日止年度之每股股息(港仙)」乘以適用之港元兌人民幣匯率，再除以「截至2022年12月31日止年度之經調整後之每股基本及攤薄盈利(人民幣分)」。



CORPORATE PROFILE

Huabao International Holdings Limited and its subsidiaries (the "Group"), consisting of flavours and fragrances, and food ingredients 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, and food ingredients, 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.

公司簡介

華寶國際控股有限公司及附屬公司（「本集團」）下設香精及食品配料板塊、煙用原料板塊、香原料板塊及調味品板塊，主要從事香精及食品配料、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。



Company Profile and Corporate Culture

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 R&D centres 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.

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. Jiangxi Huabao Xinhui Technology Co., Ltd., established 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.

集團簡介及企業文化

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。

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薈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。

Company Profile and Corporate Culture

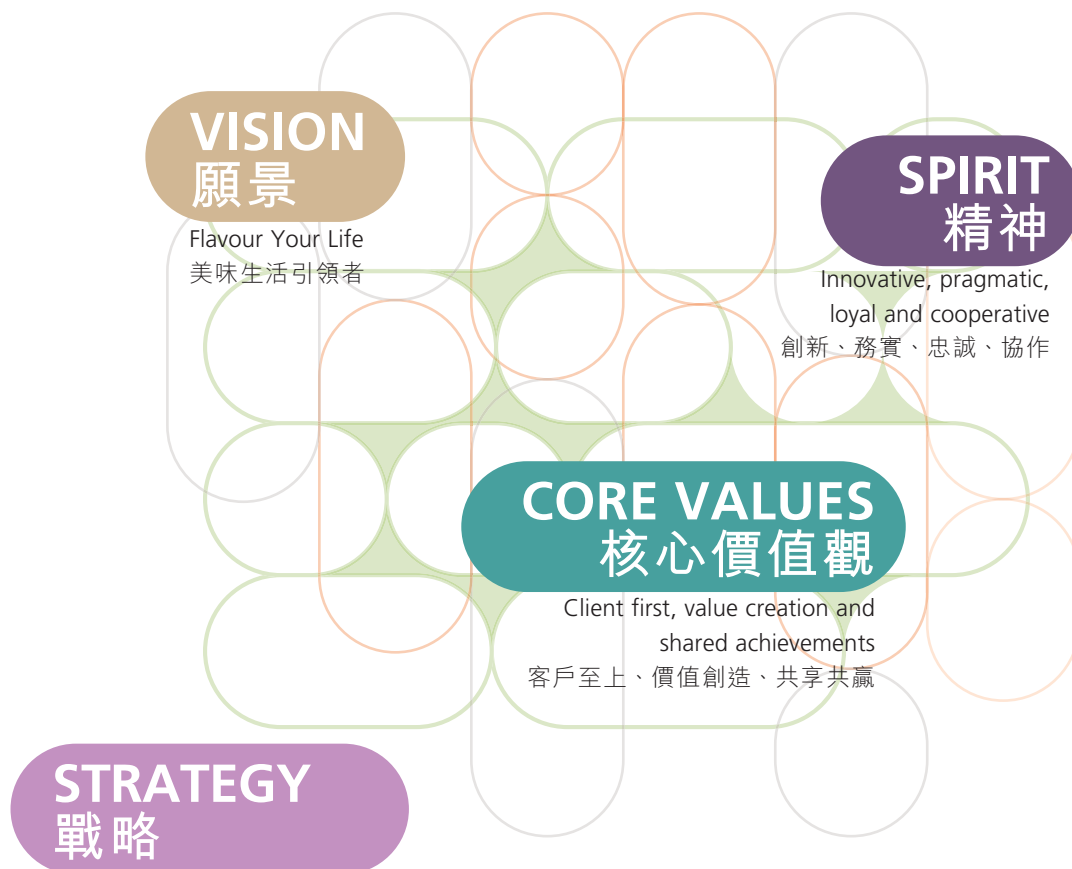
The Group is also one of the leading enterprises in China's aroma raw materials field. The principal products include many natural aroma and synthetic aroma products. Its production capacity and sales account for a significant market share in the industry, and its production technology and product quality 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 leading position in the industry and strong scientific research strength, plans to build a leading aroma raw materials production base in Asia and even the world.

In 2018, through the acquisition of Jiahao, the Group entered into the compound condiment market with huge growth potential, 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 shareholders.

集團簡介及企業文化

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。本集團將憑借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。

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，本集團成功建立了「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
- Consolidate the existing market of flavours and fragrances and explore new markets with product and technology innovation
- Seize the opportunity of integration in aroma raw materials industry and strives to achieve the goal of “Being the global leader in the aroma raw materials industry”
- Develop international markets and boost the tobacco raw materials business
- 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
- 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
- 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
- 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
- 開發國際市場，推進煙用原料業務發展
- 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 the year 2022, global economy experienced a recession resulting from adverse factors such as geopolitical conflicts, energy crisis and tight monetary policies. In China, the recurring Pandemic had compelled the government to take strict prevention and control measures, which created significant shocks and challenges for businesses' logistics, supply chains, and normal operations. Overall, consumer demand was weak both domestically and internationally, and companies became more conservative in their investment and expansion decisions. The sluggish business environment has also put a lot of pressure on the Group's business and operations.

In 2022, the Group stuck to its vision of "flavour your life" and its mission of making life "green, healthy and nutritious", and formulated and implemented development strategies based on the characteristics of each business segment. The Group's F&F and food ingredients, and tobacco raw materials segments focused on the development of innovative tobacco products and markets: in terms of products, the Group developed and stocked a number of HNB tobacco flavours, mass-produced a new type of RTL, and enhanced the production technology and efficiency of cigarette filters, which strengthened our position as a supplier of high-quality innovative tobacco products and services. In terms of markets, the construction of our plant in Indonesia has been completed and commenced production. The plant in Indonesia is the Group's first large-scale plant overseas and it provides the foundation for the Group to expand into the Southeast Asian and global markets to serve more international customers. We believe that innovative tobacco products will improve consumers' health and be favoured by consumers, and the investment in this area will be a driver of growth for the Group. The Group's R&D, production, marketing and sales teams closely work together to share the cutting-edge technology and market trends in the development of innovative tobacco products, and to provide our customers with the latest and best quality products.

Jiangxi Xianghai, the largest factory of our aroma raw material segment, completed its construction and was put into operation in 2022, marking a larger scale, more standardised and modernised production facility for the aroma raw material segment, and laying a solid foundation for the long-term development of the Group's aroma raw material business. Affected by the Pandemic, our condiment business underperformed than expected in 2022. However, with the lift of the Pandemic prevention and control at the end of the year, we believe that the condiment business can gradually return to normal operating level.

主席報告書

各位股東，

過去的2022年，全球經濟受到地緣政治衝突、能源危機、緊縮貨幣政策等不利因素的影響而出現衰退。在中國，疫情反覆使政府採取嚴格的疫情防控措施，為物流、供應鏈、企業的正常運營都帶來了很大的衝擊和挑戰。總的來說，國內外的消費需求都很疲弱，企業在進行投資和擴張決策時更加保守。不景氣的經營環境也對集團的業務和經營產生了很大的壓力。

2022年，集團堅持以「美味生活引領者」為願景，以「綠色、健康、營養」為使命，根據各個業務板塊的特點制定並實施發展戰略。集團的香精及食品配料板塊和煙用原料板塊聚焦於新型煙草產品和市場的開發：在產品上，集團開發和儲備了多個加熱不燃燒煙用香精產品、量產了新型再造煙葉、提升了濾棒的生產技術和效能，這些舉措強化了我們作為高質量新型煙草產品供應商的地位和服務能力；在市場上，我們在印度尼西亞的工廠已經完成建設並投入生產，這個工廠是集團在海外第一個規模化的工廠，為集團開拓東南亞和全球的市場，服務更多國際客戶奠定了基礎。我們相信，新型煙草產品能夠提升消費者的健康，受到更多消費者的青睞，在這個領域的投資會成為集團業績增長的動力。集團的研發、生產、市場、銷售團隊緊密合作，分享新型煙草產品領域發展的前沿技術和市場趨勢，為客戶提供最新和最優質的產品。

我們香原料板塊最大的一個工廠江西香海在2022年完成了建設並投入運營，標誌著香原料板塊在生產上更加規模化、標準化、現代化，為集團香原料業務的長遠發展奠定了堅實的基礎。受到疫情影響，我們的調味品業務在2022年表現低於預期，不過隨著年底疫情防控的鬆綁，我們相信調味品業務能夠逐步恢復正常的經營水平。

Chairman's Report

In addition, 2022 was also the first year of the implementation of the Group's digital transformation efforts. Digital transformation plays a very important role in improving the operational efficiency of the Group's business. The Group's digital transformation team has closely followed the progress of the digital transformation work in each business segment, and promoted the implementation and improvement of the digital transformation work by proposing solutions to problems identified in a timely manner. We believe that digital transformation is a long-term investment that will enhance the efficiency of all aspects of the Group's business and contribute to the Group's long-term stable development. The Board and management of the Group have also invested more efforts in the work of sustainable development. Through the establishment of an ESG management and implementation team, the performance of the Group in environmental protection has been regularly analysed and summarised to improve the performance of the Group's ESG work, thus meeting the requirements of regulators, customers, investors and other partners in assessing our ESG work.

In 2023, we are confident that the business environment will improve as the Pandemic in China is largely over and economic activities begin to return to normal. Meanwhile, we will closely monitor the macroeconomic and operational risks in our business and develop appropriate strategies accordingly. In the year ahead, we will work harder to reward our shareholders who have been supporting us all along the way. On behalf of the Company, I would like to express our gratitude to all of you and we will strive hard to make progress together in the coming year.

LAM Ka Yu
Co-Chairman

Hong Kong, 30 March 2023

主席報告書

此外，2022年也是集團數字化轉型工作實施的第一年。數字化轉型對集團業務營運效率的提升具有非常重要的作用。集團的數字化轉型團隊密切跟進各個業務板塊數字化轉型工作的進展，及時就發現的問題提出解決方案，推進數字化轉型工作的執行和完善。我們相信，數字化轉型工作是一項長期投資，將會提升集團業務各個環節的工作效率，助推集團長遠穩健發展。集團的董事會和管理層還投入了更多精力在可持續發展工作上，通過搭建ESG管理和執行團隊，對集團在環境保護方面的表現定期進行分析和總結，提升集團在ESG工作方面的表現，滿足監管機構、客戶、投資者及其它合作方對我們ESG工作的評估要求。

2023年，中國疫情基本結束，各項經濟活動開始逐步恢復正常，我們對經營環境的改善充滿信心。與此同時，我們也會密切監測宏觀經濟和業務營運中的風險，制定合適的策略予以應對。新的一年，我們將更加努力地奮鬥，回報一路支持我們的股東。在此，我代表公司向各位表示感謝，希望我們在新的一年積極拚搏，共同進步。

林嘉宇
聯席主席

香港，二零二三年三月三十日

Management Discussion and Analysis

In 2022, due to the impact of energy crisis, inflation, the Pandemic, disordered supply chain and tight monetary policy, consumer spending decreased and companies were prudent and conservative on investment, the global and Chinese economic growth further slowed down. Facing the business environment that was full of pressure, challenges and uncertainties, the Group formulated and implemented strategies based on the development progress and characteristics of each business segment to maintain stable and healthy business development. By adhering to the development philosophy of “Green, Healthy and Nutritious”, the Group has constantly improved its capability in technology and product innovation, and proactively explored overseas markets to provide high-quality products and services for consumers around the world as a leader in providing a delicious life.

INDUSTRY OVERVIEW

Overview of the tobacco industry

According to the data from the National Bureau of Statistics, the cigarette production volume in China reached 48.64 million cases in 2022, representing an increase of 0.6% year-on-year. The tobacco industry realised industrial and business tax and profit amounted to RMB1,441.3 billion, representing a year-on-year increase of 6.1%; realized a fiscal income of RMB1,441.6 billion, representing a year-on-year increase of 15.9%. The tobacco industry has developed steadily and played a positive role in ensuring people’s livelihood, alleviating poverty and promoting economic development.

In terms of e-cigarettes, the STMA officially issued the National Standards for Electronic Cigarettes and the Administrative Measures for Electronic Cigarettes, which specified the policies on taxation plan, carrying and delivery of e-cigarette products. As a result of the introduction and implementation of such policies, the e-cigarette industry has stepped into a new stage of compliant and healthy development, with higher requirements for the products, technology and management of e-cigarette manufacturers. In the future, those e-cigarette manufacturers owning products, technologies, brands and financial strength will have stronger bargaining and pricing power and occupy more advantages in supply chain and value chain, thus gaining larger market share. The concentration ratio of the e-cigarette industry is expected to further increase in the future.

管理層討論及分析

2022年，受到能源危機、通脹、疫情、供應鏈紊亂、緊縮貨幣政策的影響，消費者支出下滑，企業投資謹慎保守，全球及中國經濟增長進一步放緩。面對充滿壓力、挑戰和不確定性的經營環境，集團根據各個業務板塊的發展情況和特點制定和執行策略，維持業務平穩、健康地發展。集團恪守「綠色、健康、營養」的發展理念，不斷提升技術和產品創新能力，積極開拓海外市場，為全球消費者提供優質的產品和服務，領跑美味生活。

行業概況

煙草行業概況

根據國家統計局數據，2022年，中國捲煙產量達到4,864萬箱，同比增加0.6%。煙草行業實現工商稅利達到人民幣14,413億元，同比增加6.1%；實現財政總額人民幣14,416億元，同比增加15.9%。煙草行業發展穩健，在保障民生、扶貧、促進經濟發展方面發揮了積極的作用。

電子煙方面，國家煙草專賣局正式頒佈了《電子煙國家標準》、《電子煙管理辦法》，還明確了對電子煙產品的稅收方案、攜帶和寄遞政策。這些政策的出台和落地使電子煙行業進入合規、健康發展的新階段，也對電子煙企業的產品、技術、管理提出了更高的要求。在未來，具備產品、技術、品牌、資金實力的電子煙企業將擁有更強的議價和定價能力，在供應鏈和價值鏈佔據更多優勢，並獲取更多的市場份額。預計電子煙行業在將來的集中度會進一步提升。

Management Discussion and Analysis

In regard to HNB cigarettes, international tobacco companies continued to increase their investment in R&D, marketing and branding of such product, driving the demand for smoking sets, tobacco tar, tobacco leaves and other product components, and bringing business opportunities to suppliers in the tobacco industry chain. Since international tobacco companies have high requirements for suppliers in respect of their technologies, production and operation capabilities, those suppliers with comprehensive competitiveness and an international perspective are likely to secure more cooperation opportunities. In general, the traditional tobacco market is developing steadily, while the innovative tobacco market is broad with great growth potential but the competition is fierce. It is necessary for companies in the tobacco industry chain to enhance and strengthen their comprehensive competitiveness to promote their business development.

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

For the Reporting Period, the resurgence of Pandemic and the macroeconomic recession weakened consumer sentiment, and consumers became more cautious and prudent. However, the demand for food and beverage, being an essential consumer product, maintained growth. According to the National Bureau of Statistics, in 2022, the industrial added value of the agricultural product processing industry with enterprises of designated size or above grew by 0.7% year-on-year, the industrial added value of the food processing industry grew by 2.3% year-on-year and the industrial added value of the alcohol, beverage and refined tea processing industry grew by 6.3% year-on-year.

管理層討論及分析

加熱不燃燒捲煙方面，國際煙草公司持續提升在該產品領域的研發、營銷和品牌建設投入，推動了對煙具、煙油、煙葉等產品組件的需求，為煙草產業鏈上的供應商帶來了業務機會。國際煙草公司對供應商的技術、生產、運營能力都有很高的要求，具備綜合競爭力及國際化視野的供應商將有可能獲得更多的合作機會。總體而言，傳統捲煙市場發展穩健，新型煙草市場廣闊、發展潛力大，但同時競爭激烈。煙草產業鏈上的企業需要提升和強化綜合競爭力，推動業務發展。

食品飲料和日化行業概況

截至報告期內，疫情反覆及宏觀經濟不景氣削弱了消費信心，消費者更加謹慎和精打細算。雖然如此，消費者對作為必需消費品的食品飲料需求仍然維持增長。根據國家統計局數據，2022年規模以上農副食品加工業增加值同比增長0.7%，食品製造業增加值同比增長2.3%，酒、飲料和精製茶製造業增加值同比增長6.3%。

Management Discussion and Analysis

In the food and beverage industry, as the lockdown measures prohibited people from dining out, the demand for prepared foods that could be cooked at home increased. Since consumers required prepared foods to restore its freshness and flavour to the greatest extent, they had demanding requirements on the quality, nutrition, and safety of food ingredients. Consumers prefer to buy prepared foods that use natural ingredients and expect them to have few or no additives at all. In terms of beverages, dairy products, tea drinks and coffee are popular among investors and consumers, bringing challenges to beverage manufacturers and flavour suppliers due to their diversified flavours, fast update, and short life cycle.

For the daily-use chemical industry, it was the third year since the Pandemic and the consumers attached great importance to personal hygiene and health, and more favoured personal care, washing products and space fragrance products functioned by sterilization and nature. The daily-use chemical market is large in China but with numerous brands and fierce competition. Domestic and foreign brands have been promoting their product functions and advantages to consumers through both online and offline channels, and expanding their customer bases and enhancing brand recognition by offering discounts and other means.

Overview of the condiment industry

In 2022, the catering industry and the condiment industry experienced a tough business environment. To prevent the spread of the Pandemic, many cities in Mainland China adopted stringent lockdown measures successively, including dine-in bans, mobility restriction and business suspension. Such measures resulted in fewer business hours, decreased customer traffic and a drop in revenue of catering enterprises. According to the National Bureau of Statistics, the revenue of the catering industry was RMB4,394.1 billion in 2022, representing a decrease of 6.3% year-on-year. From the view of the demand side, the recession in the catering industry led to a decline in the demand for and purchase of condiments. From the view of the supply side, the increase in the price of bulk commodities resulted in higher prices of condiment raw materials. Therefore, condiment enterprises recorded a drop in revenue and an increase in cost, which squeezed their profit margin.

管理層討論及分析

食品飲料行業方面，由於封控使居民不能夠外出消費，消費者對能夠在家烹飪的預製食品需求增加。消費者要求預製食品能夠最大程度還原食物的新鮮和美味，因此對食品中配料的品質、營養、安全提出了很高的要求。消費者更加喜歡購買使用天然配料的預製食品，同時希望食品中能夠盡可能的「少添加」或者「無添加」。飲品方面，乳製品、茶飲、咖啡受到投資人和消費者的喜愛，這些飲品風味多元、更新速度快、生命週期短，對飲品製造商和香精供應商帶來挑戰。

日化行業方面，疫情進入到第三年，消費者非常重視個人衛生和健康，並且更加青睞具有「殺菌」、「天然」等功能性的個人護理、洗滌、空間香氛產品。中國日化產品市場大，但是品牌眾多，競爭激烈。國內外品牌通過線上和線下渠道向消費者宣傳產品功效和優勢，並通過折扣等方式擴展客戶群、提升品牌影響力。

調味品行業概況

2022年，餐飲行業和調味品行業的經營環境艱難。為了防控疫情擴散，中國內地多個城市先後採取了嚴格的封控措施，包括禁止堂食、限制人員流動、暫停營業。這些措施使餐飲企業營業時間減少、客流量下滑，餐飲企業的收入下降。根據國家統計局數據，2022年餐飲業收入人民幣43,941億元，同比下降6.3%。從需求端看，餐飲業不景氣導致對調味品的需求和採購下降。從供給端看，大宗商品價格上漲使調味品原材料價格上升。調味品企業收入下降、成本上升，盈利空間受到擠壓。

Management Discussion and Analysis

RESULTS

During the Reporting Period, the Group achieved a revenue of approximately RMB3,829 million (2021: approximately RMB3,883 million), representing a year-on-year decrease of 1.4%; gross profit margin of 49.0% (2021: 59.2%), representing a year-on-year decrease of 10.2 percentage points; operating loss of approximately RMB608 million (2021: operating profit of approximately RMB1,114 million); loss attributable to the equity holders of the Company of approximately RMB1,055 million (2021: profit attributable to the equity holders of the Company of approximately RMB675 million); and basic loss per share of approximately RMB32.65 cents (2021: basic earnings per share of approximately RMB21.70 cents).

During the Reporting Period, based on the applicable accounting principles on a prudent basis, the management recognised total goodwill impairment of approximately RMB1,508 million (2021: approximately RMB293 million), which comprised of goodwill impairment of approximately RMB293 million for the RTL CGU (2021: approximately RMB293 million), goodwill impairment of approximately RMB1,171 million for the Jiahao CGU (2021: nil) and goodwill impairment of approximately RMB44 million for the Shanghai Yifang CGU. For details of the goodwill impairment of the above-mentioned CGUs, please refer to the section headed "Analysis of the Goodwill Impairment". The Board considers that the valuation methodology and key assumptions used in the impairment tests on goodwill have been consistently adopted by the Company and are fair and reasonable. Meanwhile, the basis of the calculation and the key assumptions used have been projected and determined by the management based on the past performance of RTL CGU, Jiahao CGU and Shanghai Yifang CGU, and in conjunction with the management's knowledge and experience of the market and the actual situation, which are fair and reasonable.

Excluding the goodwill impairment of approximately RMB1,508 million and RMB293 million for the Reporting Period and 2021 respectively, the Group recorded an operating profit of approximately RMB900 million (2021: approximately RMB1,408 million), representing a year-on-year decrease of 36.1%; profit attributable to the equity holders of the Company of approximately RMB445 million (2021: approximately RMB968 million), representing a year-on-year decrease of 54.1%; basic earnings per share of approximately RMB13.77 cents (2021: approximately RMB31.12 cents), representing a year-on-year decrease of 55.8%.

管理層討論及分析

業績

報告期內，本集團實現銷售收入約人民幣38.29億元（2021年：約人民幣38.83億元），同比下降1.4%；毛利率為49.0%（2021年：59.2%），同比下降10.2個百分點；營運虧損約人民幣6.08億元（2021年：營運盈利約人民幣11.14億元）；本公司權益持有人應佔虧損約人民幣10.55億元（2021年：本公司權益持有人應佔盈利約人民幣6.75億元）；每股基本虧損約人民幣32.65分（2021年：每股基本盈利約人民幣21.70分）。

報告期內，基於審慎及適用會計原則，管理層確認商譽減值共約人民幣15.08億元（2021年：約人民幣2.93億元），包括再造煙葉CGU的商譽減值約人民幣2.93億元（2021年：約人民幣2.93億元），嘉豪CGU的商譽減值約人民幣11.71億元（2021年：無），上海奕方CGU的商譽減值約人民幣0.44億元。有關上述CGU之商譽減值詳情，請參閱「商譽減值分析」章節。董事會確認商譽減值測試中所採用的估值方法及關鍵假設是公司一直沿用的，乃公平合理。同時，計算的基準和使用的關鍵假設是由管理層根據再造煙葉CGU、嘉豪CGU和上海奕方CGU過往業績、其對市場的瞭解和經驗，並結合實際情況而預測和制定的，乃公平合理。

扣除報告期內和2021年度商譽減值分別約人民幣15.08億元和人民幣2.93億元，本年度本集團營運盈利約人民幣9.00億元（2021年：約人民幣14.08億元），同比下降36.1%；本公司權益持有人應佔盈利約人民幣4.45億元（2021年：約人民幣9.68億元），同比下降54.1%；每股基本盈利約人民幣13.77分（2021年：約人民幣31.12分），同比下降55.8%。

Management Discussion and Analysis

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 RMB1,877 million (2021: approximately RMB1,927 million), representing a year-on-year decrease of 2.6%, and accounting for 49.0% (2021: 49.6%) of the Group's total revenue. The decrease in revenue from the business segment was mainly due to the decreased demand of downstream customers and the changes in product mix. The operating profit of the segment amounted to approximately RMB824 million (2021: approximately RMB1,104 million), representing a year-on-year decrease of 25.4%; and operating profit margin was 43.9% (2021: 57.3%), representing a year-on-year decrease of 13.4 percentage points. The decline in operating profit margin was primarily attributable to higher proportion of sales of the products with lower gross profit margin as a result of the changes in product mix.

1. Flavours

In terms of tobacco flavours, focusing on the R&D of flavours for innovative tobacco products, the Group developed a variety of HNB tobacco flavours. After testing, such flavour products can steadily release aroma in HNB cigarettes, which could be able to improve users' experience. In terms of food flavours, with fast product development and short production cycle of downstream customers, the Group's R&D and marketing team has closely followed market changes and adjusted the formula more quickly to launch products that cater for the needs of customers. The Group has also worked with its customers to develop products, so as to improve the flavour of their products leveraging on our industry expertise.

In order to better develop international business, the Group has established the "Huabao Asia Pacific" R&D center in Singapore. The R&D center engaged outstanding personnel in R&D, technology and market analysis in the industry to study and analyze beverage, baking and savoury products in the Southeast Asian market. The Group believes that Asia will be the market with the greatest growth potential in the future. Starting from the Southeast Asian market, the Group will gradually develop more overseas businesses and enhance its business internationalization, thus diversifying its revenue sources.

管理層討論及分析

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18.77億元（2021年：約人民幣19.27億元），同比減少2.6%，佔本集團的總收入為49.0%（2021年：49.6%）。板塊收入下滑主要是由於下游客戶需求減少和產品結構變化。板塊營運盈利約人民幣8.24億元（2021年：約人民幣11.04億元），同比減少25.4%；營運盈利率為43.9%（2021年：57.3%），同比減少13.4個百分點。營運盈利率下滑主要是由於產品結構變化導致毛利率較低的產品銷售佔比上升。

1. 食用香精

煙用香精方面，集團聚焦於新型煙草香精產品的研發上。集團已經開發出多種加熱不燃燒煙用香精品種。經過測試，這些香精產品能夠穩定的在加熱不燃燒捲煙中釋放香氣，提升用戶體驗。食品用香精方面，下游客戶的產品開發速度快、生產週期短，集團的研發和市場團隊緊密跟蹤市場變化，更加快速的調整配方，推出能夠滿足客戶需求的產品。集團還與客戶合作開發產品，利用我們的行業專長以提升客戶產品的風味。

為了更好的開發國際業務，集團在新加坡設立了「亞太華寶」研發中心。該研發中心聘請了行業優秀的研發、技術和市場分析人才，對東南亞市場的飲料、烘焙、鹹味類產品進行研究和分析。集團相信亞洲會是未來最具增長潛力的市場，以東南亞市場為起點，集團會逐步拓展更多的海外業務，提升業務國際化水平，使收入來源多元化。

Management Discussion and Analysis

2. *Fragrances*

The Group's fragrances mainly include insect-repelling incense, detergent and personal care products. Consumers have attached great importance to personal hygiene and the cleanliness and comfort of living space as the Pandemic has normalized. The Group has developed more products of different types by improving the R&D of personal care and space fragrance products and introduced the products to more customers so that their products are able to bring more pleasant experience to consumers. During the Reporting Period, the proportion of revenue from personal care and space fragrance products further increased.

3. *Food ingredients*

On 8 March 2022, the Group further acquired 27% of the equity interests in Shanghai Yifang, resulting in holding 67% of the equity interests in Shanghai Yifang in aggregation. Shanghai Yifang is mainly engaged in the promotion and consulting of agricultural technology, cultivation of fruits including lemon, blueberry and grapefruit, processing such fruits into pulps and jams and selling them to various food and beverage manufacturers as well as restaurants and tea shops. These fruit pulp and jam products are able to add flavours and improve taste of customers' products, which are popular with customers and consumers.

Leveraging on its expertise and accumulation in the flavours and fragrances field, the Group made R&D suggestions on product flavours to Shanghai Yifang to enhance its product competitiveness. The Group also actively introduced a number of customers to Shanghai Yifang through its sales network to help Shanghai Yifang increase its revenue.

Through the acquisition of Shanghai Yifang, which is the main production unit of the Group in the food ingredients segment, the Group has expanded its business to the downstream market, enhancing its layout and competitiveness in the whole food industry chain, and diversifying its sources of income.

管理層討論及分析

2. *日化香精*

集團的日化香精主要為熏香消殺、洗滌、個人護理類產品。疫情常態化使消費者非常注重個人衛生及居住空間的清潔和舒適感。集團提升在個人護理和空間香氛產品的研發水平，開發更多不同類型的產品，並將產品推介給更多的客戶，讓客戶的產品能夠為消費者帶來更加愉悅的體驗。報告期內，個人護理和空間香氛產品的收入佔比進一步提升。

3. *食品配料*

2022年3月8日，集團進一步收購上海奕方27%的股權，並合計持有上海奕方67%的股權。上海奕方主要從事農業技術的推廣和諮詢服務，種植包括檸檬、藍莓、西柚等水果，並將這些收成的水果加工成果粒、果醬，銷售給不同類型的食品飲料製造商以及餐廳、茶飲店。這些果粒、果醬產品能夠很好的為客戶的產品增添風味、提升口感，受到客戶及消費者的歡迎。

集團利用自身在香精香料領域的專長和積累，為上海奕方提供產品口味的研發建議，提升其產品競爭力。集團還積極利用自身的銷售網絡，介紹更多的客戶給上海奕方，協助其提升銷售收入。

上海奕方是集團食品配料板塊主要的生產單位。通過對上海奕方的收購，集團進將業務向下游拓展，強化了集團在整個食品產業鏈的佈局和競爭力，多元化了集團的收入來源。



Popping boba produced by Shanghai Yifang
上海奕方生產的爆爆珠

Management Discussion and Analysis

4. Investment progress of the proceeds raised by Huabao Flavours

In April 2021, the Group adjusted the use of the proceeds raised from the initial public offering 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 will continue the construction of "Huabao Yingtan Flavours and Ingredients Production Base Project" ("Huabao Yingtan Project"), cease the "Lhasa Pure Land Healthy Food Project" and transform the "Huabao H&K Food Flavours and Food Technology Development Project" into the "Huabao Technology Innovation Center and Supporting Facilities Project" ("Huabao TechInno Project"), as well as launch the new "Huabao Digital Transformation Project" ("Huabao Digital Project").

As of 31 December 2022, the cumulative amount dedicated for the Huabao Yingtan Project was approximately RMB210 million (31 December 2021: approximately RMB158 million), representing an investment progress of 20.3% (31 December 2021: 15.3%). The cumulative amount dedicated for the Huabao TechInno Project was approximately RMB5.03 million (31 December 2021: approximately RMB1.68 million), representing an investment progress of 1.1% (31 December 2021: 0.4%). The cumulative amount dedicated for the Huabao Digital Project was approximately RMB17.59 million (31 December 2021: approximately RMB3.53 million), representing an investment progress of 29.3% (31 December 2021: 5.9%). As of 31 December 2022, the balance of unused IPO Proceeds (including accumulated interest income received) amounted to approximately RMB1,668 million (31 December 2021: approximately RMB1,685 million). As of 31 December 2022, the IPO Proceeds utilized amounted to approximately RMB901 million (31 December 2021: approximately RMB832 million), accounting for 39.0% of the total proceeds from the initial public offering in 2018 of approximately RMB2,310 million.

There were no major changes in Huabao Digital Project and the project is expected to be completed by 31 December 2024. Considering the actual conditions of the investment projects with raised funds, changes in the market environment and external influences, etc., Huabao Flavours has planned to cease Huabao Yingtan Project and rescheduled the completion time of Huabao TechInno Project from 31 December 2025 to 31 December 2026.

管理層討論及分析

4. 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。本集團將繼續建設「華寶鷹潭食品用香精及食品配料生產基地項目」（「華寶鷹潭項目」），終止「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2022年12月31日，華寶鷹潭項目累計投入約人民幣2.10億元（2021年12月31日：約人民幣1.58億元），投資進度為20.3%（2021年12月31日：15.3%）。華寶科創項目累計投入約人民幣503.23萬元（2021年12月31日：約168萬元），投資進度為1.1%（2021年12月31日：0.4%）。華寶數字項目累計投入約人民幣1,758.98萬元（2021年12月31日：約人民幣353萬元），投資進度為29.3%（2021年12月31日：5.9%）。截至2022年12月31日，尚未使用的募集資金餘額（包括累計收到的利息收入）約人民幣16.68億元（2021年12月31日：約人民幣16.85億元）。截至2022年12月31日，已使用的募集資金金額約人民幣9.01億元（2021年12月31日：約人民幣8.32億元），佔2018年首次公開募股資金約人民幣23.1億元的39.0%。

華寶數字項目未發生重大變化，預計於2024年12月31日完成。考慮募集資金投資項目實際情況、市場環境變化及外部影響等因素，華寶股份擬終止華寶鷹潭項目，同時擬將華寶科創項目的預定可使用時間由原計劃的2025年12月31日調整至2026年12月31日。

Management Discussion and Analysis

Review of the tobacco raw materials business

During the Reporting Period, revenue of the Group's tobacco raw materials business was approximately RMB454 million (2021: approximately RMB565 million), representing a year-on-year decrease of 19.7%, and accounting for 11.9% of the Group's total revenue (2021: 14.6%). The decrease was mainly due to the decline in market demand for traditional RTL and lower price of cigarette capsules. Operating loss of the business segment was approximately RMB238 million (2021: operating loss of approximately RMB80.09 million), which was mainly due to goodwill impairment of RTL CGU. Excluding the goodwill impairment of RTL CGU, the adjusted operating profit of the segment would be approximately RMB55.68 million (2021: adjusted operating profit of approximately RMB213 million), representing a year-on-year decrease of 73.9%, and the adjusted operating profit margin would be 12.3% (2021: adjusted operating profit margin of 37.7%), representing a year-on-year decrease of 25.4 percentage points. The decrease in adjusted operating profit and operating profit margin were mainly due to the decline in the price of cigarette capsules and lower profit margin as a result of the inadequate dilution of fixed cost caused by insufficient production volume of traditional RTL.

1. RTL

During the Reporting Period, the tobacco industry continued to proceed the de-stocking of tobacco leaves. On the one hand, customers increased the use of tobacco leaves and reduced the use of traditional RTL, resulting in a decrease in the demand for traditional RTL. On the other hand, since there were numerous suppliers in the traditional RTL industry, the total production capacity exceeded the demand, resulting in fierce competition and lower product prices. The decline in both quantity and price of traditional RTL led to a decrease in revenue. In addition, due to the high fixed cost of RTL production, the insufficient production volume has caused the failure to effectively dilute the fixed cost, resulting in a decrease in the gross profit margin of RTL.

管理層討論及分析

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4.54億元（2021年：約人民幣5.65億元），同比下降19.7%，佔整個集團的收入為11.9%（2021年：14.6%）。收入下降主要是由於市場對傳統再造煙葉需求下滑以及煙用膠囊價格下降。板塊營運虧損約人民幣2.38億元（2021年：營運虧損約人民幣8,009萬元），營運虧損主要是由於再造煙葉CGU商譽減值。撇除再造煙葉CGU商譽減值的影響，經調整的板塊營運盈利約人民幣5,568萬元（2021年：經調整營運盈利約人民幣2.13億元），同比下降73.9%；經調整的營運盈利率12.3%（2021年：經調整營運盈利率37.7%），同比下降25.4個百分點。經調整的營運盈利和營運盈利率下降主要是由於煙用膠囊價格下降以及傳統再造煙葉產量不足導致固定成本沒有得到足夠攤薄使利潤率下降。

1. 再造煙葉

報告期內，煙草行業繼續推進煙葉去庫存工作。一方面，客戶增加煙葉使用量，減少傳統再造煙葉使用量，導致對傳統再造煙葉需求減少。另外一方面，傳統再造煙葉行業供應商多，產能總量供過於求，導致競爭激烈，產品價格下降。傳統再造煙葉量價下滑導致收入下降。除此之外，傳統再造煙葉固定成本高，產量不足讓固定成本不能夠得到有效攤薄，使該業務的毛利率下滑。

Management Discussion and Analysis

In order to turn the performance of the RTL business, the Group has shifted its focus onto the production of HNB RTL and the expansion of overseas markets. In 2022, the Group completed the construction of a factory in Indonesia, which mainly produces HNB RTL and supplies the products to international tobacco companies. The factory has a complete organizational structure and has obtained the quality system certification and ESG standard certification, indicating that it could provide high-quality products and services for global customers. As international tobacco companies focus on HNB cigarettes for future development, the demand for HNB RTL will be increasingly higher. With its extensive experience and strong technical capabilities in the RTL sector, the Group will strive to maintain its competitiveness in the industry and capture more customers. Meanwhile, the Group will closely monitor the demand of overseas customers, development progress of customers and the production efficiency of factories before deciding whether to increase additional capacity abroad.

2. Tobacco new materials

Tobacco new materials mainly include cigarette capsules and filters. For cigarette capsules, there were many market players and the price competition was fierce. The inflation resulted in an increase in the price of capsule raw materials, and the declined sales price and higher cost led to a decrease in profit margin for the capsules. In order to further business growth, the Group has developed and manufactured different types of food capsules, and successfully marketed and sold them to customers. Leveraging on its technology and experience in capsule production, the Group has successfully produced crystogen and capsule products for probiotic customers, and it is expected to be one of the growth point of Group's business.

In terms of cigarette filters, the Group has strengthened the R&D and application of special filter rods, and improved the production efficiency. The Group has been improving the innovation and technology reserves in HNB cigarettes filter and improved the performance and quality based on the customers' feedback on a small number of products sold for testing. As a filter rod is a key material to conduct thermal and transmit gas in cigarettes, the investment in filter rods will enhance the overall service capability of the Group in cigarettes.

Due to the market demand and industry competition, the performance of the tobacco raw materials segment has been declining in the past three years. To turn the performance of the business segment, the Group has taken measures and successfully found new growth points. As such, the Group is actively advancing the development of new projects and products to facilitate its business growth.

管理層討論及分析

為了扭轉再造煙葉業務的表現，集團將發展重點轉向生產加熱不燃燒再造煙葉及開拓海外市場。集團於2022年完成了在印度尼西亞工廠的建設，該工廠主要生產加熱不燃燒再造煙葉，並向國際煙草公司供貨。工廠組織架構完整，獲得了質量體系和ESG標準認證，能夠為國際客戶提供高質量的產品及服務。隨著國際煙草公司將加熱不燃燒捲煙作為發展重點，對加熱不燃燒再造煙葉的需求也會越來越多。憑借在再造煙葉領域豐富的經驗和技術能力，集團會努力保持在行業的競爭力，獲取更多的客戶。同時，集團密切監測海外客戶需求情況、客戶開發進度、工廠生產效能，從而決定是否需要進一步在海外增建產能。

2. 捲煙新材料

捲煙新材料主要包括煙用膠囊和濾棒。煙用膠囊方面，市場競爭對手多，價格競爭激烈。受到通脹影響，膠囊原材料價格上漲。銷售價格下滑以及成本上升，使膠囊的利潤率下滑。為了促進業務增長，集團研發和製造不同類型的食品用膠囊，並成功向客戶推廣和銷售。憑借在膠囊生產方面的技術和經驗，集團成功為益生菌客戶生產了晶球和膠囊產品，將成為公司未來的業務增長點之一。

濾棒方面，集團強化了在特種濾棒方面的研發和應用，提升了生產效能。集團繼續提升在加熱不燃燒煙濾棒方面的研發和技術儲備，並少量銷售給客戶進行測試，根據客戶的反饋，改進加熱不燃燒煙濾棒的性能和質量。濾棒是捲煙中重要的導熱和氣體傳送材料，在濾棒方面的投入將強化集團在捲煙方面的整體服務能力。

由於市場需求及行業競爭的原因，過去三年，煙用原料板塊的表現連續下滑。為扭轉板塊表現，集團已經採取措施，成功為板塊尋找到新的增長點。集團積極推進新項目和新產品的建設，推動業務的發展。

Management Discussion and Analysis

Review of the aroma raw materials business

During the Reporting Period, the Group's aroma raw materials business recorded a revenue of approximately RMB924 million (2021: approximately RMB714 million), representing a year-on-year increase of 29.5%, and accounting for 24.1% (2021: 18.4%) of the Group's total revenue. The growth in segment revenue was mainly attributable to the mass production in Jiangxi Xianghai during the Reporting Period. Operating profit of the segment was approximately RMB79.53 million (2021: approximately RMB59.10 million), representing a year-on-year increase of 34.6%; and the operating profit margin was 8.6% (2021: 8.3%), representing a year-on-year increase of 0.3 percentage point. The increase in operating profit margin of the business segment was primarily due to the economies of scales as a result of the mass production of Jiangxi Xianghai.

During the Reporting Period, due to the war and the prevention and control of the Pandemic, the macroeconomic environment both at home and abroad was depressed, and the declining consumer demand led to a decrease in purchase demand in the downstream market. The inflation resulted in a rise in the prices of bulk commodities, thereby increasing the production cost of aroma raw materials. Facing those unfavourable external headwinds, the management of the segment optimized production and management, strived to reduce cost and improve efficiency, so that the profit of the segment achieved a year-on-year growth. As the main production base of aroma raw materials, Jiangxi Xianghai has advanced production and environmental facilities and established management process, and is able to achieve standardized, fast and large-scale production. Jiangxi Xianghai also attaches great importance to production safety by conducting several safety drills and education, so as to ensure that the production and operation meet the safety requirements imposed by regulators, and thus to protect the life safety of employees.

管理層討論及分析

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9.24億元（2021年：約人民幣7.14億元），同比上升29.5%，佔本集團的收入為24.1%（2021年：18.4%）。板塊收入提升主要是由於江西香海實現規模化生產所致。板塊營運盈利約人民幣7,953萬元（2021年：約人民幣5,910萬元），同比增加34.6%；營運盈利率8.6%（2021年：8.3%），同比增加0.3個百分點。營運盈利率增加是由於江西香海實現規模化生產導致規模經濟所致。

報告期內，由於戰爭和疫情防控，國內外宏觀經濟環境都不景氣，消費需求減少導致下游客戶採購需求減少。通脹導致大宗商品價格上漲，使香原料的生產成本增加。面對這些不利的外部因素，香原料板塊管理層優化生產和管理，努力降本增效，使板塊的利潤同比實現增長。江西香海是香原料的主要生產基地，具有先進的生產和環保設施、完善的管理流程，能夠做到規範、快速、規模化的生產。江西香海重視生產安全，進行多次安全演練和教育，確保生產和運營能夠滿足監管部門的安全要求，保障員工的生命安全。

Management Discussion and Analysis

Review of the condiment business

During the Reporting Period, the revenue of the Group's condiment business was approximately RMB573 million (2021: approximately RMB676 million), representing a year-on-year decrease of 15.3%, and accounting for 15.0% (2021: 17.4%) of the Group's total revenue. The decrease in revenue from the segment was mainly due to the decrease in demand of the downstream catering industry because of the Pandemic. The operating loss of the segment was approximately RMB1,117 million (2021: operating profit of approximately RMB137 million), which was mainly attributable to the recognised goodwill impairment of Jiahao CGU of approximately RMB1,171 million for the Reporting Period. Excluding the goodwill impairment of Jiahao CGU, the adjusted operating profit of the condiment segment would be approximately RMB53.73 million (2021: operating profit of approximately RMB137 million), representing a year-on-year decrease of 60.7%; and the adjusted operating profit margin would be 9.4% (2021: operating profit margin of 20.2%), representing a year-on-year decrease of 10.8 percentage points. The decreases in adjusted operating profit and operating profit margin were mainly due to lower gross profit margin resulted from rising raw material costs and higher channel marketing expenses.

In 2022, the Pandemic has spread in many provinces and regions across the country. To prevent and control the spread of the Pandemic, several catering enterprises have suspended operation and banned dine-in, and the demand for condiments has declined accordingly. As the Pandemic has disordered the normal needs and operations of customers, the management of Jiahao has adjusted business development strategy based on its analysis on the Pandemic, striving to minimize the adverse impact of the Pandemic on business operation.

In terms of product mix, due to weak market demand, the Group adopted a conservative product strategy. The Group considered that in the depressed business environment, the customers needed to reduce costs and increase efficiency in priority. As such, the Group has launched some highly cost-effective products, such as "soup chicken sauce", and "Jinba Jinbiao Sanfan wasabi", which are of high quality and priced reasonably, and are able to effectively help customers reduce costs.



管理層討論及分析

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5.73億元（2021年：約人民幣6.76億元），同比下降15.3%，佔本集團收入15.0%（2021年：17.4%）。板塊收入下滑主要是由於疫情導致下游餐飲客戶需求減少。板塊營運虧損約人民幣11.17億元（2021年：營運盈利約人民幣1.37億元）。營運虧損主要是由於報告期內確認嘉豪CGU商譽減值人民幣11.71億元。撇除嘉豪CGU商譽減值影響，調味品業務經調整營運盈利約人民幣5,373萬元（2021年：營運盈利約人民幣1.37億元），同比下滑60.7%；經調整營運盈利率9.4%（2021年：營運盈利率20.2%），同比下滑10.8個百分點。經調整營運盈利及營運盈利率下降主要是由於原材料成本上漲導致毛利率下降以及渠道推廣費用增加。

2022年，疫情在全國多個省份和地區傳播。為防控疫情，很多餐飲企業暫停營業、禁止堂食，對調味品的需求相應下滑。疫情擾亂了客戶的正常需求和經營，嘉豪管理層對疫情進行分析，調整業務發展策略，努力使疫情對業務的負面影響降到最小。

產品結構方面，市場需求不足使集團採取保守的產品策略。集團認為，在不景氣的經營環境下，客戶的首要需求是降本增效。因此，集團推出了一些高性價比的產品例如「上湯雞汁」、「勁霸金標三番芥辣」，這些產品質量高、價格合理，能夠有效幫助客戶降低成本。



Management Discussion and Analysis

In terms of sales channel, due to the weakness in the downstream market demand, distributors maintained a high level of inventories, and their willingness to purchase inventories was weak. The Group actively maintained cooperation and communication with distributors, and helped them in market analysis and customer management. As of 31 December 2022, the Group had approximately 400 Tier 1 distributors. In order to further improve the distribution system and expand customer coverage, the Group has also invested in building sales channels at lower levels and tried to develop more sales points in counties and townships.

In terms of marketing strategy, the Group reduced its investment in brand promotion and marketing activities considering the weak market demand. Nevertheless, it also invested money in specific marketing activities according to its actual needs to maintain the brand awareness among users. By cooperating with well-known chefs in the industry, the Group has launched an influential marketing activity themed by “Chinese Stir-fry (小炒中國)”, which introduces to cooks the classic dishes in various provinces and cities around the country and teaches them how to enhance flavours of these dishes by using Jiahao’s products, so that they learn more methods and application scenarios to use Jiahao’s products, thereby enhancing their understanding of Jiahao’s products.

Review of R&D

During the Reporting Period, the Group’s investment in R&D was approximately RMB266 million (2021: approximately RMB251 million). R&D expenses accounted for 7.0% (2021: 6.5%) of revenue, representing an increase of 0.5 percentage point as compared to that for the corresponding period last year. All (2021: 100%) of the R&D expenses were expensed, with no R&D cost capitalised (2021: Nil).

In terms of F&F and food ingredients business, the Group strengthened the R&D in the fields of food, daily-use chemicals, and ingredients, and was granted industry patents, including “A Method of Preparing Egg Yolk Flavours”, “A Laundry Detergent with Microcapsule Flavour and its Preparation Method”, and “A Device for Automatic Grading and Screening of Fruit Pieces”. The product and technological R&D in the fields of food, daily-use chemicals, and ingredients, being the important business growth points of the Group, will help the Group improve competitiveness and quality of the services to our food and beverage customers. As the production base of fragrances, Xiamen Amber was recognized as one of the “2022 Specialized and Innovative Small and Medium-sized Enterprises in Xiamen”.

管理層討論及分析

銷售渠道方面，下游市場需求不足使經銷商的庫存處於較高的水平，經銷商進貨的意願疲弱。集團積極維持與經銷商的合作和溝通，協助他們進行市場分析及客戶管理。截至2022年12月31日，集團的一級經銷商數量約400家。為了進一步完善分銷體系，擴大客戶覆蓋面，集團也投入資源用於渠道下沉，嘗試開發更多縣、鄉級別的銷售點。

營銷策略方面，為應對市場需求疲弱，集團減少了在品牌推廣及營銷活動方面的投入。雖然如此，集團還是根據實際需求，投入資金在特定的營銷活動上，以保持品牌在用戶中的知名度。集團與行業知名廚師合作，推出了具有影響力的「小炒中國」主題營銷活動。「小炒中國」向廚師介紹中國各個省市的經典菜餚，並向廚師們傳授如何使用嘉豪的產品為這些菜餚增添風味，使廚師們學習到更多使用嘉豪產品的方法和應用場景，增強了廚師對嘉豪產品的了解。

研發回顧

報告期內，本集團投入研發費用約人民幣2.66億元（2021年：約人民幣2.51億元）。研發費用佔銷售收入的比例為7.0%（2021年：6.5%），與去年同期相比增加0.5個百分點。研發費用當中全數（2021年：100%）作為費用支出，並無任何研發成本已資本化（2021年：無）。

香精及食品配料方面，集團強化了在食品、日化和配料領域的研發，並取得了《一種蛋黃香精的制備方法》、《一種微膠囊香精洗衣液及其制備方法》、《一種果粒自動分級篩選設備》等行業專利。食品、日化、配料是集團重要的業務增長點，在這些領域進行的產品和技術研發將有助於提升集團服務食品飲料客戶的競爭力和服務質量。作為日化香精的生產地，廈門琥珀獲得了《2022年度廈門市「專精特新」中小企業》的榮譽。

Management Discussion and Analysis

In respect of tobacco raw materials, Shenzhen Huabao Collaborative Innovation Technology Research Institute, which was established in 2021, was granted several patents on new tobacco products, including "An HNB cigarette and an HNB system", "A heat dissipation structure and aerosol generating device" and "An aerosol-generated heating module and HNB smoking set". Shenzhen Huabao Collaborative Innovation Technology Research Institute has engaged a group of experienced R&D personnel, which have provided sufficient talent reserve and support for the R&D of new tobacco-related products in the tobacco raw materials segment. Shenzhen Huabao Collaborative Innovation Technology Research Institute was granted a total of 12 patents, making outstanding achievements. In addition, Guangdong Jinye has applied for several patents on the preparation method of RTL, enhancing the Group's competitiveness in the field of RTL.

In regard to aroma raw materials, Jiangxi Xianghai continued to be recognized as a "high-tech enterprise", and was granted the title of "Safe Enterprise" because of its excellent performance in construction safety. Guangdong Zhaoqing applied for the invention patent of "A method for recovering chloroethane and its solvent from the production of alpha-ethyl furan carbinol". In terms of condiments, Jiahao cooperated with Jiangnan University for R&D and obtained the invention patents of "A Fermented Wasabi Spicy Sauce Formula Rich in Lemongrass Flavour and its Preparation Method" and "A Salty and Fresh Flavoured Rice Flour-based Snack 3D Printing Material and its Application". They also together applied for other invention patents related to compound condiments and fruit juice products.

Human Resources and Corporate Culture Construction

As at 31 December 2022, the Group employed a total of 3,875 (as at 31 December 2021: 3,583) employees in Mainland China, Hong Kong, Germany, Indonesia, Singapore and other places.

In 2022, as the Pandemic recurred in several provinces and regions across the country, employees of the Group in some places were locked down and unable to go to work. The management and the human resources department of the Group have formed an anti-Pandemic working group which used the resources of the Group to purchase necessary living materials for affected employees to ensure their normal life. The Group arranged regular nucleic acid tests for employees, distributed anti-pandemic medicines to employees, as well as made statistics and analysis on daily pandemic prevention data, so as to ensure that employees at work were sufficient to perform their duties in all departments and that the Group could carry out business operations normally.

管理層討論及分析

煙用原料方面，於2021年成立的深圳華寶協同創新技術研究院獲得了多項有關新型煙草產品的專利，包括《一種加熱不燃燒煙支、加熱不燃燒系統》、《一種散熱結構及氣溶膠發生裝置》、《一種氣溶膠產生發熱模組及加熱不燃燒煙具》等。深圳華寶協同創新技術研究院招聘了一批經驗豐富的研發人才，為煙用原料板塊新型煙草相關產品的研發提供了充足的人才儲備和保障。深圳華寶協同創新技術研究院一共獲得了12項專利授權，取得了亮眼的成績。此外，廣東金葉申請了多項有關再造煙葉制備方法的專利，強化了集團在再造煙葉領域的競爭能力。

香原料方面，江西香海繼續被認定為「高新技術企業」，並且因為在安全建設方面的優異表現而獲得「平安企業」的稱號。廣東肇慶申請了「一種回收 α -乙基呋喃甲醇生產中氯乙烷及其溶劑的方法」發明專利。調味品方面，嘉豪與江南大學合作研發並獲得了《一種富含香茅風味的發酵型芥辣醬配方及其制備方法》、《一種鹹鮮味米粉類點心3D打印材料及應用》發明專利，並共同申請了其它有關復合調味品和果汁產品的發明專利。

人力資源及企業文化建設

於2022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3,875人（截至2021年12月31日：3,583人）。

2022年，疫情在全國多個省份和地區復發，集團部分地區的員工被封控在家無法上班。集團管理層及人力資源部建立抗疫工作小組，運用集團的資源為受到影響的員工採購必要的生活物資，保證他們能夠正常生活。集團定期定時對員工進行核酸檢測、向員工發送抗疫藥品、統計和分析日常防疫數據，確保各個部門有充足的員工履行工作職責，保證集團正常開展各項業務。

Management Discussion and Analysis

As the Pandemic had a certain negative impact on the development of all industries in China, many enterprises cut costs by reducing employees and wages. Nevertheless, the Group has maintained the existing levels of compensation and welfare packages, and even increased the salaries and rewards for outstanding talents. The Group believes that amid the difficult external business environment, maintaining and improving the salaries of employees can enhance their loyalty and confidence to the Group, and also enable the Group to retain and develop talents, thus promoting better business development of the Group.

Corporate culture that is playing an increasingly important role in the operation and development of the Group, can give employees greater senses of mission, achievement, and responsibility at work. It also enables shareholders, investors, suppliers, customers, and other stakeholders to have a more comprehensive and positive understanding of the Group's brand and operation, which helps to establish and improve the Group's brand image to obtain more business opportunities. During the Reporting Period, the Group has introduced a comprehensive corporate news management system and conducted professional news writing trainings for all business segments. It has also introduced the Group's business progress, cultural activities and outstanding employees through its official website and WeChat public account, giving the public a view from multiple perspectives of how we practice the Group's vision, spirit and core values in a timely and accurate manner.

管理層討論及分析

疫情對中國各行各業的發展都造成了一定的負面影響，很多企業採取裁員和減薪的方式縮減成本。雖然如此，集團仍然維持員工的各項薪酬和福利水平，並增加對優秀人才的薪酬和獎勵。集團相信，在困難的外部經營環境下，維持和提升對員工的薪酬能夠增強員工對集團的忠誠度和信心，也使集團能夠留住和培養人才，促進集團業務更好地發展。

企業文化在集團的運營和發展中扮演著越來越重要的角色。企業文化可以使員工在工作時更加有使命感、成就感和責任感，還可以使股東、投資人、供應商、客戶等利益相關方對集團的品牌和運營有更加全面和正面的瞭解，有助於建立和提升集團的品牌形象，獲取更多的商業機會。報告期內，集團出台了完善的企業新聞管理制度、對各個業務板塊展開專業的新聞寫作培訓，通過集團官方網站和微信公眾號介紹了集團的業務進展、文化活動、優秀員工，使公眾能夠及時、準確、多角度的認識我們如何踐行集團的願景、精神及核心價值觀。



The tobacco raw materials segment hosted talent training session to develop and reserve talents for the development of the segment's business

煙用原料板塊舉辦人才培訓會，為業務發展培訓和儲備人才

Management Discussion and Analysis

Digital Transformation

Digital transformation is an important means for the Group to improve its management and operational efficiency and promote its business development. In 2021, the Group planned the digital transformation, including the construction of an enterprise resource management platform SAP ERP, a decision-making management platform, a fund management platform, and a product lifecycle management (PLM) system. It will take 5 years for the work to be carried out within the Group and in all business segments step by step. The year 2022 is the first year of our digital transformation.

During the Reporting Period, the Group has launched the SAP ERP system at the headquarters and in all business segments, which connects the operation and financial information between the headquarters and each business segment, so that the management is able to understand the operation situation and results of each segment in a timely and accurate manner. The system enables the Group to collect sales data, settle and manage funds and prepare financial statements more systematically to improve the efficiency and scientificity of decision-making. All business segments of the Group adopt a uniform business process to manage and track procurement, production, inventory, storage, and transportation, allowing each section to cooperate more efficiently, and thus to maximize the use of materials and resources. Through the operation of digital systems, the Group has greatly improved the level of integration of business and finance, so that finance can better support business development.

By using the product lifecycle management system, the Group is able to systematically track the production cycle of a single product, i.e., "Concept – Development – Production – Sales - After-sales Service - Retirement". By recording and sharing the lifecycle of each product, employees from various departments of the Group can better understand the conditions of each product from section to section, so as to improve the quality and speed of product development, and the Group is also able to better master the advantages and disadvantages of a single product, so as to design products that can better cater for the needs of consumers and improve consumer experience.

Finally, in order to better implement the digital transformation, the digital transformation team has trained more than 100 key users for all business segments of the Group. These key users will consistently give feedbacks to the digital transformation team on the problems arising from the application process of digital transformation, so that the digital transformation team will constantly improve the system and the user experience.

管理層討論及分析

數字化轉型

數字化轉型是集團提升管理和營運效率、推進業務發展的重要手段。集團於2021年籌劃數字化轉型工作，內容包括企業資源管理SAP ERP平台建設、決策管理平台建設、資金管理平台建設、產品生命週期管理(PLM)系統建設。該項工作實施週期5年，分步在集團和各個業務板塊執行，2022年是我們數字化轉型工作的第一年。

報告期內，集團在總部和各業務板塊啟用了SAP ERP系統，將總部和各業務部的運營和財務信息連接起來，使管理層能夠及時、準確地了解各個板塊的運營情況和成果。集團更加系統化地收集銷售數據、結算和管理資金、編製財務報表，提升做決策的效率和科學性。集團各個業務板塊採用統一的業務流程，對採購、生產、存貨、倉儲、運輸進行管理和追蹤，讓每個環節能夠更加高效地配合，最大化的利用物料和資源。通過運營數字化系統，集團大大提高了業務和財務一體化程度，使財務能夠更好的支持業務發展。

通過運用產品生命週期管理系統，集團能夠系統性地追蹤單個產品「概念—開發—生產—銷售—售後服務—產品退役」的生產週期。通過記錄和分享每個產品的生命週期，集團不同部門的員工能夠更好的了解每個產品在不同環節的情況，從而提升產品開發的質量和速度。集團也能夠更好的掌握單個產品的優勢和不足，設計出更好的能夠滿足消費者需求、提升消費者體驗的產品。

最後，為了更好的實施數字化轉型工作，數字化轉型團隊已經在集團各個業務板塊培訓了100多位關鍵用戶。這些關鍵用戶將會不斷將數字化轉型在應用過程中的問題反饋給數字化轉型團隊，讓數字化轉型團隊不斷改進系統，提升使用體驗。

Management Discussion and Analysis

OUTLOOK

In 2023, the Group will facilitate its development in three aspects: business, market, and digitalization. In respect of business, the Group will continue to develop innovative tobacco related projects and food, beverage, daily-use chemical, and food ingredient products. In terms of market, it will consolidate its domestic market share and expand overseas markets focusing on Southeast Asia. In terms of digitalization, the Group will continue to advance digital transformation and increase the efficiency of internal and external communication and cooperation, to reduce operating costs and improve operating efficiency.

In terms of F&F and food ingredients, the Group will invest more resources in the development and product reserves of HNB tobacco flavours, and will invest resources to develop customers of food flavours and fragrances to increase the proportion of revenue from food flavours and fragrances. Leveraging on its experience and technology in the field of flavours, the Group will help the food ingredients segment to improve its capabilities in flavour R&D and formula, develop more customers and promote sales growth of the food ingredients.

In terms of tobacco raw materials business, the Group will improve its R&D and technology reserve in innovative tobacco products, enhance its capacity in functionality, quality, and competence. The Group will carefully assess the demand and business development opportunities in the overseas market, and increase its production capacity in good time, strengthen its overseas services capability, provide quality products and solutions to enhance its overseas market share and boost sales of the segment. The Group will further optimize the flavouring techniques and product quality of food capsules, and develop more food capsule customers to increase the sales proportion of food capsules.

As for aroma raw materials, the Group will closely monitor the raw materials prices, plan well in procurement, and try its best to reduce the cost of raw materials. Considering the uncertainties in the macroeconomy, the demand of the market is likely to be volatile. The Group will consistently re-examine its product mix and pricing, optimize its product mix, improve its price competence, and further the sales and profit growth of the segment.

管理層討論及分析

展望

2023年，集團將從業務、市場、數字化三方面去推進集團的發展。業務方面，集團將繼續建設新型煙草相關的項目以及食品、飲料、日化和食品配料類產品；市場方面，集團將穩固在國內的市場份額，拓展以東南亞為主的海外市場；數字化方面，集團將繼續推進數字化轉型工作，提升集團內部和外部溝通及合作的效率，降低企業的營運成本，提升營運效率。

香精及食品配料方面，集團將投入更多資源用於加熱不燃燒煙用香精的研發和產品儲備，將投入資源開發食品用和日化用香精客戶，提升食品用和日化用香精收入佔比。集團將利用在食品用香精領域的經驗和技術，協助食品配料板塊提升風味研發和調配的能力，開發更多的客戶，促進食品配料業務銷售的增長。

煙用原料業務方面，集團將提升在新型煙草產品方面的研發能力和技術儲備，提升產品的性能、質量和競爭力。集團將認真評估海外市場的需求和業務發展機會，適時擴充產能，強化集團在海外市場的服務能力，為海外市場的客戶提供優質的產品及解決方案，提升海外市場份額，增加板塊收入。集團還會進一步優化食品用膠囊的口味調配技術和產品質量，開發更多食品用膠囊客戶，提升食品用膠囊收入佔比。

香原料方面，集團會密切監測原材料價格，做好原材料的採購工作，盡力降低原材料成本。鑒於宏觀經濟的不確定性較多，市場需求可能比較波動，集團會不斷檢視產品組合和定價，優化產品結構，提升價格競爭力，促進板塊銷售收入和盈利的增長。

Management Discussion and Analysis

In respect of condiments, the Group will seize the opportunity arising from the recovery of the catering industry to boost the promotion and sales of the core products; the Group will optimize the network of distributors, dig the consumption potential of the down market, grow the quantity and quality of end clients; the Group will launch more theme marketing activities, provide customers with comprehensive foods solutions, communicate Jiahao's brands power and influence to customers. The Group believe that the demand of the catering industry will bounce back in 2023, which has set a good external environment for the development of the condiment business. The Group will seize the opportunity to improve the performance of the condiment business.

Looking into 2023, the Pandemic in China has ended generally, and the economic activities have started to normalize gradually. The central and local governments have introduced measures to encourage and promote consumption. The Group believes that the domestic consumer market and demand will gradually rebound. The Group will duly implement the development strategies of its business segments and improve the quality of its products and services, with an aim to improve its performance.

管理層討論及分析

調味品方面，集團將抓住餐飲行業復甦的機會，提升核心產品的推廣和銷售；集團將優化經銷商佈局、挖掘下沉市場的消費潛力、提升終端客戶的數量和質量；集團還將開展更多主題營銷活動，向客戶提供全面的美食解決方案，輸出嘉豪的品牌和產品影響力。集團認為2023年餐飲市場的需求將會反彈，為調味品業務的發展構建良好的外部環境，集團會努力把握好機遇，提升調味品業務的表現。

進入2023年，中國疫情基本結束，經濟活動開始逐漸正常化。中央及各地政府出台了措施鼓勵和促進消費。集團相信國內的消費市場和需求將會逐步反彈。集團會實施好各個板塊的發展策略，提升產品和服務質量，努力提升業績表現。

Management Discussion and Analysis

ANALYSIS OF THE GOODWILL IMPAIRMENT

Analysis of Shanghai Yifang CGU's goodwill impairment

As at the end of the Reporting Period, the Company engaged a valuer to conduct an impairment test on goodwill of Shanghai Yifang CGU as at 31 December 2022. According to the test results, an impairment of goodwill of approximately RMB43.84 million was recognized for the Shanghai Yifang CGU.

The background of Shanghai Yifang CGU's goodwill impairment

On 9 August 2021, the Group acquired 40% equity interests in Shanghai Yifang from independent third parties with a total consideration of RMB180 million in cash. On 8 March 2022, the Group further acquired 27% equity interests in Shanghai Yifang from independent third parties with a total consideration of RMB121.5 million in cash. The Group's shareholding in Shanghai Yifang, in aggregate, reaches 67% and Shanghai Yifang becomes a subsidiary of the Group. The goodwill arising from the acquisition of Shanghai Yifang by the Group amounted to approximately RMB49.42 million.

Reasons for the recognition of goodwill impairment of Shanghai Yifang CGU

Shanghai Yifang officially became a subsidiary of the Group on 8 March 2022. Upon completion of the acquisition, the Group expected to be able to integrate the competitive advantages of the Group and Shanghai Yifang in the future, to exert synergistic effects, and to increase the revenue and profit of Shanghai Yifang. However, after the completion of the acquisition, a series of unexpected events had a great negative impact on Shanghai Yifang's operation and performance. First of all, the products of Shanghai Yifang are mainly jams and fruit pieces, which are mainly sold to downstream catering and tea shops to make drinks. Since the Pandemic has occurred repeatedly across the country since April and May, many restaurants and tea shops could not operate normally, which led to the decline in demand for Shanghai Yifang's products. Secondly, starting from July 2022, Jiangxi Province experienced several months of drought, which affected the quantity and quality of fruit harvested by Shanghai Yifang and increased its production cost. At the same time, the drought also required the Group to invest more funds in drought and heatstroke prevention, which indirectly led to an increase in operating costs. The above factors led to Shanghai Yifang's performance failing to meet the Group's expectations at the time of acquisition. Based on the applicable accounting principles on a prudent basis, the Group lowered the profit forecast of Shanghai Yifang in the future, and recognized the impairment of goodwill of approximately RMB43.84 million for Shanghai Yifang CGU. After the recognition of the impairment, the remaining balance of Shanghai Yifang CGU's goodwill is approximately RMB5.58 million.

管理層討論及分析

商譽減值分析

上海奕方CGU商譽減值的分析

報告期末，集團聘請了評估師為上海奕方CGU於2022年12月31日的商譽進行減值測試。根據測試結果，上海奕方CGU確認商譽減值約人民幣4,384萬元。

上海奕方CGU商譽減值的背景

2021年8月9日，集團以總對價人民幣1.8億元的現金向獨立第三方收購上海奕方的40%股權。2022年3月8日，集團以人民幣1.215億元現金總對價向獨立第三方進一步收購上海奕方27%的股權。自此，集團對上海奕方合計的持股比例達到67%，上海奕方成為集團的附屬公司。本集團收購上海奕方所產生的商譽約人民幣4,942萬元。

確認上海奕方CGU商譽減值的原因

上海奕方於2022年3月8日正式成為集團的附屬公司。在收購完成時，集團預期能夠在未來整合集團與上海奕方的競爭優勢，發揮協同效應，提升上海奕方的收入和利潤。然而，在收購完成後，一系列的意外事件對上海奕方的經營和業績產生了很大的負面影響。首先，上海奕方的產品主要是果醬、果粒，主要銷售給下游的餐飲和茶飲店製作飲品。由於疫情從四五月開始在全國各地多次、反覆發生，很多餐飲和茶飲店無法正常營業，對上海奕方產品的需求下滑。其次，從2022年7月開始，江西省出現長達數月的乾旱，乾旱影響到上海奕方種植的水果收成數量和質量，使產品的生產成本增加。同時，乾旱也使集團需要投入更多資金用於抗旱防旱，間接導致營運成本增加。以上因素導致上海奕方的業績表現未能夠達到集團在收購時的預期。基於審慎和保守的原則，集團下調了上海奕方在未來的盈利預測，並確認上海奕方CGU商譽減值約人民幣4,384萬元。確認減值後，上海奕方CGU的商譽餘額約為人民幣558萬元。

Management Discussion and Analysis

Analysis of RTL CGU's goodwill impairment

As at the end of the Reporting Period, the Company engaged a valuer to conduct an impairment test on goodwill of RTL CGU as at 31 December 2022. According to the test results, an impairment of goodwill of approximately RMB293 million was recognized for the RTL CGU.

Background of the goodwill impairment of RTL CGU

In November 2010, the Group acquired 100% equity interest in Guangdong Jinye Group, which was principally engaged in the R&D, production and sales of RTL in the PRC, from independent third parties at a consideration of approximately RMB1.147 billion. Guangdong Jinye Group has become the RTL CGU of the Group since then. Guangdong Jinye Group is one of the few designated production bases authorized by the STMA specializing in the manufacturing of RTL and is also one of the largest RTL manufacturers in the PRC. The completion of acquisition marked that the Group had strategically entered the sector of traditional RTL with broad development prospects.

Changes had taken place in the traditional RTL industry after 10 years of development. On the demand side, the market demand for traditional RTL continued to decline whereas on the supply side, the production capacity of the traditional RTL industry remained high which exceeds the annual demand of the traditional RTL industry, resulting in an oversupply in the industry. For the year ended 31 December 2021, the revenue of the Group's RTL CGU decreased by approximately 20% to approximately RMB351 million, the impact of the oversupply in the traditional RTL industry has gradually emerged over the past few years, which resulted in indications of impairment of RTL CGU's goodwill. Accordingly, the Group has engaged a valuer to conduct an impairment test on the goodwill of RTL CGU as at 31 December 2021 and recognised an impairment of goodwill of approximately RMB293 million. After the impairment, the remaining balance of RTL CGU's goodwill is approximately RMB649 million. For details, please refer to the section headed "Analysis of RTL CGU's goodwill impairment" in the "Management Discussion and Analysis" of the Group's 2021 annual report.

管理層討論及分析

再造煙葉CGU商譽減值的分析

報告期末，集團聘請了評估師為再造煙葉CGU於2022年12月31日的商譽進行減值測試。根據測試結果，再造煙葉CGU確認商譽減值約人民幣2.93億元。

再造煙葉CGU商譽減值的背景

2010年11月，本集團以約人民幣11.47億元向獨立第三方收購廣東金葉集團100%股權，廣東金葉集團自此成為本集團的再造煙葉CGU。廣東金葉集團主要在中國從事煙草薄片的研發、生產及銷售。廣東金葉集團是當時少數幾家國煙局定點許可的專業從事煙草薄片生產基地之一，也是國內當時最大的煙草薄片生產商之一。收購事項的完成標誌著本集團戰略性進入發展前景廣闊的傳統再造煙葉領域。

經過10年的發展，傳統再造煙葉市場發展發生變化。從需求端看，市場對傳統再造煙葉的需求持續下滑，而從供給端看，傳統再造煙葉行業的產能卻仍然維持在很高的水平，超過傳統再造煙葉行業每年的需求量，造成行業供過於求。截至2021年12月31日止年度，本集團的再造煙葉CGU的銷售收入下滑約20%至約人民幣3.51億元，傳統再造煙葉行業供大於求的影響在過去數年逐步顯現，再造煙葉CGU的商譽出現減值跡象。因此，集團聘請了評估師對再造煙葉CGU於2021年12月31日的商譽進行減值測試，並確認了約人民幣2.93億元的商譽減值。減值後，再造煙葉CGU的商譽餘額約為人民幣6.49億元。詳情請參閱本集團2021年年報「管理層分析和討論」中「再造煙葉CGU商譽的減值分析」一節。

Management Discussion and Analysis

Reasons for the recognition of goodwill impairment of RTL CGU

Based on the audited accounts of the Group for the year ended 31 December 2022, the revenue of the Group's RTL CGU decreased by 7.3% to approximately RMB326 million from RMB351 million for the corresponding period last year. It was aware that the oversupply in the traditional RTL industry was still continued in 2022 which created pressure on the sales and gross profit margin of the RTL CGU for the year, as a result, the operating profit of the RTL CGU dropped by 34.9% year-on-year. The management of the Group considered that the oversupply in the traditional RTL would remain for a relatively longer period of time, while based on the principle of prudence and conservatism, a conservative forecast on the future sales of the traditional RTL was made with the expectation that the RTL CGU would incur an impairment loss on goodwill.

Goodwill impairment test

In accordance with HKAS 36, the Company performed a goodwill impairment test on RTL CGU on 31 December 2022 (the valuation benchmark date), and conducted a value analysis to determine the recoverable amount of RTL CGU. According to the standard, the recoverable amount of the CGU is determined on the higher of the fair value less the costs of disposal ("FVL COD") and value in use ("VIU"). In the goodwill impairment test carried out by the valuer, FVL COD and VIU of RTL CGU was assessed by using market approach and income approach respectively. According to the result of the test, VIU was higher than that FVL COD and therefore VIU was adopted to be the recoverable amount of RTL CGU, which was RMB293,195,000 lower than the carrying amount of RTL CGU. As a result, goodwill impairment loss of RMB293,195,000 was recognised in the consolidated income statement of the Group for the year ended 31 December 2022.

管理層討論及分析

確認再造煙葉CGU商譽減值的原因

根據本集團截至2022年12月31日止年度的經審核賬目，本集團的再造煙葉CGU的銷售收入由去年同期約人民幣3.51億元減少7.3%至約人民幣3.26億元。本集團注意到傳統再造煙葉行業供過於求的情況於2022年仍然持續，對再造煙葉CGU本年度的銷售收入及毛利率構成壓力，再造煙葉CGU的營運盈利同比下跌了34.9%。考慮到傳統再造煙葉行業供大於求仍將維持一段較長時間，基於審慎和保守的原則，集團對傳統再造煙葉未來的銷售作出保守的預測，並預計再造煙葉CGU將出現商譽減值虧損。

商譽減值測試

本公司根據香港會計準則第36號進行商譽減值測試，對再造煙葉CGU於2022年12月31日為評估基準日進行了價值分析以評估再造煙葉CGU的可收回金額。根據準則，現金產生單位的可收回金額為公允價值減去處置費用（「FVL COD」）及其使用價值兩者中取較高者。在評估師進行的商譽減值測試中，分別使用市場法和收益法來評估再造煙葉CGU的FVL COD和使用價值。根據測試的結果，使用價值的金額比FVL COD的金額為高，再造煙葉CGU的可收回金額因此採用了使用價值的金額，而此金額比再造煙葉CGU的賬面價值低約人民幣293,195,000元。為此，在截至2022年12月31日止年度的本集團綜合收益表中確認商譽減值損失約人民幣293,195,000元。



Management Discussion and Analysis

The methodology, key assumptions and basis used in calculating the VIU of RTL CGU

The Company has engaged the valuer to carry out an impairment test on goodwill of RTL CGU as at 31 December 2022. The valuer used the income approach to access the VIU in the goodwill impairment test, which was consistent with the valuation methodology used in the impairment test of RTL CGU for end of the last year. It was based on a five-year net cash-flow projection of RTL CGU and cash flows beyond the five-year period were calculated using the terminal growth rate, and the present value of such net cash-flows were calculated using an appropriate discount rate.

The key assumptions and basis used in calculating RTL CGU's VIU were as follows:

1. Forecast growth rate – as determined by the management based on past performance, the latest external economy and business environment, combined with their projections of market development;
2. Terminal growth rate – long-term average growth rate of RTL CGU as estimated by the management;
3. Budgeted gross profit margin – as determined by the management based on the past performance and the expected development of the market;
4. Pre-tax discount rate – the discount rate for impairment test, with reference to the actual situation of RTL CGU, the market condition of the same industry and its specific risk premium, calculated with the applicable cost of equity capital and cost of debt capital to come up with weighted average cost of capital ("WACC") based on the company's capital structure.

管理層討論及分析

計算再造煙葉CGU的使用價值所採用的方法、關鍵假設和基準

本公司聘請之評估師為再造煙葉CGU於2022年12月31日之商譽進行減值測試。評估師採用收益法來評估再造煙葉CGU的使用價值，與再造煙葉CGU去年底所做的減值測試所採用的評估方法一致。此乃基於再造煙葉CGU的五年期的淨現金流量預測，超逾五年期的現金流量使用永續年增長率計算，並以合適之折現率來計算該淨現金流之現值。

在計算再造煙葉CGU的使用價值所採用的關鍵假設和基準如下：

1. 預計增長率 – 管理層根據過往業績，最新的外圍經濟和行業經營環境，並結合其對市場發展的預計而確定；
2. 永續年增長率 – 管理層預計再造煙葉CGU的長期平均增長率；
3. 預計毛利率 – 管理層根據過往業績及其對市場發展的預期而確定；
4. 稅前貼現率 – 按再造煙葉CGU的實際情況，並參考同業市場數據及其特定風險溢價，計算適用的權益資本成本及債務資本成本，再按公司資本結構計算加權平均資本成本（「WACC」），作為減值測試的折現率。



Management Discussion and Analysis

Changes in key assumptions

Comparing certain key assumptions used in determining the VIU of RTL CGU as at 31 December 2022 against those used in assessing the VIU of RTL CGU as at 31 December 2021, major changes are as follows:

Key assumptions

關鍵假設

Forecast five-year sales growth rate

五年預計銷售增長率

VIU assessment as at 31 December 於12月31日之使用價值評估

2022 2021
2022年 2021年

-6.0% – 20.1%

3.9% – 20.6%

Reasons for change

The sales of the RTL CGU of the Group dropped approximately 7.3% from approximately RMB351 million for the year ended 31 December 2021 to approximately RMB326 million for the year ended 31 December 2022, which was mainly due to the significant decline in sales of traditional RTL of about 48.3% as compared with the corresponding period last year. The management of the Group re-evaluated the supply and demand situation of the traditional RTL industry and considered that the oversupply situation in the traditional RTL industry would remain for a relatively longer period of time. As a result, the management downward adjusted the forecast sales for the period between 2023 to 2026 by 14.7% to 32.1% from the forecast for the same period made at the end of 2021, the corresponding forecast sales growth rate was adjusted to -6.0% to 20.1%.

變動原因

本集團的再造煙葉CGU的銷售收入由截至2021年12月31日止年度約人民幣3.51億元減少約7.3%至截至2022年12月31日止年度約人民幣3.26億元，主要由於傳統再造煙葉的銷售收入比去年同期大幅下跌約48.3%。本集團管理層對傳統再造煙葉行業供需情況重新做了評估，並認為傳統再造煙葉行業供過於求的情況仍將維持一段較長時間。管理層下調預測期間2023年至2026年銷售收入，相比2021年底對此預測期間的預測銷售收入下調了14.7%至32.1%，其對應的預測銷售增長率相應調整為-6.0%至20.1%。

Key assumptions

關鍵假設

Budgeted gross profit margin

預計毛利率

VIU assessment as at 31 December 於12月31日之使用價值評估

2022 2021
2022年 2021年

51.9% – 54.9%

49.1% – 54.3%

Reasons for change

The management's forecast gross profit margin for the period between 2023 to 2026 was similar to that for the same period made at the end of 2021. It was mainly due to the proportion of the forecast sales of products with higher gross profit margin in the CGU will be decreased which caused the composite gross profit margin of the CGU decreased in the forecast period. However, it will be offset by the lower production cost resulted from the fully depreciation of the production plants of traditional RTL at the end of 2022 and the streamlining of labour. Therefore, the management adjusted the budgeted gross profit margin for the forecast period between 2023 to 2026 from 52.2% to 54.3% of the forecast made at the end of 2021 to 51.9% to 54.9% of the forecast made at the end of 2022.

變動原因

管理層預計於2023年至2026年預測期的毛利率與2021年底對此預測期間的預測毛利率相近。主要由於在預測期預計毛利率較高的產品銷售金額在CGU內佔比將會下降，令到CGU的綜合毛利率有所下降，但是由於傳統薄片的生產設備在2022年底折舊完畢，以及人員精簡令到生產成本下降，而抵消了相關影響。因此，管理層將2023年至2026年的預測毛利率由2021年底對此預測期間的預測52.2%至54.3%調整至2022年底對此預測期間的預測51.9%至54.9%。

VIU assessment as at 31 December
於12月31日之使用價值評估

Key assumptions	關鍵假設	2022	2021
		2022年	2021年
Pre-tax discount rate	稅前貼現率	Pre-tax discount rate of 19.0% (approximately equivalent to post-tax discount rate of 16.0%) 稅前貼現率 19.0% (約等於稅後貼現率 16.0%)	Pre-tax discount rate of 16.5% (approximately equivalent to post-tax discount rate of 14.5%) 稅前貼現率16.5% (約等於稅後貼現率14.5%)

Reasons for change

The valuer determined the post-tax discount rate based on WACC. The equity risk premium and size premium increased during the period, after considering these factors and the combined effect of other factors, the post-tax discount rate was calculated as 16.0%, which was increased by 1.5 percentage points as compared with the post-tax discount rate of 14.5% adopted at the end of 2021. With reference to the post-tax discount rate, the valuer calculated the corresponding pre-tax discount rate according to pre-tax cash flows through an iterative process.

變動原因

評估師是採用WACC作為稅後貼現率。股本風險溢價和規模溢價在此期間有所上升，經綜合其他因素計算的稅後貼現率為16.0%，比2021年底採用的稅後貼現率14.5%增加了1.5個百分點。參考採用的稅後貼現率，評估師通過一個迭代的過程，按稅前現金流計算對應的稅前折現率。

Analysis of Jiahao CGU's goodwill impairment

The background of Jiahao CGU's goodwill impairment

In September 2018, the Group completed the acquisition of 100% interest in Jiahao from an independent third party for approximately RMB4,745 million and Jiahao has since become a CGU of the Group. Jiahao is principally engaged in the production, sale, marketing and distribution of condiment products in China. Upon completion of the acquisition, the Group focuses on the ancillary products of taste-based FMCG products, including F&F products, additives, ingredients and packaging materials, condiments and other products in the market segments. The goodwill arising from the acquisition of approximately RMB3,635 million is attributable to the synergies and operating benefits expected to arise from the integration of the operations of the Group and Jiahao.

嘉豪CGU商譽減值分析

嘉豪CGU商譽減值的背景

集團於2018年9月以約人民幣47.45億元向獨立第三方完成收購嘉豪100%權益，嘉豪自此成為本集團的CGU。嘉豪主要在中國從事生產、銷售、營銷及分銷調味品產品。收購完成後，本集團聚焦味覺系快消品之配套產品，包括香精產品、添加劑、配料及包裝材料、調味品等細分市場之產品。收購產生的商譽約人民幣36.35億元乃來自於整合本集團及嘉豪之經營後預期產生的協同效應和經營效益。

During early 2020, the outbreak of the Pandemic in China and its subsequent national outbreaks, the Chinese government took various contingency measures such as extending the Chinese New Year holidays, imposing travel and work restrictions and suspending various daily consumption activities (including retail and catering), which resulted in a significant decline in the revenue of Jiahao for the six months ended 30 June 2020 and indications of impairment of Jiahao's goodwill. Accordingly, the Group has engaged a valuer to conduct an impairment test on the goodwill of Jiahao CGU as at 30 June 2020 and recognised an impairment of goodwill of approximately RMB495 million. After the impairment, the remaining balance of Jiahao CGU's goodwill was approximately RMB3,140 million. For details, please refer to the section headed "Analysis of Jiahao CGU's goodwill impairment in the Interim Period" in the "Management Discussion and Analysis" of the Group's 2020 annual report.

於2020年初期間，新冠肺炎疫情在中國爆發乃至其後擴散全國，中國政府採取了各種應急措施，例如延長春節假期，施行差旅及工作限制，暫停各種（包括零售及餐飲）日常消費活動，令到嘉豪於截至2020年6月30日止六個月的營業額大幅下降，嘉豪CGU的商譽出現減值跡象。因此，集團聘請了評估師對嘉豪CGU於2020年6月30日的商譽進行減值測試，並確認了約人民幣4.95億元的商譽減值。減值後，嘉豪CGU的商譽餘額約為人民幣31.40億元。詳情請參閱本集團2020年年報「管理層分析和討論」中「嘉豪CGU商譽於中期的減值分析」一節。

Management Discussion and Analysis

Jiahao CGU's goodwill impairment (for the six months ended 30 June 2022)

Reasons for the recognition of Jiahao CGU's goodwill impairment

The Group originally expected the catering industry to start recovering rapidly in 2022 as the outbreak control stabilised. Unexpectedly, the Pandemic resurfaced in many cities and regions in Mainland China. To protect people's lives, the Chinese government adopted strict lockdown measures, including mobility restriction, business suspension and dine-in bans. These measures were effective in controlling the Pandemic, but they also had a negative impact on the catering industry, which is mainly focused on crowd consumption, as the recovering catering industry had to suspend normal business once again, resulting in a significant drop in revenue for catering enterprises. Revenue from the catering industry dropped by 7.7% year-on-year in the first half of 2022, and by 5.8% compared to the first half of 2019 before the Pandemic.

In addition, the first half of 2022 saw the increase in raw material costs due to inflation, which increased production and operating costs for enterprises and increased downward pressure on profits. Lastly, the highly contagious and evolving nature of the novel coronavirus, has created additional challenges and uncertainties for the upcoming economic recovery and normal operations of the catering business.

For the above reasons, the Group considered that the recovery and subsequent development of the catering industry would be below the Group's expectation as at 31 December 2021 and would affect the subsequent performance of the condiment business. In accordance with prudent and appropriate accounting principles, the management performed an impairment test on Jiahao CGU and ultimately recognised the impairment.

Impairment test of goodwill

In accordance with HKAS 36, the Company performed a goodwill impairment test and conducted a value analysis on Jiahao CGU as at 30 June 2022, the valuation benchmark date, to determine the recoverable amount of Jiahao CGU. According to the standard, the recoverable amount of the CGU is determined on the higher of the FVL COD and VIU. In the goodwill impairment test conducted by the valuer, market approach and income approach were used to assess the FVL COD and VIU of the Jiahao CGU respectively. Based on the results of the tests, the VIU amount was higher than the FVL COD amount and the VIU amount was therefore adopted as the recoverable amount of Jiahao CGU, which was approximately RMB614 million lower than the carrying value of Jiahao CGU. For this purpose, an impairment loss of approximately RMB614 million on goodwill was recognised in the Group's consolidated income statement for the six months ended 30 June 2022.

管理層討論及分析

嘉豪CGU商譽減值(截至2022年6月30日止六個月)

確認嘉豪CGU商譽減值的原因

集團原本預期隨著疫情防控穩定，餐飲業會在2022年開始快速復甦。意想不到的是，新冠疫情在中國內地多個城市和地區捲土重來，為了保護人民的生命安全，中國政府採取了非常嚴格的封控措施，包括限制人員流動、商戶暫停營業、禁止堂食。這些措施有效控制了疫情，但也對以聚集性消費為主的餐飲行業產生了負面影響，原本正處於復甦的餐飲行業不得不再次暫停正常營業，導致餐飲企業收入大幅下降。2022年上半年餐飲行業收入同比下降了7.7%，與疫情發生前的2019年上半年相比下降了5.8%。

此外，2022年上半年，通脹導致原材料成本上升，企業的生產和經營成本上升，利潤下行壓力增大。最後，新冠病毒傳播力強、不斷演變，為接下來經濟復甦和餐飲企業正常經營也帶來了更多的挑戰和不確定性。

基於以上原因，集團認為餐飲業的復甦和接下來的發展遜於集團於2021年12月31日的預期，並會影響到調味品業務接下來的業績表現。基於審慎及適當會計原則，管理層對嘉豪CGU進行減值測試，並最終確認減值。

商譽減值測試

本公司根據香港會計準則第36號進行商譽減值測試，對嘉豪CGU於2022年6月30日為評估基準日進行了價值分析以評估嘉豪CGU的可收回金額。根據準則，現金產生單位的可收回金額為FVL COD及其使用價值兩者中取較高者。在評估師進行的商譽減值測試中，分別使用市場法和收益法來評估嘉豪CGU的FVL COD和使用價值。根據測試的結果，使用價值的金額比FVL COD的金額為高，嘉豪CGU的可收回金額因此採用了使用價值的金額，而此金額比嘉豪CGU的賬面價值低約人民幣6.14億元。為此，在截至2022年6月30日止六個月的本集團綜合收益表中確認商譽減值損失約人民幣6.14億元。



Management Discussion and Analysis

The methodology, key assumptions and basis used in calculating Jiahao CGU's VIU

The Company has engaged a valuer to conduct an impairment test on goodwill of Jiahao CGU as at 30 June 2022. The Valuer used the income approach to assess the VIU of Jiahao CGU, which is consistent with the valuation methodology used for the impairment test of Jiahao CGU as at 31 December 2021. It is based on a five-year net cash-flow projection of Jiahao CGU. Cash flows beyond the five-year period were calculated using the terminal growth rate, and the present value of such net cash-flows were calculated using an appropriate discount rate.

The key assumptions and basis used in calculating Jiahao CGU's VIU are as follows:

1. Forecast growth rate – as determined by the management based on past performance, the latest external economy and industry business environment, combined with their projections of market development;
2. Terminal growth rate – long-term average growth rate of Jiahao CGU as estimated by the management;
3. Budgeted gross profit margin – as determined by the management based on the past performance and the expected development of the market;
4. Pre-tax discount rate – the discount rate for impairment test, with reference to the actual situation of Jiahao CGU, the market condition of the same industry and its specific risk premium, calculated with the applicable cost of equity capital and cost of debt capital to come up with WACC based on the company's capital structure.

管理層討論及分析

計算嘉豪CGU的使用價值所採用的方法、關鍵假設和基準

本公司聘請之評估師為嘉豪CGU於2022年6月30日之商譽進行減值測試。評估師採用收益法來評估嘉豪CGU的使用價值，與嘉豪CGU於2021年12月31日所做的減值測試所採用的評估方法一致。此乃基於嘉豪CGU的五年期的淨現金流量預測，超逾五年期的現金流量使用永續年增長率計算，並以合適之折現率來計算該淨現金流之現值。

在計算嘉豪CGU的使用價值所採用的關鍵假設和基準如下：

1. 預計增長率—管理層根據過往業績，最新的外圍經濟和行業經營環境，並結合其對市場發展的預計而確定；
2. 永續年增長率—管理層預計嘉豪CGU的長期平均增長率；
3. 預計毛利率—管理層根據過往業績及其對市場發展的預期而確定；
4. 稅前貼現率—按嘉豪CGU的實際情況，並參考同業市場數據及其特定風險溢價，計算適用的權益資本成本及債務資本成本，再按公司資本結構計算WACC，作為減值測試的折現率。



Management Discussion and Analysis

Changes in major key assumptions

Comparing certain major key assumptions used in determining the VIU of Jiahao CGU as at 30 June 2022 against those used in assessing the VIU of Jiahao CGU as at 31 December 2021, major changes are as follows:

Key assumptions

關鍵假設

Forecast five-year sales growth rate

五年預計銷售增長率

3.5% - 26.8%

6.7% - 26.4%

Reasons for change

Revenue of Jiahao CGU for the six months ended 30 June 2022 was approximately RMB289 million, representing a year-on-year decrease of approximately 10.8%. In the first half of 2022, the Pandemic resurfaced in many cities and regions in Mainland China. The Chinese government adopted strict lockdown measures to control the Pandemic, including mobility restriction, business suspension and dine-in bans, resulting in a significant drop in revenue for catering enterprises. Revenue from the catering industry dropped by 7.7% year-on-year in the first half of 2022, and by 5.8% compared to the first half of 2019 before the Pandemic. This, coupled with the highly contagious and evolving nature of the novel coronavirus, has created additional challenges and uncertainties for the upcoming economic recovery and normal operations of the catering business. As a result, the Group's management has re-evaluated the development and growth of the condiment business and has revised downward its revenue for the forecast period of years 2022 to 2026 by 9.4% to 18.1% as compared to the forecast revenue for the same period made at the end of 2021.

管理層討論及分析

關鍵假設的變動

評估師於釐定嘉豪CGU於2022年6月30日之使用價值時，與評估嘉豪CGU於2021年12月31日之使用價值時所採用的若干關鍵假設有以下主要變動：

VIU assessment

使用價值評估

As at 30 June 2022
於2022年6月30日

As at 31 December 2021
於2021年12月31日

變動原因

嘉豪CGU的銷售收入於截至2022年6月30日止六個月約人民幣2.89億元，同比減少約10.8%。2022年上半年新冠疫情在中國內地多個城市和地區捲土重來，中國政府採取了嚴格的封控措施以控制疫情，包括限制人員流動、商戶暫停營業、禁止堂食等，導致餐飲企業收入大幅下降。2022年上半年餐飲行業收入同比下降了7.7%，與疫情發生前的2019年上半年相比下降了5.8%。再加上新冠病毒傳播力強、不斷演變，為接下來經濟復甦和餐飲企業正常經營也帶來了更多的挑戰和不確定性。因此，本集團管理層對調味品業務的發展和增長重新做了評估，並下調預測期間2022年至2026年的銷售收入，相比2021年年底對此預測期間的預測銷售收入下調了約9.4%至18.1%。

VIU assessment

使用價值評估

As at 30 June 2022
於2022年6月30日

As at 31 December 2021
於2021年12月31日

Key assumptions

關鍵假設

Budgeted gross profit margin

預計毛利率

56.5% - 57.2%

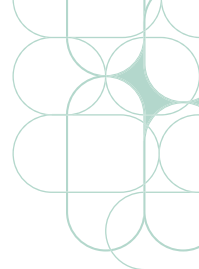
58.5% - 59.4%

Reasons for change

Production costs increased due to the higher raw material prices as a result of inflation in the first half of 2022. The gross profit margin of Jiahao CGU decreased to 56.5% for the six months ended 30 June 2022. As a result, the management has adjusted the budgeted gross profit margin for years 2022 to 2026 downwards by approximately 1.3 to 2.9 percentage points from a forecast of 58.5% to 59.4% for this budgeted period at the end of 2021 to a forecast of 56.5% to 57.2% for this budgeted period at the mid-2022.

變動原因

由於2022年上半年，通脹導致原材料價格上升，生產成本亦有所上升。嘉豪CGU於截至2022年6月30日止六個月毛利率下降至56.5%。因此，管理層將2022年至2026年的預測毛利率向下調整約1.3至2.9個百分點，由2021年年底對此預測期間的預測58.5%至59.4%下調至2022年中期對此預測期間的預測56.5%至57.2%。



VIU assessment

使用價值評估

As at 30 June 2022

於2022年6月30日

As at 31 December 2021

於2021年12月31日

Key assumptions

關鍵假設

Key assumptions	關鍵假設	As at 30 June 2022 於2022年6月30日	As at 31 December 2021 於2021年12月31日
Pre-tax discount rate	稅前貼現率	Pre-tax discount rate of 14.6% (approximately equivalent to post-tax discount rate of 13.0%) 稅前貼現率 14.6% (約等於稅後貼現率 13.0%)	Pre-tax discount rate of 13.5% (approximately equivalent to post-tax discount rate of 12.0%) 稅前貼現率13.5% (約等於稅後貼現率12.0%)

Reasons for change

The Valuer determined the post-tax discount rate based on WACC. Considering that in the first half of 2022, several cities and regions in Mainland China experienced a resurgence of the Pandemic. Chinese government adopted very stringent lockdown measures which were effective in controlling the Pandemic, but they also had a negative impact on the catering industry, which is mainly focused on crowd consumption, resulting in a significant drop in revenue for catering enterprises. In the first half of 2022, the revenue of the catering industry dropped by 7.7% year-on-year, and by 5.8% year-on-year compared to 2019, the year before the Pandemic. The catering industry is a major customer of the condiment business, and considering that the Pandemic's impact on the condiment business will last for a long period, so the external risk of Jiahao CGU has increased. Taking into account the combined effect of other factors, the post-tax discount rate was calculated as 13.0%, which is a 1.0 percentage point increase over the post-tax discount rate of 12.0% adopted at the end of 2021. With reference to the post-tax discount rate, the valuer calculated the corresponding pre-tax discount rate according to pre-tax cash flows through an iterative process.

變動原因

評估師是採用WACC作為稅後貼現率。2022年上半年，中國內地多個城市和地區先後出現疫情復發。中國政府採取了非常嚴格的封控措施並有效控制了疫情，但也對以聚集性消費為主的餐飲行業產生了負面影響，導致餐飲企業收入大幅下降。2022年上半年，餐飲業收入同比下降7.7%；與疫情發生前的2019年相比，同比下降5.8%。餐飲業是調味品業務的主要客戶，考慮到疫情對調味品業務的影響會持續一段較長時間，因此嘉豪CGU的外部風險有所上升。經綜合其他因素計算的稅後貼現率為13.0%，比2021年底採用的稅後貼現率12.0%增加了1.0個百分點。參考採用的稅後貼現率，評估師通過一個迭代的過程，按稅前現金流計算對應的稅前折現率。



Management Discussion and Analysis

Jiahao CGU's goodwill impairment (for the year ended 31 December 2022)

Reasons for the recognition of Jiahao CGU's goodwill impairment

In the second half of 2022, the Pandemic further spread in many provinces and regions in China. In order to prevent the spread of the Pandemic, restaurants had to suspend or stop operations, and the pace of recovery in the catering industry was once again disrupted. In the second half of the year, the revenue of China's catering industry was RMB2,390.1 billion, representing a year-on-year decrease of 5%. Although the Chinese government began to relax the Pandemic prevention and control measures in early December 2022, due to the slowdown of the macro economy, the speed of recovery in consumption desire and capability is uncertain. In addition, the demand for cost reduction of small and medium-sized catering shops that have suffered heavy losses in the past few years would not decrease, resulting in great operational challenges and pressure for the condiment business; finally, whether the novel coronavirus would further mutate and affect the catering industry's recovery remains unknown. Taking these factors into consideration, the Group believed that the performance and development of the condiment business would be below the Group's expectation as at 30 June 2022. Based on prudent and appropriate accounting principles, the management conducted an impairment test on Jiahao CGU and finally confirmed the impairment.

Impairment test of goodwill

In accordance with HKAS 36, the Company performed a goodwill impairment test and conducted a value analysis on Jiahao CGU as at 31 December 2022, the valuation benchmark date, to determine the recoverable amount of Jiahao CGU. According to the standard, the recoverable amount of the CGU is determined on the higher of the FVL COD and VIU. In the goodwill impairment test conducted by the valuer, market approach and income approach were used to assess the FVL COD and VIU of the Jiahao CGU respectively. Based on the results of the tests, the VIU amount was higher than the FVL COD amount and the VIU amount was therefore adopted as the recoverable amount of Jiahao CGU, which was approximately RMB556,344,000 lower than the carrying value of Jiahao CGU. For this purpose, an impairment loss of approximately RMB556,344,000 on goodwill was recognised in the Group's consolidated income statement for the year ended 31 December 2022.

管理層討論及分析

嘉豪CGU商譽減值(截至2022年12月31日止年度)

確認嘉豪CGU商譽減值的原因

2022年下半年，疫情進一步在中國多個省份和地區擴散。為了防止疫情傳播，餐廳不得不暫停或者停止營業，餐飲業復甦的步伐再次被打亂。下半年中國餐飲行業收入人民幣23,901億元，同比下滑5%。雖然中國政府在2022年12月初開始放鬆疫情防控措施，然而受到宏觀經濟放緩的影響，居民消費意欲和能力的恢復速度不確定。此外，過去幾年虧損嚴重的中小餐飲企業壓縮成本的需求並不會減少，導致調味品業務面臨的經營挑戰和壓力仍然很大；最後，新冠肺炎病毒是否還會進一步變異並影響到餐飲行業的復甦未知。綜合考慮這些因素，集團認為調味品業務的表現和發展遜於集團於2022年6月30日的預期。基於審慎及適當會計原則，管理層對嘉豪CGU進行減值測試，並最終確認減值。

商譽減值測試

本公司根據香港會計準則第36號進行商譽減值測試，對嘉豪CGU於2022年12月31日為評估基準日進行了價值分析以評估嘉豪CGU的可收回金額。根據準則，現金產生單位的可收回金額為FVL COD及其使用價值兩者中取較高者。在評估師進行的商譽減值測試中，分別使用市場法和收益法來評估嘉豪CGU的FVL COD和使用價值。根據測試的結果，使用價值的金額比FVL COD的金額為高，嘉豪CGU的可收回金額因此採用了使用價值的金額，而此金額比嘉豪CGU的賬面價值低約人民幣556,344,000元。為此，在截至2022年12月31日止年度的本集團綜合收益表中確認商譽減值損失約人民幣556,344,000元。



Management Discussion and Analysis

The methodology, key assumptions and basis used in calculating Jiahao CGU's VIU

The Company has engaged a valuer to conduct an impairment test on goodwill of Jiahao CGU as at 31 December 2022. The Valuer used the income approach to assess the VIU of Jiahao CGU, which is consistent with the valuation methodology used for the impairment test of Jiahao CGU as at 30 June 2022. It is based on a five-year net cash-flow projection of Jiahao CGU. Cash flows beyond the five-year period were calculated using the terminal growth rate, and the present value of such net cash-flows were calculated using an appropriate discount rate.

The key assumptions and basis used in calculating Jiahao CGU's VIU are as follows:

1. Forecast growth rate – as determined by the management based on past performance, the latest external economy and industry business environment, combined with their projections of market development;
2. Terminal growth rate – long-term average growth rate of Jiahao CGU as estimated by the management;
3. Budgeted gross profit margin – as determined by the management based on the past performance and the expected development of the market;
4. Pre-tax discount rate – the discount rate for impairment test, with reference to the actual situation of Jiahao CGU, the market condition of the same industry and its specific risk premium, calculated with the applicable cost of equity capital and cost of debt capital to come up with WACC based on the company's capital structure.

管理層討論及分析

計算嘉豪CGU的使用價值所採用的方法、關鍵假設和基準

本公司聘請之評估師為嘉豪CGU於2022年12月31日之商譽進行減值測試。評估師採用收益法來評估嘉豪CGU的使用價值，與嘉豪CGU於2022年6月30日所做的減值測試所採用的評估方法一致。此乃基於嘉豪CGU的五年期的淨現金流量預測，超逾五年期的現金流量使用永續年增長率計算，並以合適之折現率來計算該淨現金流之現值。

在計算嘉豪CGU的使用價值所採用的關鍵假設和基準如下：

1. 預計增長率 – 管理層根據過往業績，最新的外圍經濟和行業經營環境，並結合其對市場發展的預計而確定；
2. 永續年增長率 – 管理層預計嘉豪CGU的長期平均增長率；
3. 預計毛利率 – 管理層根據過往業績及其對市場發展的預期而確定；
4. 稅前貼現率 – 按嘉豪CGU的實際情況，並參考同業市場數據及其特定風險溢價，計算適用的權益資本成本及債務資本成本，再按公司資本結構計算WACC，作為減值測試的折現率。



Management Discussion and Analysis

Changes in major key assumptions

Comparing certain major key assumptions used in determining the VIU of Jiahao CGU as at 31 December 2022 against those used in assessing the VIU of Jiahao CGU as at 30 June 2022, major changes are as follows:

Key assumptions	關鍵假設	VIU assessment 使用價值評估	
		As at 31 December 2022 於2022年12月31日	As at 30 June 2022 於2022年6月30日
Forecast five-year sales growth rate	五年預計銷售增長率	7.8% – 22.7%	3.5% – 26.8%

Reasons for change

Revenue of Jiahao CGU for the year ended 31 December 2022 was approximately RMB573 million, representing a year-on-year decrease of approximately 15.3%. In the second half of 2022, the Pandemic further spread in many provinces and regions in China. In order to prevent the spread of the Pandemic, restaurants had to suspend or cease operations, the revenue of China's catering industry dropped sharply. In the second half of the year, the revenue of China's catering industry decreased by 5% year-on-year. Although the Chinese government began to relax the Pandemic prevention and control measures in early December 2022, the recovery speed of the catering industry was unpredictable. At the same time, it was not certain whether the Pandemic would further mutate and affect the recovery of the catering industry. As a result, the Group's management re-evaluated the development and growth of the condiment business and revised downward its revenue for the forecast period between 2023 to 2026 by 7.8% to 21.1% as compared to the forecast revenue for the same period made at 30 June 2022.

管理層討論及分析

關鍵假設的變動

評估師於釐定嘉豪CGU於2022年12月31日之使用價值時，與評估嘉豪CGU於2022年6月30日之使用價值時所採用的若干關鍵假設有以下主要變動：

Key assumptions	關鍵假設	VIU assessment 使用價值評估	
		As at 31 December 2022 於2022年12月31日	As at 30 June 2022 於2022年6月30日
Forecast five-year sales growth rate	五年預計銷售增長率	7.8% – 22.7%	3.5% – 26.8%

變動原因

嘉豪CGU的銷售收入於截止2022年12月31日止年度約人民幣5.73億元，同比減少15.3%。2022年下半年，疫情進一步在中國多個省份和地區擴散。為了防止疫情傳播，餐廳不得不暫停或者停止營業，導致餐飲企業收入大幅下降。下半年中國餐飲行業收入同比下滑5%。雖然中國政府在2022年12月初開始放鬆疫情防控措施，但是餐飲行業的復甦速度難以預測，同時，新冠肺炎病毒是否還會進一步變異並影響到餐飲行業的復甦乃不確定。因此，本集團管理層對調味品業務的發展和增長重新作了評估，並下調預測期間2023年至2026年的銷售收入，相比2022年6月30日對此預測期間的預測銷售收入下調了約7.8%至21.1%。

Key assumptions	關鍵假設	VIU assessment 使用價值評估	
		As at 31 December 2022 於2022年12月31日	As at 30 June 2022 於2022年6月30日
Budgeted gross profit margin	預計毛利率	53.7% – 55.6%	56.5% – 57.2%

Management Discussion and Analysis

Reasons for change

Production costs increased due to the higher raw material prices as a result of inflation in 2022. The gross profit margin of Jiahao CGU decreased to 56.1% for the year ended 31 December 2022. The management estimated that the raw material prices may continue to rise, the gross profit margin would be subject to certain downward pressure. As a result, the management has adjusted the budgeted gross profit margin for years 2023 to 2026 downwards by approximately 0.9 to 1.9 percentage points from a forecast of 56.5% to 56.6% for the forecast period made at the mid-2022 to a forecast of 54.7% to 55.6% for the forecast period made at the end of 2022.

管理層討論及分析

變動原因

由於2022年通脹導致原材料價格和生產成本上升，嘉豪CGU於截至2022年12月31日止年度毛利率下降至56.1%。管理層預計原材料價格可能呈持續上漲的趨勢，毛利率會受到一定下滑壓力，因此，管理層將2023年至2026年的預測毛利率下調了約0.9至1.9個百分點，由2022年中期對此預測期間的預測56.5%至56.6%向下調整至2022年底對此預測期間的預測54.7%至55.6%。

VIU assessment

使用價值評估

Key assumptions	關鍵假設	As at 31 December 2022	As at 30 June 2022
		於2022年12月31日	於2022年6月30日
Pre-tax discount rate	稅前貼現率	Pre-tax discount rate of 15.9% (approximately equivalent to post-tax discount rate of 14.0%) 稅前貼現率15.9% (約等於稅後貼現率14.0%)	Pre-tax discount rate of 14.6% (approximately equivalent to post-tax discount rate of 13.0%) 稅前貼現率14.6% (約等於稅後貼現率13.0%)

Reasons for change

The Valuer determined the post-tax discount rate based on WACC. The equity risk premium increased during the period, after taking into account the combined effect of other factors, the post-tax discount rate was calculated as 14.0%, which was increased by 1.0 percentage point as compared with the post-tax discount rate of 13.0% adopted at 30 June 2022. With reference to the post-tax discount rate, the valuer calculated the corresponding pre-tax discount rate according to pre-tax cash flows through an iterative process.

變動原因

評估師是採用WACC作為稅後貼現率。由於股本風險溢價在此期間上升，在綜合考量各因素的情況下稅後貼現率為14.0%，比2022年6月30日採用的稅後貼現率13.0%增加了1.0個百分點。參考採用的稅後貼現率，評估師通過一個迭代的過程，按稅前現金流計算對應的稅前折現率。

Management Discussion and Analysis

FINANCIAL REVIEW

Analysis of annual results for the year ended 31 December 2022

Revenue

The Group's revenue amounted to RMB3,828,984,000 for the year ended 31 December 2022, representing a decrease of 1.4% as compared with RMB3,882,683,000 for the corresponding period last year. The decrease in the revenue was due to lower sales volume as a result of increased competition in the market, the revenue of F&F & food ingredients segment declined by 2.6% year-on-year to RMB1,877,336,000. Also, due to the lower demand for the traditional RTL and intense competition in the cigarette capsule industry that resulted in a declining sales volume and price of capsule, revenue of tobacco raw materials segment declined by 19.7% year-on-year to RMB454,257,000. In addition, due to the decrease in customer demand as a result of the Pandemic's impacts on the catering industry, revenue of condiment segment decreased significantly by 15.3% year-on-year to RMB573,069,000. However, the revenue of aroma raw materials segment increased by 29.5% year-on-year to RMB924,322,000 resulted from the mass production in Jiangxi Xianghai during the Reporting Period. As a result, the decrease in revenue was offset largely.

Cost of goods sold

The Group's cost of goods sold amounted to RMB1,951,421,000 for the year ended 31 December 2022, representing an increase of 23.0% as compared with RMB1,586,021,000 for the corresponding period last year.

Gross profit and gross profit margin

The Group's gross profit decreased from RMB2,296,662,000 for the year ended 31 December 2021 to RMB1,877,563,000 for the year ended 31 December 2022, representing a decrease of approximately 18.2%. The decrease in gross profit was mainly attributable to the decrease in gross profit margin of the current year. The Group's gross profit margin for the current year was 49.0%, representing a decrease of 10.2 percentage points as compared with 59.2% for the same period last year. It was mainly attributable to the increase in production cost as a result of inflation and prices increase of major commodities, expenses related to unutilized production capacity being accounted for in the cost of goods sold, and the changes in products' mix of the Group.

管理層討論及分析

財務狀況回顧

截至2022年12月31日止年度的業績分析

營業額

截至2022年12月31日止年度，本集團的營業額達到人民幣3,828,984,000元，較去年同期的人民幣3,882,683,000元減少了1.4%。營業額的減少，是由於市場競爭加劇導致銷量減少，香精及食品配料板塊的營業額同比減少了2.6%至人民幣1,877,336,000元；傳統再造煙葉需求減少和煙用膠囊行業競爭激烈導致銷售量和價格下滑，煙用原料板塊的營業額同比減少了19.7%至人民幣454,257,000元；以及新冠肺炎疫情影響餐飲行業，導致客戶需求減少，調味品板塊的營業額同比大幅減少了15.3%至人民幣573,069,000元。但由於報告期內江西香海實現規模化生產，香原料板塊的營業額同比增加了29.5%至人民幣924,322,000元，而抵銷了大部份降幅。

銷售成本

截至2022年12月31日止年度，本集團的銷售成本為人民幣1,951,421,000元，較去年同期的人民幣1,586,021,000元增加了23.0%。

毛利和毛利率

本集團的毛利由截至2021年12月31日止年度的人民幣2,296,662,000元下降至截至2022年12月31日止年度的人民幣1,877,563,000元，減少約18.2%。毛利的下跌，主要由於本年度毛利率有所下降。本集團本年度的毛利率為49.0%，比去年同期的59.2%下降了10.2個百分點，主要因為通脹和大宗商品價格上漲導致成本增加，與未滿產有關的生產費用調整至銷售成本核算，以及本集團產品結構有所變化。

Management Discussion and Analysis

Other income and other gains – net

For the year ended 31 December 2022, other income and other gains (net) of the Group was RMB212,812,000, representing a decrease of RMB35,707,000 as compared with RMB248,519,000 for the corresponding period last year. The decrease in other income and other gains was mainly due to the government grants reached of RMB126,085,000 in the current year, representing a decrease of RMB20,457,000 as compared with RMB146,542,000 of the corresponding period last year. Also, a loss of RMB24,083,000 for the change in fair value of previously held interest in a jointly controlled entity upon acquisition as a subsidiary was recorded in the current year.

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. For the year ended 31 December 2022, the selling and marketing expenses of the Group was RMB344,405,000, representing an increase of 17.8% as compared with RMB292,244,000 for the corresponding period last year. Selling and marketing expenses for the current year accounted for approximately 9.0% of the total revenue, representing an increase of 1.5 percentage points as compared with approximately 7.5% for last year. The increase in such ratio and the increase in the selling and marketing expenses were mainly attributable to the Group's increase in business and markets promotion expenses in response to the fierce market competition and the newly acquired food ingredients business in the current year.

Administrative expenses

For the year ended 31 December 2022, the Group's administrative expenses amounted to RMB825,959,000, representing a decrease of 1.9% as compared with RMB841,663,000 for the corresponding period last year. The decrease was mainly attributable to the expenses related to unutilized production capacity being accounted for in cost of goods sold, but largely offset by the provision of impairment loss on construction in progress provided in the current year. Administrative expenses for the current year accounted for approximately 21.6% of the total revenue, which was basically the same as approximately 21.7% for the year ended 31 December 2021.

管理層討論及分析

其他收入及其他收益—淨額

截至2022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212,812,000元，較去年同期的人民幣248,519,000元減少了人民幣35,707,000元。其他收入及其他收益的減少主要由於本年度政府津貼達人民幣126,085,000元，比去年同期的人民幣146,542,000元減少了人民幣20,457,000元。同時，本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。

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2022年12月31日止年度的銷售及市場推廣開支為人民幣344,405,000元，較去年同期的人民幣292,244,000元上升了17.8%。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9.0%，較去年度的約7.5%上升了1.5個百分點。該比例和銷售及市場推廣開支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新收購食品配料業務所致。

行政開支

截至2022年12月31日止年度，本集團的行政開支為人民幣825,959,000元，與去年同期的人民幣841,663,000元下降了1.9%，主要因為本年度與未滿產有關的生產費用調整至銷售成本核算，但被計提的在建工程減值準備抵消了大部份跌幅。而本年度的行政開支所佔營業總額的比例為約21.6%，與截至2021年12月31日止年度的約21.7%基本持平。

Management Discussion and Analysis

Operating (loss)/profit

For the year ended 31 December 2022, the Group's operating loss was RMB607,975,000, representing a decrease of RMB1,722,452,000 as compared with the operating profit of RMB1,114,477,000 for the year ended 31 December 2021. The year-on-year decrease in operating profit was mainly due to an increase of RMB1,214,440,000 in impairment of goodwill, a decrease of RMB35,707,000 in other income and other gains (net), and a decrease in gross profit.

If goodwill impairment of RMB1,507,710,000 and RMB293,270,000 for the current year and last year were excluded respectively, the operating profit for the current year would be RMB899,735,000, representing a decrease of 36.1% as compared with the corresponding period last year of RMB1,407,747,000 (goodwill impairment were excluded); the operating profit margin for the current year would be approximately 23.5%, representing a decrease of 12.8 percentage points as compared with approximately 36.3% (goodwill impairment were excluded) for the corresponding period last year, which was mainly due to the decrease in gross profit margin of the current year.

Income tax expenses

For the year ended 31 December 2022, income tax expenses of the Group was RMB180,840,000, representing a decrease of RMB70,753,000 as compared with RMB251,593,000 for the last year. If the goodwill impairment of the current year and last year were both excluded respectively, and the provision for impairment on the investment in an associate were excluded, income tax rate of the current year would be approximately 19.5%, representing an increase of 2.0 percentage points as compared with approximately 17.5% for the last year, which was mainly attributable to the increase in the current year's amount of tax losses for which no deferred income tax assets were recognized.

管理層討論及分析

營運(虧損)/盈利

截至2022年12月31日止年度，本集團的營運虧損為人民幣607,975,000元，較截至2021年12月31日止年度的營運盈利人民幣1,114,477,000元，減少了人民幣1,722,452,000元，營運盈利減少主要因為本年度商譽減值同比增加了人民幣1,214,440,000元，其他收入及其他收益(淨額)同比減少了人民幣35,707,000元，以及毛利的下跌。

如果撇除本年度和去年度商譽減值分別為人民幣1,507,710,000元和人民幣293,270,000元，本年度的營運盈利為人民幣899,735,000元，比去年同期的人民幣1,407,747,000元(撇除商譽減值後)下跌了36.1%；本年度營運盈利率約為23.5%，比去年同期的約36.3%(撇除商譽減值後)下跌了12.8個百分點，主要因為本年度毛利率下跌所致。

稅務開支

截至2022年12月31日止年度，本集團的稅務開支為人民幣180,840,000元，較去年度的人民幣251,593,000元，減少了人民幣70,753,000元。如果同時撇除了本年度和去年度商譽減值和本年度聯營公司投資之減值撥備的影響，本年度所得稅稅率約為19.5%，較去年度的約17.5%增加了2.0個百分點，主要由於本年度未確認遞延所得稅資產的稅務虧損增加所致。

Management Discussion and Analysis

(Loss)/profit for the year

For the year ended 31 December 2022, the Group's loss for the year was RMB901,050,000, representing a decrease of RMB1,796,834,000 as compared with the profit of RMB895,784,000 of last year. The year-on-year change was mainly due to the increase of RMB1,214,440,000 in impairment of goodwill in the current year, the provision of RMB139,000,000 for impairment loss on the investment in an associate and the decline in gross profit. During the current year, due to the impacts of prevention and control policies of Pandemic and the closure of many cities in the Mainland, revenue of Junjieshang Network Technology Co., Ltd ("Junjieshang"), which is principally engaged in technology development and promotion in the field of internet technology, advertisement design and production, has not reached the expectation in the current year and therefore impairment indicator has arisen. The Group has engaged an independent valuer to make an impairment test on Junjieshang and finally recognised an impairment loss of RMB139,000,000.

If goodwill impairment for the current year and last year were both excluded respectively, and the provision of impairment relating to the investment in an associate were excluded for the current year, the profit for the year would be RMB745,660,000, representing a decrease of 37.3% as compared with the corresponding period last year of RMB1,189,054,000 (goodwill impairment were excluded).

(Loss)/profit attributable to the equity holders of the Company

For the year ended 31 December 2022, the loss attributable to the equity holders of the Company was RMB1,054,547,000, representing a decrease of RMB1,729,678,000 as compared with the profit attributable to equity holders of the Company of RMB675,131,000 of last year. The year-on-year change was mainly due to the increase of RMB1,214,440,000 in impairment of goodwill in the current year, the provision of RMB139,000,000 for impairment loss on the investment in an associate and the decline in gross profit.

管理層討論及分析

本年度(虧損)/盈利

截至2022年12月31日止年度，本集團虧損為人民幣901,050,000元，較去年度的盈利人民幣895,784,000元，下跌了人民幣1,796,834,000元，同比變化主要因為本年度商譽減值同比增加了人民幣1,214,440,000元，聯營公司投資之減值撥備人民幣139,000,000元，以及毛利的下跌。本年度由於國內疫情防控政策及眾多城市封控的影響，駿杰尚網絡科技有限公司（「駿杰尚」），主要從事互聯網技術領域的技術開發與推廣、廣告設計與製作，的銷售收入沒有達到預期，因此出現減值迹象。本集團聘請獨立評估師對駿杰尚進行減值測試，最後確認人民幣139,000,000元減值損失。

如果同時撇除本年度和去年度商譽減值和本年度聯營公司投資之減值撥備的影響，本年度盈利約為人民幣745,660,000元，比去年同期的人民幣1,189,054,000元（撇除商譽減值後）下跌了37.3%。

本公司權益持有人應佔(虧損)/盈利

截至2022年12月31日止年度，本公司權益持有人應佔虧損為人民幣1,054,547,000元，較去年度本公司權益持有人應佔盈利人民幣675,131,000元，下跌了人民幣1,729,678,000元，同比變化主要因為本年度商譽減值同比增加了人民幣1,214,440,000元，聯營公司投資之減值撥備人民幣139,000,000元，以及毛利的下跌。

Management Discussion and Analysis

Net current asset value and financial resources

As at 31 December 2022, the net current asset value of the Group was RMB6,944,129,000 (31 December 2021: RMB6,738,947,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 31 December 2022, the Group's cash and bank balances amounted to RMB4,747,978,000 (31 December 2021: RMB3,553,409,000), over 83.5% of which was held in RMB. In addition, the fair value of the Group's investment in bank wealth management products that remain outstanding as at 31 December 2022 amounted to RMB1,594,315,000 (31 December 2021: RMB3,256,499,000) which was classified as financial assets at fair value through profit or loss.

Bank borrowings and gearing ratio

As at 31 December 2022, the Group had bank borrowings of RMB677,700,000 (31 December 2021: RMB962,774,000), of which secured loans amounted to RMB65,000,000 (31 December 2021: nil) and the unsecured loans amounted to RMB612,700,000 (31 December 2021: RMB962,774,000), all of which were denominated in RMB due within one year (31 December 2021: RMB459,950,000 was denominated in RMB and RMB502,824,000 was denominated in HKD, and due within one year). For the current year, the average annual interest rate of the secured loans was 4.2% (year ended 31 December 2021: 5.7%), and the average annual interest rate of the unsecured loans were 2.8% (year ended 31 December 2021: 2.9%). As at 31 December 2022, the Group's gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests)) was 5.4%, which was decreased significantly by 1.5 percentage points from 6.9% as of 31 December 2021.

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 strategical development strategies. For the year ended 31 December 2022, the net cash generated from investing activities amounted to RMB1,244,039,000, mainly the proceeds from wealth management products upon expiry. For the year ended 31 December 2021, the net cash used in investing activities amounted to RMB2,095,235,000.

管理層討論及分析

流動資產淨值和財務資源

於2022年12月31日，本集團的流動資產淨值為人民幣6,944,129,000元（2021年12月31日：人民幣6,738,947,000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2022年12月31日，本集團的銀行及庫存現金為人民幣4,747,978,000元（2021年12月31日：人民幣3,553,409,000元），其中超過83.5%是以人民幣持有。此外，本集團於2022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1,594,315,000元（2021年12月31日：人民幣3,256,499,000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。

銀行貸款及負債比率

於2022年12月31日，本集團的銀行貸款總額為人民幣677,700,000元（2021年12月31日：人民幣962,774,000元），當中有抵押貸款為人民幣65,000,000元（2021年12月31日：無），而無抵押貸款為人民幣612,700,000元（2021年12月31日：人民幣962,774,000元），全部為人民幣貸款並於一年內到期償還（2021年12月31日：人民幣貸款為人民幣459,950,000元及港幣貸款為人民幣502,824,000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2021年12月31日止年度：5.7厘），而無抵押貸款的平均年息率為2.8厘（截至2021年12月31日止年度：2.9厘）。於2022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5.4%，較於2021年12月31日的6.9%大幅下降了1.5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2022年12月31日止年度，投資活動所產生的現金淨額為人民幣1,244,039,000元，主要是銀行理財產品到期所得款。而截至2021年12月31日止年度，投資活動所用的現金淨額為人民幣2,095,235,000元。

Management Discussion and Analysis

Financing activities

For the year ended 31 December 2022, the net cash used in financing activities of the Group amounted to RMB997,635,000, mainly comprised of repayment of bank loans of RMB1,179,178,000, payment of cash dividends of RMB150,661,000 paid to shareholders of the Company, cash dividends of RMB194,454,000 paid to non-controlling interests and addition of bank loans of RMB750,590,000. For the year ended 31 December 2021, the net cash used in financing activities amounted to RMB672,724,000.

Trade receivables turnover period

Trade receivables turnover period is calculated on the basis of the average amount of trade receivables as at the beginning 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 2022, the Group's average trade receivables turnover period was 89 days, which basically remained the same as 87 days for the corresponding period last year.

Trade payables turnover period

Trade payables turnover period is calculated on the basis of the average amount of trade payables as at the beginning 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 2022, the Group's average trade payables turnover period was 53 days, representing a decrease of 12 days as compared with 65 days of the corresponding period last year. The decrease was mainly due to the spread of the Pandemic in the fourth quarter of 2022 in the mainland that affected the purchase and logistic of raw materials, and led to the decline in the balance of trade payables as at 31 December 2022.

管理層討論及分析

融資活動

截至2022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997,635,000元，主要包括償還銀行貸款人民幣1,179,178,000元、向本公司股東支付人民幣150,661,000元之現金股息、向非控制性權益支付人民幣194,454,000元之現金股息、及新增銀行貸款人民幣750,590,000元。而截至2021年12月31日止年度，融資活動所用的現金淨額為人民幣672,724,000元。

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2022年12月31日止年度，本集團的平均應收賬周轉期為89日，與去年同期的87日基本保持穩定。

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2022年12月31日止年度，本集團的平均應付賬周轉期為53日，比去年同期的65日下降了12天，主要由於2022年第四季度國內疫情擴散，影響了原料的採購和物流，導致應付賬款余額於2022年12月31日有所下降。

Management Discussion and Analysis

Inventory and inventory turnover period

As at 31 December 2022, the Group's inventory balance amounted to RMB1,020,023,000, representing an increase of RMB122,797,000 as compared with the balance of RMB897,226,000 as at 31 December 2021. For the year ended 31 December 2022, the Group's inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning 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 177 days, decreased by 22 days as compared with 199 days of the corresponding period last year. The decrease of such ratio was mainly due to the effective management of inventory and the spread of the Pandemic in the fourth quarter of 2022, which affects the procurement and logistic of raw materials.

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, etc.. 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, the RMB exchange rate has the capability to continuously remain basically stable within reasonable range of equilibrium.

Pledge of assets

During the year ended 31 December 2022, certain buildings and right-of-use assets of Shanghai Yifang Group with total carrying values of RMB17,662,000 were used as collateral for bank loans of RMB65,000,000 (31 December 2021: nil). Apart from the above-mentioned, the Group had no pledged assets as at 31 December 2022.

Capital Commitments

As at 31 December 2022, the Group had capital commitments in respect of the purchase of property, plant and equipment, intangible assets, right-of-use assets, investments in a jointly controlled entity and financial assets at fair value through profit or loss, contracted for but not provided in the financial statements amounted to approximately RMB215,563,000 (31 December 2021: RMB251,181,000).

Contingent liabilities

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

管理層討論及分析

存貨和存貨周轉期

本集團的存貨結餘於2022年12月31日為人民幣1,020,023,000元，比2021年12月31日的人民幣897,226,000元，上升了人民幣122,797,000元。在截至2022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177日，與去年同期的199日下降了22天。該指標的下降，主要是本集團有效管理庫存，以及2022年第四季度國內疫情擴散，影響了原料的採購和物流所致。

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2022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17,662,000元的物業及使用權資產作為人民幣65,000,000元（2021年12月31日：無）銀行貸款之抵押。除此以外，本集團於2022年12月31日沒有其他被抵押的資產。

資本承擔

於2022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、無形資產以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215,563,000元（2021年12月31日：人民幣251,181,000元）。

或然負債

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

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Ms. CHU Lam Yiu, aged 53, 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 107 of this annual report headed under Directors' Interests in Shares, Underlying Shares and Debentures.

Mr. LAM Ka Yu, aged 30, 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.

Mr. XIA Liqun, aged 56, 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.

董事及高級管理層履歷

執行董事

朱林瑤女士，53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107頁標題為董事於股份、相關股份及債券之權益。

林嘉宇先生，30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。

夏利群先生，56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。

Biographical Details of Directors and Senior Management

Mr. POON Chiu Kwok, aged 60, 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 25, 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.).

Ms. CHOY Man Har, aged 56, 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.

董事及高級管理層履歷

潘昭國先生，60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，25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。

蔡文霞女士，56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。

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEE Luk Shiu, aged 65, 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 fellow member of the Association of Chartered Certified Accountants in the United Kingdom and 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.

Mr. Jonathan Jun YAN, aged 60, 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 42, 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.

董事及高級管理層履歷

獨立非執行董事

李祿兆先生，65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。李先生為英國特許公認會計師公會資深會員及香港會計師公會會員。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。

Jonathan Jun YAN先生，60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，42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。

Biographical Details of Directors and Senior Management

SENIOR MANAGEMENT

Ms. YUAN Xiaoqin, aged 54, 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.

Mr. ZHAO Dexu, aged 46, 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. CHOY Man Fai, aged 59, a vice president of Huabao Flavours, joined the Group since August 2006, responsible for the technical aspect of marketing and sales of tobacco flavours. Mr. Choy is also a director of the Company's principal subsidiaries marked "FC1" as set out in Note 37 to the consolidated financial statements. He holds a diploma of applied chemical technology of Hong Kong Polytechnic University. Mr. Choy served as a marketing manager in a number of world renowned flavours and fragrances companies. Mr. Choy has over 20 years of experience in flavours and fragrances marketing and management.

董事及高級管理層履歷

高級管理層

袁肖琴女士，54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，在一家香港上市的中中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。

趙德旭先生，46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。

蔡文輝先生，現年59歲，華寶股份副總裁，自2006年8月起加入本集團，負責煙用香精市場與銷售的技術工作。蔡先生亦是載於綜合財務報表附註37內有「FC1」符號之本公司主要附屬公司的董事。彼持有香港理工大學應用化學技術工藝專業文憑。蔡先生曾任職於多家國際知名香精香料公司市場銷售管理職位。蔡先生擁有超過二十年香精香料市場行銷及管理方面經驗。

Biographical Details of Directors and Senior Management

Mr. Alan DAVIES, aged 75, 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 43, 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.

Mr. GAO Xu, aged 39, the president of Tobacco Raw Materials Business Division and general manager of the Company's subsidiaries namely, Shanghai Huabao Biological Technology Co., Ltd., Guangdong Golden Leaf Technology Development 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 53, 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.

董事及高級管理層履歷

Alan DAVIES先生，75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43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、副總裁等高級。

高旭先生，現年39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科技有限公司、廣東省金葉科技開發有限公司（「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，53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

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.

CORPORATE GOVERNANCE

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 2022 (the "Financial Year").

The Company has not fully complied with the code provisions C.1.4, C.2 and F.2.2 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" on pages 110 to 111 of this report. The responsibilities under code provisions C.2 during the Financial Year were shared and undertaken by the Co-Chairman (Mr. LAM Ka Yu had resumed his duties since 21 July 2022), Vice Chairman & President, the Vice President & Company Secretary and other directors. In addition, due to the reasons discussed above, Ms. Chu did not participate in continuous professional development during the Financial Year in accordance with code provision C.1.4 and Ms. Chu and Mr. Lam did not attend the annual general meeting of the Company held on 20 May 2022 in accordance with code provision F.2.2. Notwithstanding the above, the Company has adopted the following alternative actions and steps during the Financial Year to redress the deficiencies in the relevant code provisions:

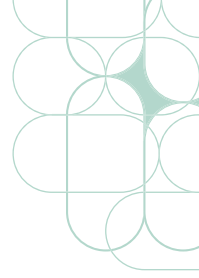
企業管治報告

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。

企業管治

除下文所披露者外，於截至2022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。

本公司未能完全遵守守則條文第C.1.4, C.2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。詳情請參閱本報告第110至111頁之「對董事的立案調查」一節。於本財政年度，守則條文第C.2的職責由聯席主席(林嘉宇先生於2022年7月21日起恢復履職)、副主席兼總裁、副總裁兼公司秘書和其他董事共同承擔。此外，由於以上原因，朱女士沒有按守則條文第C.1.4條規定於本財政年度參與持續專業發展及朱女士及林先生沒有按守則條文第F.2.2條規定出席本公司於2022年5月20日舉行之股東週年大會。儘管如此，本公司於本財政年度所採取的替代行動和步驟以糾正相關守則條文的不足之處如下：



Code Provision

守則條文

Alternative actions and steps taken during the Reporting Period

於本財政年度所採取的替代行動和步驟

C.2.1: The roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

C.2.1 主席與行政總裁的角色應有區分，並不應由一人同時兼任。主席與行政總裁之間職責的分工應清楚界定並以書面列載。

C.2.2 The chairman should ensure that all directors are properly briefed on issues arising at board meetings.

C.2.2 主席應確保董事會會議上所有董事均適當知悉當前的事項。

Ms. Chu's duties as Chairlady and CEO were shared and undertaken by the Co-Chairman, Vice Chairman (also as President of the Group), the Vice President & Company Secretary and other directors, including presiding over the daily business meetings and meetings of the board of directors, participating in the general meeting of shareholders, and implementing the formulated business strategies, etc.

朱女士作為主席兼首席執行官，其職務由本集團聯席主席、副主席兼總裁、副總裁兼公司秘書及其他董事共同協助分擔包括主持日常經營會議及董事會、參加股東大會、執行已制定的經營策略等。

The Co-Chairman, Vice Chairman & President of the Group, with the assistance of the Vice President & Company Secretary and their respective teams, ensures that the Board operates effectively and discharges its due responsibilities, and promptly discusses all important and appropriate matters and establishes good corporate governance practices and procedures. The Vice President (with dual capacity as Company Secretary) prepares the agenda of the board of directors according to the annual schedule of the board meeting and communicates with all directors in a timely manner, including but not limited to daily announcement disclosure, annual budget review, annual corporate management report, audit matters and risk and internal control audit, etc. The Vice Chairman & President of the Group, with the assistance of the Vice President & Company Secretary and their respective teams, has also sent board papers, including but not limited to, records of minutes of the board meetings to Ms. Chu and Mr. Lam to keep them apprised of the developments of the Group.

本集團聯席主席及副主席兼總裁在副總裁兼公司秘書及其團隊協助下確保董事會有效地運作，且履行應有職責，並及時就所有重要的適当事項進行討論及制定良好的企業管治常規及程序。副總裁兼公司秘書按年度董事會會議時間表預備董事會議程及與各董事及時溝通包括但不限於日常公告披露、年度預算審議、年度企業管治報告、審計事宜及風險及內控審計等。本集團副主席兼總裁在副總裁兼公司秘書及其團隊協助下亦將董事會文件，包括但不限於董事會會議記錄，發送予朱女士及林先生以便了解公司情況。



Code Provision

守則條文

Alternative actions and steps taken during the Reporting Period

於本財政年度所採取的替代行動和步驟

C.2.3 The chairman should be responsible for ensuring that directors receive, in a timely manner, adequate information, which must be accurate, clear, complete and reliable.

C.2.3 主席應負責確保董事及時收到充分的資訊，而有關資訊亦必須準確清晰及完備可靠。

C.2.4 One of the important roles of the chairman is to provide leadership for the board. The chairman should ensure that the board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The chairman should be primarily responsible for drawing up and approving the agenda for each board meeting. The chairman should take into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate this responsibility to a designated director or the company secretary.

C.2.4 主席其中一個重要角色是領導董事會。主席應確保董事會有效地運作，且履行應有職責，並及時就所有重要的適当事項進行討論。主席應主要負責釐定並批准每次董事會會議的議程，並在適當情況下計及其他董事提議加入議程的任何事項。主席可將這項責任轉授指定的董事或公司秘書。

C.2.5 The chairman should take primary responsibility for ensuring that good corporate governance practices and procedures are established.

C.2.5 主席應負主要責任，確保公司制定良好的企業管治常規及程序。

Refer to C.2.2 above.

請參閱以上C.2.2。

The Company conceived and formulated a three-year strategic plan from 2021 to 2023 in September 2020, and Ms. Chu participated in and led the strategic planning including the formulation of the three-year strategic plan and the approval of the plans submitted by various departments. In September 2021, the plan was finalized and introduced and announced to the executives by the Vice Chairman & President of the Group, who then delegated it to executive Directors and unit leaders for implementation.

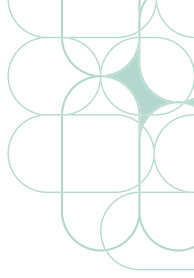
During the Financial Year, the Company continued and successfully implemented the three-year strategic plan from 2021 to 2023. During the Financial Year, Ms. Chu's duties were shared by the Co-Chairman, Vice Chairman & President of the Group, the Vice President & Company Secretary and other directors.

本公司於2020年9月構思及制定2021年至2023年的三年策略規劃，而朱女士參與及主導了有關策略規劃包括構思三年策略規劃及審批各部門提交的計劃。於2021年9月，規劃敲定並由本公司執行董事、副主席兼集團總裁向高管介紹及宣佈，期間交由執行董事及單位負責人落實執行。

於本財政年度，本公司繼續並順利地執行2021年至2023年的三年策略規劃。於本財政年度，朱女士的職務由本集團聯席主席、副主席兼總裁、副總裁兼公司秘書及其他董事共同協助分擔。

Refer to C.2.2 above.

請參閱以上C.2.2。



Code Provision

守則條文

Alternative actions and steps taken during the Reporting Period

於本財政年度所採取的替代行動和步驟

C.2.6 The chairman should encourage all directors to make a full and active contribution to the board's affairs and take the lead to ensure that it acts in the best interests of the issuer. The chairman should encourage directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus.

C.2.6 主席應鼓勵所有董事全力投入董事會事務，並以身作則，確保董事會行事符合發行人最佳利益。主席應鼓勵持不同意見的董事均表達出本身關注的事宜、給予這些事宜充足時間討論，以及確保董事會的決定能公正反映董事會的共識。

Refer to C.2.2 above.

請參閱以上C.2.2。

C.2.7 The chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors.

C.2.7 主席應至少每年與獨立非執行董事舉行一次沒有其他董事出席的會議。

The Vice President & Company Secretary and his team had been acting as a communication channel between the Chairlady, the President of the Group and the independent non-executive directors, including but not limited to the latest development of the Group's business, risk management and internal control system review and corporate governance system updates.

副總裁兼公司秘書及其團隊會作為主席及集團總裁和獨立非執行董事之溝通橋樑包括但不限於本集團業務最新發展情況、風險管理及內控系統審查及企業管治系統最新情況等事宜作互相交流。

C.2.8 The chairman should ensure that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the board as a whole.

C.2.8 主席應確保採取適當步驟保持與股東有效聯繫，以及確保股東意見可傳達到整個董事會。

There have been no changes to the existing Shareholders' Communication Policy. The Co-Chairman, Vice Chairman & President of the Group and the Vice President & Company Secretary and its team have considered that such Shareholders' Communication Policy remains effective given that there is no barrier for the shareholders to communicate their views to the board as a whole.

現有的股東通訊政策沒有任何變化。鑑於股東在向整個董事會傳達意見時沒有障礙，因此本集團聯席主席、副主席兼總裁及副總裁兼公司秘書及其團隊認為該股東通訊政策仍然有效。

C.2.9 The chairman should promote a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.

C.2.9 主席應提倡公開、積極討論的文化，促進董事（特別是獨立非執行董事）對董事會作出有效貢獻，並確保執行董事與非執行董事之間維持建設性的關係。

Refer to C.2.2 above.

請參閱以上C.2.2。



Corporate Governance Report

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.

Changes in Information in respect of Directors

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

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.

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.

企業管治報告

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。

董事資料更新

除上文所披露者，概無其他資料須根據上市規則第13.51B(1)條予以披露。

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，其業務自成立以來發展圍繞「創新、務實、忠誠、協作」的精神，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式，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「核芯」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臺為兩翼，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。

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。

Corporate Governance Report

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 49 to 53 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.

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). During the Financial Year, one of the INEDs, Ms. MA Yunyan retired by rotation and, being eligible, but did not offer herself for re-election at the AGM held on 20 May 2022 while Mr. HOU Haitou was appointed as INED with effect from 20 May 2022.

企業管治報告

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49至53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。

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)。於本財政年度內，其中一位獨立非執行董事，麻雲燕女士於2022年5月20日舉行的股東週年大會上輪值告退，惟彼等符合資格，但沒有於應屆股東週年大會膺選連任。侯海濤先生獲委任為獨立非執行董事，自2022年5月20日起生效。

Corporate Governance Report

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 9 April 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") on 1 June 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.

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.

企業管治報告

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4月9日起兼任首席執行官（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2021年6月1日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。

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。

Corporate Governance Report

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. 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 pages 80 to 81 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.

企業管治報告

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。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80至81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。

Corporate Governance Report

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.

Directors' Appointment and 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.

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 107 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.

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.

企業管治報告

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。

於本財政年度內，聯席主席已與獨立非執行董事舉行一次沒有其他董事出席的會議。

董事之委任和重選

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。

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107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。

Corporate Governance Report

Remuneration Committee

On 20 May 2022, Ms. MA Yunyan retired as an independent non-executive Director and ceased to be a member of the Remuneration Committee. Mr. HOU Haitao was appointed as independent non-executive Director and a member of the Remuneration Committee with effect from 20 May 2022. 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;
- 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 award 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 four 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 pages 80 to 81 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 Award Scheme to the Directors and senior management are set out on pages 93 to 97 and pages 102 to 104 of this annual report.

企業管治報告

薪酬委員會

於2022年5月20日，麻雲燕女士退任獨立非執行董事及薪酬委員會成員。侯海濤先生獲委任為獨立非執行董事及薪酬委員會成員，自2022年5月20日起生效。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；
- 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份獎勵計劃（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四次會議。各薪酬委員會委員出席會議的紀錄載於本年報第80至81頁。董事之薪金詳情載於綜合財務報表附註39，而購股權計劃及股份獎勵計劃詳情亦載於本年報第93至97頁及第102至104頁。

Corporate Governance Report

Audit Committee

On 20 May 2022, Ms. MA Yunyan retired as an independent non-executive Director and ceased to be a member of the Audit Committee. Mr. HOU Haitao was appointed as independent non-executive Director and a member of the Audit Committee with effect from 20 May 2022. 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 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;
- To approve the audit fees and terms of engagement of the external auditors;

企業管治報告

審核委員會

於2022年5月20日，麻雲燕女士退任獨立非執行董事及審核委員會成員。侯海濤先生獲委任為獨立非執行董事及審核委員會成員，自2022年5月20日起生效。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：

- 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；
- 批准外聘核數師之核數費用及委任任期；

Corporate Governance Report

- 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 two times to, among other things, review the financial reports for 2021 audited annual results and 2022 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 pages 80 to 81 of this annual report. Members of the Audit Committee were satisfied with 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.

Nomination Committee

On 14 February 2022, Ms. Lam Ka Yan and Mr. Jonathan Jun Yan were appointed as members of the Nomination Committee. On 20 May 2022, Ms. MA Yunyan retired as an independent non-executive Director and ceased to be a member of the Nomination Committee. Mr. HOU Haitao was appointed as independent non-executive Director and a member of the Nomination Committee with effect from 20 May 2022. As of the date of this report, the Nomination Committee comprises two Executive Director, 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.

企業管治報告

- 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，審核委員會舉行二次會議（其中包括）以審閱2021年度之經審核全年業績及2022年度之中期業績（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80至81頁。審核委員會委員對本公司之風險管理及內部監控系統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。

提名委員會

於2022年2月14日，林嘉妍女士及Jonathan Jun YAN先生獲委任為提名委員會委員。於2022年5月20日，麻雲燕女士退任獨立非執行董事及提名委員會成員。侯海濤先生獲委任為獨立非執行董事及提名委員會成員，自2022年5月20日起生效。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）和林嘉妍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。

Corporate Governance Report

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 and the skills mix needed in respect of the Board, and making recommendations to the Board on the appointment of directors and succession planning for directors. In discharging its responsibilities, the Nomination Committee has performed the following work:

- To review the structure, size and composition (including the skills, knowledge and experience) of the board and make recommendations on any proposed changes to the board to complement the Company's corporate strategy;
- To identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorships;
- To assess the independence of independent non-executive directors; and
- To make 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.

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 in September 2013 (the "Policy") 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. The Nomination Committee will monitor the implementation of the Policy, review the Policy from time to time, 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 Policy.

企業管治報告

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和董事會所需的技能組合，以及就董事委任和董事的繼任計劃向董事會提出建議。履行其職責時，提名委員會已進行下列工作：

- 檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合公司策略而擬對董事會作出的變動提出建議；
- 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提出建議；
- 評核獨立非執行董事的獨立性；及
- 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。

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(「本政策」)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。提名委員會將監察本政策的執行，並不時作出檢討，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，以確保本政策持續有效。

Corporate Governance Report

During the Financial Year, the Nomination Committee met twice for, among other things, reviewing 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. It meets the needs of the business operations and development of the Group. 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 pages 80 to 81 of this annual report.

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. During the Financial Year, one female Directors retired and two new female Directors joined the Board. As of 31 December 2022, the Board consists of three female Directors and six male Directors, bringing the female representation to three or about 33 per cent of the Board (31 December 2021: two female Directors and six male Directors).

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 2022, the number of employees of the Group (including senior management) consisted of 2,492 male or 64.3% and 1,383 female or 35.7% (31 December 2021: 2,334 male or 65.1% and 1,249 female or 34.9%). 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.

企業管治報告

於本財政年度內，提名委員會就（其中包括）檢討董事會的架構、成員的多元化和董事履行職務的情況召開兩次會議，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、專業技能及經驗上均呈現多元化，亦配合集團的業務運作及發展需求。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80至81頁。

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，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；在本財政年度有一名女性董事退任及兩名新女性董事加入了董事會，於2022年12月31日，董事會由三名女性董事和六名男性董事組成，使女性代表佔董事會的三人或約33%（於2021年12月31日：二名女性董事和六名男性董事）。

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2022年12月31日，本集團員工人數（含高級管理人員）分別為2,492男性或64.3%和1,383女性或35.7%（2021年12月31日：2,334男性或65.1%和1,249女性或34.9%）。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。

Corporate Governance Report

Board Independence

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. During the Financial Year, the Nomination Committee has assessed the annual independence confirmation received from each INED, having regard to the criteria under Rule 3.13 of the Main Board Listing Rules.

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.

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.

企業管治報告

董事會獨立性

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 and 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。於本財政年度，提名委員會已根據主板上市規則第 3.13 條的標準評估從各獨立非執行董事收到的年度獨立性確認。

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。

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。

Corporate Governance Report

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.

企業管治報告

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

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.

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.

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;

企業管治報告

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。

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。

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；

Corporate Governance Report

- (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.

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.

企業管治報告

- (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、各事業部門及附屬公司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。

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。

Corporate Governance Report

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.

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. In 2021, 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.

企業管治報告

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，通常於每個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。

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。於2021年，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。

Corporate Governance Report

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.

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.

企業管治報告

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。

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。

Corporate Governance Report

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.

企業管治報告

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 (Note 1)
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 (附註1)
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

No 沒有
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

Note:

- (1) Since late January 2022, Ms. Chu Lam Yiu was placed under residential surveillance at a designated location (指定居所監視居住) and was unable to attend seminars or conduct training sessions in person. However, the Company has provided relevant training documents as a reference accordingly.

附註：

- (1) 自2022年1月下旬起，朱林瑤女士被指定居所監視居住，無法親身參加相應的研討會或培訓課程。但公司已提供相關的培訓文件作為參考。

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 taken not less than 15 hours of continuing professional trainings.

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，潘先生已獲得不少於15小時之持續專業培訓。

Corporate Governance Report

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 117 to 125 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	8,412
– for the statutory and other audits of the subsidiaries	– 子公司法定及其他審計	2,006
Non-audit services	非核數服務	–

Please also refer to Note 27 to consolidated financial statement set out on pages 236 to 237 of this annual report for details of Auditors' Remuneration.

企業管治報告

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117至125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：

核數師酬金詳情請參考載於本年報第236至237頁綜合財務報表附註27。

Corporate Governance Report

SHAREHOLDERS' RIGHTS

Shares with voting rights in the Company are ordinary shares. The number of issued ordinary shares as at 31 December 2022 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 227 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)	Page 107	2,293,408,900	71.00%
Public	公眾人士	第107頁	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 for shareholders to 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.

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.

企業管治報告

股東權利

賦有投票權的股份均為本公司普通股股份。於2022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227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。

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。

Corporate Governance Report

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.

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.

企業管治報告

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超過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期間內召開，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。

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。

Corporate Governance Report

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.

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 is available for viewing on the Company's website at www.huabao.com.hk.

企業管治報告

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佳登捷時有限公司提出。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。

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可於公司網站www.huabao.com.hk上查閱。

Corporate Governance Report

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	20 May 2022 2022年5月20日	Boardroom 8, Lower Lobby, Renaissance Hong Kong, Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong 香港 灣仔港灣道1號 香港萬麗海景酒店低層 大堂會議室八舉行	<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 2021; 省覽截至2021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 final dividend for the year ended 31 December 2021; 宣派截至2021年12月31日止年度的期末股息；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。
SGM 股東特別大會	7 December 2022 2022年12月7日	Suite 3008, 30/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong 香港 灣仔港灣道18號 中環廣場30樓3008室	To approve the proposed amendments to the bye-laws of the Company and the adoption of new bye-laws. 批准對本公司細則之建議修訂及採納新的公司細則。

企業管治報告

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：

Corporate Governance Report

MERGERS & ACQUISITIONS

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

CONTINUING CONNECTED TRANSACTIONS

Details of the continuing connected transactions of the Company are set out on pages 113 to 115 of this annual report.

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:

		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	Special General Meeting(s) 股東特別大會
No. of meeting held	會議次數	34	2	4	2	1	1
Executive Directors	執行董事						
Ms. CHU Lam Yiu (Chairlady and CEO)	朱林瑤女士(主席兼首席執行官)	0/34	N/A 不適用	N/A 不適用	0/2	0/1	0/1
Mr. LAM Ka Yu (Co-Chairman) (Note 1)	林嘉宇先生(聯席主席)(附註1)	16/34	N/A 不適用	N/A 不適用	N/A 不適用	0/1	1/1
Mr. XIA Liqun (Vice Chairman and President)	夏利群先生(副主席兼總裁)	34/34	N/A 不適用	4/4	N/A 不適用	1/1	1/1
Mr. POON Chiu Kwok (Vice President and Company Secretary)	潘昭國先生(副總裁兼公司秘書)	34/34	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Ms. LAM Ka Yan (Note 2)	林嘉妍女士(附註2)	31/34	N/A 不適用	N/A 不適用	1/2	1/1	1/1
Ms. CHOY Man Har (Note 3)	蔡文霞女士(附註3)	31/34	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Independent Non-executive Directors	獨立非執行董事						
Mr. LEE Luk Shiu	李祿兆先生	34/34	2/2	4/4	2/2	1/1	1/1
Ms. MA Yunyan (Note 4)	麻雲燕女士(附註4)	11/34	1/2	2/4	2/2	1/1	N/A 不適用
Mr. Jonathan Jun YAN (Note 5)	Jonathan Jun YAN先生(附註5)	34/34	2/2	N/A 不適用	1/2	1/1	1/1
Mr. HOU Haitao (Note 6)	侯海濤先生(附註6)	23/34	1/2	2/4	N/A 不適用	1/1	1/1

企業管治報告

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。

持續關連交易

本集團之持續關連交易詳情載於本年報第113至115頁。

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：

Corporate Governance Report

Notes:

1. Mr. Lam had resumed his duties since 21 July 2022.
2. Appointed as executive director of the Company and as a member of the Nomination Committee with effect from 14 February 2022.
3. Appointed as executive director of the Company with effect from 14 February 2022.
4. Retired as INED and ceased to be a member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Company with effect from 20 May 2022.
5. Appointed as a member of the Nomination Committee with effect from 14 February 2022.
6. Appointed as INED and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Company with effect from 20 May 2022.

MAJOR CHANGES TO THE BYE-LAWS

During the Financial Year, the Company amended the Bye-laws by, among others, bringing the existing Bye-laws in line with the Core Shareholder Protection Standards set out in Appendix 3 of the Listing Rules which took effect on 1 January 2022. The amended and restated Byelaws became effective on 7 December 2022. The amended and restated Bye-laws is available on the Company's website at www.huabao.com.hk and on the Hong Kong Stock Exchange's website at www.hkexnews.hk

企業管治報告

附註：

1. 林先生於2022年7月21日起恢復履職。
2. 自2022年2月14日起獲委任為本公司執行董事及提名委員會委員。
3. 自2022年2月14日起獲委任為本公司執行董事。
4. 自2022年5月20日起退任獨立非執行董事，並不再擔任本公司審核委員會、提名委員會及薪酬委員會的成員。
5. 自2022年2月14日起獲委任為提名委員會成員。
6. 自2022年5月20日起獲委任為本公司獨立非執行董事及審核委員會、提名委員會及薪酬委員會的成員。

公司細則重大變更

於本財政年度內，本公司修訂了公司細則，其中包括，為使本公司之現行公司細則符合於2022年1月1日生效之上市規則附錄三所載之核心的股東保障水平。經修訂及重列的公司細則於2022年12月7日生效，經修訂及重列的公司細則可於本公司網站www.huabao.com.hk及香港聯交所網站www.hkexnews.hk查閱。

Investor Relations Report

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 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 vice-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.

投資者關係報告

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。

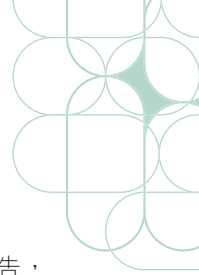
投資者關係工作回顧

報告期內，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，本公司董事會副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

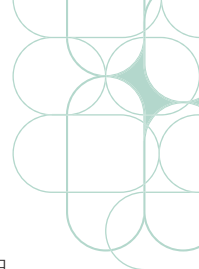
Information for investors (as at 30 December 2022)

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 HKD4.03 per share on 30 December 2022)	Approximately HKD13.017 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 RMB23.53 per share on 30 December 2022)	Approximately RMB14.492 billion
Stock code	
ChiNext of Shenzhen Stock Exchange stock code	300741
Reuters ticker	300741.SZ
Bloomberg ticker	300741: CH

投資者關係報告

投資者數據 (於二零二二年十二月三十日)

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(以二零二二年 十二月三十日 收市價每股港幣 4.03元計算)	約港幣130.17 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(以二零二二年 十二月三十日 收市價每股人民幣 23.53元計算)	約人民幣144.92 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

財務日誌

Closing date for transfer of shares for Annual General Meeting	10 May 2023 (Wednesday) to 15 May 2023 (Monday) (Both days inclusive)	股份截止過戶日期 (股東週年大會)	二零二三年五月十日 (星期三)至 五月十五日(星期一) (包括首尾兩日)
Annual General Meeting	15 May 2023 (Monday)	股東週年大會	二零二三年五月十五日 (星期一)
Ex-dividend date	8 June 2023 (Thursday)	除淨日	二零二三年六月八日 (星期四)
Closing date for transfer of shares for proposed special dividends	12 June 2023 (Monday) to 13 June 2023 (Tuesday) (Both days inclusive)	股份截止過戶日期 (派發建議之 特別股息)	二零二三年六月十二日 (星期一)至 六月十三日(星期二) (包括首尾兩日)
Date of payment of proposed special dividends for the fiscal year ended 31 December 2022	On or about 26 June 2023 (Monday)	派發建議截至 二零二二年十二月 三十一日止財年之 特別股息日期	二零二三年 六月二十六日 (星期一)或前後
Financial year-end date	31 December	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 2022 (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 9 to 10 and pages 11 to 48 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2022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9至10頁及第11至48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。

Directors' Report

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 sales income 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.

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.

董事會報告

下游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銷售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游行業影響的風險

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。

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。

Directors' Report

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.

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.

董事會報告

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。

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。

Directors' Report

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.

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 2022 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).

董事會報告

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。

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2022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》。

Directors' Report

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.

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 128 of this annual report.

董事會報告

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。

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128頁之綜合收益表。

Directors' 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.

Proposed special dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: HK2.0 cents). However, to reward Shareholders for their support for the Company, the Board proposes to declare a special dividend of HK5.1 cents per Share (2021: nil) in cash, amounting to approximately RMB147.1 million in aggregate (2021: final dividend of approximately RMB52.8 million) for the Financial Year, which is expected to be paid on or about 26 June 2023 to Shareholders whose names appear on the register of members of the Company on 13 June 2023. The payment of the special dividend is subject to Shareholders' approval at the AGM which is scheduled to be held on 15 May 2023.

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 15 May 2023, the register of members of the Company will be closed from 10 May 2023 to 15 May 2023, 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 9 May 2023. Shareholders whose names are recorded in the register of members of the Company on 15 May 2023 are entitled to attend and vote at the 2023 AGM.

董事會報告

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。

建議派發特別股息

董事會決議不就截止2022年12月31日止年度派發任何期末股息(2021年：港幣2.0仙)。但為了回報股東對本公司的支持，董事會建議向於2023年6月13日名列本公司股東名冊之股東宣派本財政年度之現金特別股息每股港幣5.1仙(2021年：無)，共約人民幣1.471億元(2021年：期末股息約人民幣5,280萬元)，並預期於2023年6月26日或前後派發，但有待在訂於2023年5月15日舉行的股東週年大會上獲股東批准派發該特別股息。

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2023年5月15日舉行之股東週年大會並在會上投票，本公司將由2023年5月10日至2023年5月15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2023年5月9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2023年5月15日記錄於本公司股東名冊的股東均有權出席2023年股東週年大會及於會上投票。

Directors' Report

CLOSE OF REGISTER OF MEMBERS FOR PAYMENT OF SPECIAL DIVIDEND

In order to determine Shareholders who qualify for the proposed special dividend, the register of members of the Company will be closed from 12 June 2023 to 13 June 2023, 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 9 June 2023. Shareholders whose names are recorded in the register of members of the Company on 13 June 2023 are entitled to receive the special dividend in cash for the Financial Year.

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 130 to 131 and in Note 21 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2022, the distributable reserves of the Company amounted to approximately RMB4,408 million (2021: approximately RMB4,573 million).

DONATIONS

Charitable and other donations made by the Group during the Financial Year amounted to approximately RMB0.84 million (2021: approximately RMB3.98 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.

董事會報告

暫停辦理股份過戶登記手續－派發特別股息

為確保股東有資格獲派建議之特別股息，本公司將由2023年6月12日至2023年6月13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2023年6月9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2023年6月13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特別股息。

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130至131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2022年12月31日，本公司之可供分派儲備約人民幣44.08億元（2021年：約人民幣45.73億元）。

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84萬元（2021年：約人民幣398萬元）。

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。

Directors' Report

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 268 to 269.

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.

董事會報告

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268至269頁。

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%。

Directors' Report

(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.

董事會報告

(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。

Directors' Report

(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* 行使價*	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	HK\$3.708 per share 每股	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	3.708港元	
---	--	--	--	------------------------	---------	--

(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.

(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。

(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).

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

(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。

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

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。

董事會報告

(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。

Directors' Report

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 4 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.

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;

董事會報告

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四年。

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。

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；

Directors' Report

- (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.

SHARE INCENTIVE SCHEME – GUANGDONG JIAHAO SHARE INCENTIVE SCHEME (Note: see Note 20(b) 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.

董事會報告

- (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。

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(b) 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。

Directors' Report

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 2022, 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.

董事會報告

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2022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 2022, the Guangdong Jiahao Share Incentive Scheme has covered in total 62 (31 December 2021: 80) Participants, including directors and senior management of Guangdong Jiahao. The chairman of Guangdong Jiahao, XIA Liqun, who is also a director of the Company and one of the Participants.

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.

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2022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62人(2021年12月31日：80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)。

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。

Directors' Report

Yingtian 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, and the Participants shall comply with the relevant regulations in addition to the requirements under the agreement.

董事會報告

- 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。

Directors' Report

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 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).

董事會報告

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交易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。為廣東嘉豪股權激勵計劃之目的，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。

Directors' Report

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 the 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 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 employee, officer or director of any member of the Group or of any affiliate of the Company, and any person (including advisor, consultant or other service provider) who provides services to any member 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 person 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

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。

Directors' Report

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.

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 2022, no Awarded Shares have been granted under the Share Award Scheme yet.

董事會報告

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）。

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2022年12月31日，沒有根據股份獎勵計劃授出任何獎勵股份。

Directors' Report

As at 31 December 2022, (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.

The Share Award Scheme does not involve the grant of options over any new Shares, and does not constitute a share option scheme pursuant to the then Chapter 17 of the Listing Rules in effect during the financial year ended 31 December 2022, but constitutes a share scheme of the Company under the new Chapter 17 of the Listing Rules which has come in effect on 1 January 2023. In particular, whilst no Scheme Mandate for allotment of new Shares has been obtained, the Share Award Scheme is currently a share scheme that may be funded by existing Shares under the new Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements thereunder since 1 January 2023.

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

Separately, the Stock Exchange has published conclusions to its consultation on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers on 29 July 2022 and in respect of which the Stock Exchange will introduce, among others, amendments to Chapter 17 of the Listing Rules which has become effective on 1 January 2023. As the proposed amendments include extending Chapter 17 to govern, among others, all share schemes involving grants of share awards and grants of options to acquire new shares of issuers, the Company is in the course of assessing the implications thereof on the implementation, operation and administration of the Share Award Scheme and will take appropriate steps to comply with the relevant provisions of the Listing Rules as may be applicable from time to time.

董事會報告

於2022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。

根據截至2022年12月31日止財政年度生效的當時上市規則第17章，股份獎勵計劃不涉及授予任何新股份的購股權，但根據於2023年1月1日生效的新上市規則第17章是屬於本公司一項股份計劃。特別是，雖然尚未獲得配發新股份的計劃授權，但股份獎勵計劃目前是一項股份計劃，可能根據上市規則新第17章由現有股份出資，自2023年1月1日起須遵守其適用的披露規定。

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。

另外，聯交所已於2022年7月29日頒佈有關上市發行人股份計劃的《上市規則》條文修訂建議的諮詢意見總結，聯交所並將就其引入（當中包括）對上市規則第17章的修訂，而該等修訂已自2023年1月1日生效。因為建議修訂包括將第17章擴大至涵蓋（包括其他）所有涉及上市發行人授出股份獎勵及授出可認購上市發行人新股份的股份期股權的股份計劃，本公司正在評估其對該股份獎勵計劃的實施、運作及管理造成的影響，並將採取適當措施遵守可能不時適用的相關上市規則條文。

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 Liqun (*Vice Chairman and President*)
Mr. POON Chiu Kwok (*Vice President and Company Secretary*)
Ms. LAM Ka Yan (*Note 1*)
Ms. CHOY Man Har (*Note 2*)

Independent Non-executive Directors:

Mr. LEE Luk Shiu
Ms. MA Yunyan (*Note 3*)
Mr. Jonathan Jun YAN (*Note 4*)
Mr. HOU Haitao (*Note 5*)

Notes:

1. Appointed as Executive Director and a member of Nomination Committee with effect from 14 February 2022.
2. Appointed as Executive Director with effect from 14 February 2022.
3. Retired as Independent Non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company with effect from 20 May 2022.
4. Appointed as a member of Nomination Committee with effect from 14 February 2022.
5. Appointed as Independent Non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company with effect from 20 May 2022.

In accordance with bye-law 84(1) and (2) of the Bye-laws, Mr. LAM Ka Yu, Mr. POON Chiu Kwok and Mr. Jonathan Jun YAN 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).

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 (*附註1*)
蔡文霞女士 (*附註2*)

獨立非執行董事：

李祿兆先生
麻雲燕女士 (*附註3*)
Jonathan Jun YAN先生 (*附註4*)
侯海濤先生 (*附註5*)

附註：

1. 獲委任為本公司執行董事及提名委員會委員，自2022年2月14日起生效。
2. 獲委任為本公司執行董事，自2022年2月14日起生效。
3. 退任本公司獨立非執行董事及審核委員會、薪酬委員會及提名委員會成員職務，自2022年5月20日起生效。
4. 獲委任為本公司提名委員會委員，自2022年2月14日起生效。
5. 委任為本公司獨立非執行董事及審核委員會、薪酬委員會及提名委員會成員職務，自2022年5月20日起生效。

根據公司細則第84(1)及(2)條，林嘉宇先生、潘昭國先生及Jonathan Jun YAN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。



Directors' Report

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.

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 49 to 53 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.

董事會報告

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。

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49至53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。

Directors' Report

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2022, 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) 董事姓名	Capacity 身份	Number of issued Shares held 持有已發行 股份數目	Percentage of the issued share capital 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.

Save as disclosed above, as at 31 December 2022, 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.

董事會報告

董事於股份、相關股份及債券之權益

於2022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 持有已發行 股份數目	Percentage of the issued share capital 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。

除上文所披露者外，於2022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。

Directors' Report

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 2022, 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.

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. On 31 January 2022, the Company changed the use of its unutilized use of proceeds of approximately HK\$886 million. For details, please refer to the section headed "Change in Use of the Unutilised Net Proceeds" on page 110 of this report.

董事會報告

管理合約

概無於本財政年度至本報告日內訂立或存有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2022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。

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2022年1月31日，公司更改了約8.86億港元的未動用所得款項淨額的用途，詳細請參考本報告第110頁「未使用淨收益用途的變化」一節。

Directors' Report

As at 31 December 2022, the Group utilised approximately HK\$2,110 million of the proceeds representing approximately 98% of the net proceeds, and the unutilised proceeds amounted to approximately HK\$50 million. As at 31 December 2022, all of the unutilised proceeds were deposited in licensed banks in Hong Kong. Taking into consideration the Group's operations and the market conditions, the Group expects that the unutilised net proceeds will be fully utilised by 31 December 2023, details of which are set out in the table below.

In HK\$million

董事會報告

於2022年12月31日，本集團已使用融資款項約21.1億港元，佔融資淨額約98%，未使用融資款項約5,000萬港元。截至2022年12月31日，所有未使用的募集資金均存放於香港持牌銀行。取決於本集團營運及市場情況，本集團預計未動用所得款項淨額將於2023年12月31日前全部使用完畢，詳情載於下表。

Intended use of proceeds	融資款項計劃用途	單位：百萬／港元			As at 31 December 2022	Expected timeline of use
		As at 31 December 2021	Change of use of unutilised net proceeds 未動用所得 款項淨額 更改用途	Actual use of proceeds 融資款項 實際用途		
Repayment of bank loans ("Bank Loans Repayment")	償還銀行貸款 ([償還銀行貸款])	257	358	615	-	N/A 不適用
Acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise ("Acquisition and/or Investments")	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) ([收購及／或投資])	300	(158)	92	50	Before December 2023 2023年12月前
General working capital requirements and expansion of existing businesses ("General Working Capital")	一般營運資金的需求及 現有業務擴張 ([一般營運資金])	329	(200)	129	-	N/A 不適用
Total	總計	886	-	836	50	

Directors' Report

CHANGE IN USE OF THE UNUTILISED NET PROCEEDS

Reference is made to the Company's announcement dated 31 January 2022 in relation to change in use of the unutilised net proceeds of approximately HK\$886 million. Having considered, among others factors, the likelihood of the U.S. Federal Reserve finishing its bond buying in March 2022 and with the expectation of three rate hikes in 2022, along with the recent development of the Group, the Board is considering adopting a more prudent approach regarding the cash resources management to maintain the financial stability of the Group by early repayment of part of its bank borrowings. As such, the Board resolved to reallocate the remaining unutilised net proceeds from Acquisition and/or Investments and General Working Capital to Bank Loans Repayment in manner as set out in the table above. The Board is also of the view that the reallocation would allow the Group to utilise its financial resources in a more flexible, beneficial and effective way and to meet its operational needs and provide more buffer to cope with the economic uncertainties in the future. For details, please refer to the Company's announcement dated 31 January 2022.

In HK\$ million

Intended use of proceeds		Intended use of unutilised proceeds	Reallocation of unutilised proceeds for intended use	Revised use of unutilised proceeds
融資款項計劃用途		未使用融資款項計劃用途	未使用融資款項計劃用途重新分配金額	經調整未使用融資款項用途
Bank Loans Repayment	償還銀行貸款	257	358	615
Acquisition and/or Investments	收購及／或投資	300	(158)	142
General Working Capital	一般營運資金	329	(200)	129
Total	總計	886	-	886

Investigation Against Directors

During late January 2022, the Company has been informed by the Huabao Flavours, that Ms. Chu (defined below) and Mr. Lam (defined below) were under investigation for suspected disciplinary violations and were placed under residential surveillance at designated locations (指定居所監視居住). Ms. CHU Lam Yiu ("Ms. Chu") is the mother of Mr. LAM Ka Yu and Ms. LAM Ka Yan, the controlling shareholder of the Company, the Chairlady of the Board, the CEO and an executive Director of the Company, and Mr. LAM Ka Yu ("Mr. Lam") is the son of Ms. Chu, the brother of Ms. LAM Ka Yan, an executive Director and Co-Chairman of the Company and a director of Huabao Flavours.

董事會報告

未使用淨收益用途的變化

茲提述本公司日期為2022年1月31日的公告，有關更改用途約港幣8.86億元的未動用所得款項淨額。考慮到(其中包括)美國聯邦儲備委員會可能在2022年3月完成債券購買，預計2022年將加息三次以及集團近期的發展，董事會認為在現金資源管理方面採取更為審慎的態度，以提早償還部分銀行借款以維持本集團的財務穩定。因此，董事會決定以下表所列方式將剩餘未使用的收購和／或投資淨收益和一般營運資金重新分配給銀行貸款償還。董事會亦認為，重新分配將使本集團能夠以更靈活、有利和有效的方式運用其財務資源，滿足其經營需要，並提供更多緩衝以應對未來的經濟不確定性。詳情請參閱本公司日期為2022年1月31日的公告。

單位：百萬／港元

Intended use of unutilised proceeds	Reallocation of unutilised proceeds for intended use	Revised use of unutilised proceeds
未使用融資款項計劃用途	未使用融資款項計劃用途重新分配金額	經調整未使用融資款項用途
257	358	615
300	(158)	142
329	(200)	129
886	-	886

對董事及控股股東的立案調查

本公司於2022年1月下旬，接獲華寶股份的通知，朱女士(定義如下)和林先生(定義如下)在中國境內因涉嫌違法接受立案調查，並已被執行指定居所監視居住。朱林瑤女士(「朱女士」)為林嘉宇先生及林嘉妍女士之母、本公司控股股東、董事會主席、首席執行官及執行董事而林嘉宇先生(「林先生」)為朱女士的兒子、林嘉妍女士之胞兄、本公司執行董事兼聯席主席及華寶股份董事。

Directors' Report

On 21 July 2022, the Group was informed by Mr. Lam that he had been notified by Changsha County Police Bureau (長沙縣公安局) that they had lifted his residential surveillance and that he was on bail pending further investigation.

On 26 July 2022, the Group learned from Ms. Chu's family that Changsha County Police Bureau (長沙縣公安局) had lifted Ms. Chu's residential surveillance and that she was on bail pending further investigation. Concurrently, the Company had received a Case Filing Notice from Xinfeng County Supervisory Committee (信豐縣監察委員會立案通知書) that Xinfeng County Supervisory Committee had decided to file an investigation against Ms. Chu (進行立案調查) and the Company also had been informed by Ms. Chu's family that Ms. Chu was placed under residential surveillance at a designated location (指定居所監視居住) by Anyuan County Police Bureau (安遠縣公安局).

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 is 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).

For details, please refer to the Company's announcements dated 24 January 2022, 26 January 2022, 27 January 2022, 21 July 2022, 26 July 2022 and 20 January 2023 respectively.

Up to the date of this report, the Company has not been provided with any details of the nature of the suspected violations of Ms. Chu and/or Mr. Lam that were being investigated. The production and business operation of the Group remains normal. Further announcement(s) will be made to keep the shareholders of the Company and the public informed of the development in this matter in due course.

Acquisition of Part of the Equity Interests in Shanghai Yifang by Huabao Flavours

Reference is made to the Company's announcement dated 8 March 2022 in relation to acquisition of part of the equity interests in Shanghai Yifang Rural Technology Holdings Co., Ltd. ("Shanghai Yifang") by Huabao Flavours.

董事會報告

於2022年7月21日，本集團收到林先生通知，其接獲長沙縣公安局通知，決定解除對其的監視居住，採取取保候審。

於2022年7月26日，本集團從朱女士家屬處獲悉，長沙縣公安局已解除對朱女士監視居住，採取取保候審。同時，本公司亦獲信豐縣監察委員會立案通知書，信豐縣監察委員會決定對朱女士進行立案調查，及本公司從朱女士家屬處獲悉，安遠縣公安局對朱女士執行指定居所監視居住。

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，採取取保候審。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。

詳情請參考本公司分別於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日及2023年1月20日的公告。

截至本報告日止，本公司並未獲提供有關朱女士及／或林先生當時接受調查所涉違法事宜的性質之任何詳情。本集團的生產和業務經營目前保持正常。本公司將作出進一步公告，以知會本公司股東及公眾人士有關事宜的進展。

關於華寶股份收購上海奕方部分股權

茲提述本公司於2022年3月8日發佈有關華寶股份收購上海奕方農業科技股份有限公司（「上海奕方」）部分股權的公告。

Directors' Report

On 9 August 2021, Huabao Flavours acquired 40% equity interests in Shanghai Yifang from independent third parties for a total consideration of RMB180 million in cash (the "Previous Transaction"). Shanghai Yifang was established in the PRC on 7 January 1999 and is primarily engaged in the promotion and consulting services of agricultural technology, cultivation of fruits and vegetables; research and development of food additives; food production, etc.

Huabao Flavours on 8 March 2022 further acquired 27% equity interests in Shanghai Yifang from independent third parties for a total consideration of RMB121.5 million in cash (the "Acquisition"). After the completion of the Acquisition, Huabao Flavours' shareholding in Shanghai Yifang would, in aggregate, reach 67% and Shanghai Yifang would become a controlling subsidiary of Huabao Flavours and the accounts of Shanghai Yifang would be included in the scope of Huabao Flavours' consolidated statements and as such Shanghai Yifang would indirectly be included in the scope of the Company's consolidated financial statements. The Acquisition also included a performance undertaking provided by the vendors in favour of Huabao Flavours, the capital increase and the put option. Please refer to the Company's announcement dated 8 March 2022 for further details.

As one or more than one of the applicable percentage ratios for the transaction, when aggregated with the Previous Transaction, the capital increase and the put option as a whole, is more than 5% and below 25%, the transaction, when aggregated with the Previous Transaction, the capital increase and the put option as a whole, constitute a discloseable transaction of the Company, and is therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Except for disclosed 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 23.5% and the largest customer Yunnan Tobacco (Group) Company Limited contributed approximately 6.9% 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 18.8% and the largest supplier contributed approximately 7.6% to the purchases of the Group.

董事會報告

於2021年8月9日，華寶股份以總對價人民幣1.8億元的現金向獨立第三方收購其合計持有的上海奕方的40%股權（「前次交易」）。上海奕方於1999年1月7日在中國成立，主要從事農業技術的推廣和諮詢服務，果蔬種植；研究開發食品添加劑；食品生產等。

於2022年3月8日，華寶股份以人民幣1.215億元現金總對價向獨立第三方進一步收購其合計持有的上海奕方27%的股權（「收購事項」）。同日，華寶股份簽署股份轉讓協議。本次交易完成後，華寶股份對上海奕方合計的持股比例達到67%，上海奕方將成為華寶股份的控股子公司，上海奕方賬目將納入華寶股份合併報表範圍而上海奕方以將間接納入本公司合併報表範圍。收購事項亦包括由賣方提供並有利於華寶股份的業績承諾、增資及認沽期權。詳情請參閱本公司日期為2022年3月8日的公告。

由於本次交易的一個或多個適用百分比率，當與前次交易、增資及認沽期權整體合計時，超過5%但低於25%，根據上市規則第14章，當本次交易與前次交易、增資及認沽期權整體合計時，構成本公司的須予披露交易，因此須遵守通知及公告規定，惟豁免遵守股東批准規定。

報告期後事項

除本報告另行披露外，本報告期後無重大事項。

主要客戶及供應商

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23.5%，而最大客戶雲南中煙物資（集團）有限責任公司則佔約為6.9%；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18.8%，而最大供應商則佔約為7.6%。

Directors' Report

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.

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 2021.

References are made to the Company's announcements dated 24 January 2022, 24 May 2022, 22 July 2022 and 28 October 2022 respectively (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 RMB167.6 million (2021: approximately RMB168.2 million) which exceeded 1% but not more than 5% of the applicable percentage ratios.

董事會報告

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。

關連交易及持續關連交易

本集團的關連交易及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。因此, 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2021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2022年1月24日、2022年5月24日、2022年7月22日及2022年10月28日的公告(「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1.676億元(2021年: 約人民幣1.682億元), 該適用百分比率有超過1%但低於5%。

Directors' Report

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 RMB167.6 million:

Amount in RMB

董事會報告

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1.676億元的採購訂單的主要條款載列如下：

金額為人民幣

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 4 January 2022 to 26 December 2022	From 6 January 2022 to 30 December 2022	Guangdong Tobacco Company	The Group	Provision of tobacco raw materials by the Group to Guangdong Tobacco Company	134	167.6 million	189.4 million
2022年1月4日至2022年12月26日	2022年1月6日至2022年12月30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	134	1.676億元	1.894億元

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.

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。

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.

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 12 April 2022, 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 1 year from 1 January 2022 to 31 December 2022 (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.

(II) 與博遠集團的持續關連交易

於2022年4月12日，Chemactive與博遠訂立框架協議（「框架協議」），內容有關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2022年1月1日起至2022年12月31日止（包括首尾兩日），為期一年。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。

Directors' Report

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 cap (details of which is set out in the Company's announcement dated 12 April 2022) under the Framework Agreement was set at not exceeding RMB19.5 million for the year ended 31 December 2022.

For the Financial Year, the actual transaction amount under the Framework Agreement was approximately RMB13.9 million (2021: RMB1.99 million).

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 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. A copy of the auditors' letter has been provided to the Hong Kong Stock Exchange by the Company.

董事會報告

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2022年12月31日止年度之年度上限為不超過人民幣1,950萬元（詳情載於本公司於2022年4月12日刊發的公告）。

截至本財政年度，框架協議項下的實際累計交易金額約為人民幣1,390萬元（2021年：為人民幣199萬元）。

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條規定發出無保留意見函件，當中載有其發現和結論。本公司已將核數師函件副本提交予香港聯交所。

Directors' Report

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.

CORPORATE GOVERNANCE

Details of the Group's corporate governance practices are set out in the Corporate Governance Report on pages 54 to 81 of this annual report.

LEGAL PROCEEDINGS

As at 31 December 2022, 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.

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.

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.

By Order of the Board

LAM Ka Yu
Co-Chairman

Hong Kong, 30 March 2023

董事會報告

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。

企業管治

本集團企業管治常規之詳情載於本年報第54至81頁之企業管治報告。

法律訴訟

於2022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。

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。

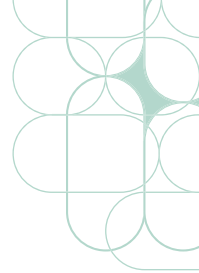
核數師

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。

承董事會命

林嘉宇
聯席主席

香港，二零二三年三月三十日



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 126 to 267, comprise:

- the consolidated statement of financial position as at 31 December 2022;
- 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, which include significant accounting policies 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 2022, 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126至267頁的綜合財務報表，包括：

- 於二零二二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，包括主要會計政策及其他解釋信息。

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二零二二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 (“HKSAs”) 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

The key audit matter identified in our audit is related to Impairment of goodwill:

Key Audit Matter	How our audit addressed the Key Audit Matter
<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 2022, the Group had total cost of goodwill balance amounting to RMB5,953,293,000 which was arisen from acquisitions in previous years and current year. As at 31 December 2022, an accumulated impairment of RMB2,332,844,000 has been recognised. Impairment charge amounting to RMB1,507,710,000 was recognised in current year, of which RMB293,195,000 was in respect of the CGUs of Guangdong Golden Leaf Technology Development Co., Ltd. and its subsidiaries ("Reconstituted Tobacco Leaves"), RMB1,170,675,000 in respect of the CGUs of Jiahao Foodstuff Limited and its subsidiaries ("Jiahao Foodstuff"), and RMB43,840,000 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 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. - 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.

獨立核數師報告

我們在審計中識別的關鍵審計事項為商譽減值：

關鍵審計事項	我們的審計如何處理關鍵審計事項
<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，貴集團於二零二二年十二月三十一日，於以前年度及本年度收購產生的商譽的帳面價值為人民幣5,953,293,000元。截至二零二二年十二月三十一日，貴集團累計確認商譽減值為人民幣2,332,844,000元。本年度確認商譽減值為人民幣1,507,710,000元，其中廣東省金葉科技開發有限公司及其附屬公司(再造烟葉)所屬現金產生單位確認商譽減值為人民幣293,195,000元，廣東嘉豪食品有限公司及其附屬公司(嘉豪食品)所屬現金產出單元確認商譽減值為人民幣1,170,675,000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)所屬現金產生單元確認商譽減值為人民幣43,840,000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"> - 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、變化和對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； - 基於對貴集團業務的理解評估現金產生單元的認定及商譽分攤的適當性； - 獲取管理層聘請的獨立評估機構出具的評估報告；



Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Management tests at least annually whether goodwill is subject to any impairment, in accordance with the accounting policy stated in Note 2.8 and Note 2.9. 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 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. - 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. - 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.

獨立核數師報告

關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>管理層根據附註2.8及附註2.9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，因為其方法的複雜性及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、永續年增長率和選擇數據時涉及的重大判斷。</p>	<ul style="list-style-type: none"> - 對獨立評估機構的獨立性、專業勝任能力以及客戶性進行評估； - 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； - 基於歷史表現及市場發展趨勢，對預測期收入增長率及毛利率使用的關鍵假設以及現金流預測使用的永續增長率進行評估； - 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；

Independent Auditor's Report

獨立核數師報告

Key Audit Matter	How our audit addressed the Key Audit Matter
	<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. – 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>

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"> – 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，並考慮關鍵假設變動的影響； – 考慮了在選擇數據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 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了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，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

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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

獨立核數師報告

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。
- 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。



Independent Auditor's Report

- 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.

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.

獨立核數師報告

- 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。

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。



Independent Auditor's Report

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. Lam Sung Wan.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2023

獨立核數師報告

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林崇雲。

羅兵咸永道會計師事務所
執業會計師

香港，二零二三年三月三十日



Consolidated Statement of Financial Position 綜合財務狀況表

(All amounts in RMB thousands unless otherwise stated)

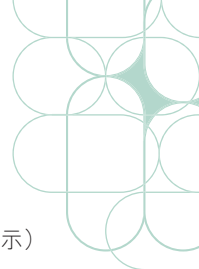
(除另有指明者外，所有金額均以人民幣千元列示)

		As at 31 December		
		於12月31日		
	Note 附註	2022 2022年	2021 2021年	
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	6	2,042,644	1,642,566
Right-of-use assets	使用權資產	7	385,498	251,963
Investment properties	投資性物業	8	27,332	–
Intangible assets	無形資產	9	4,322,720	5,847,307
Investments in associates	於聯營公司之投資	10	691,748	806,407
Investments in jointly controlled entities	於共同控制實體之投資	11	19,802	202,831
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	12	16,006	17,870
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	253,058	215,679
Deferred income tax assets	遞延所得稅資產	13	152,524	167,542
Other non-current assets	其他非流動資產		8,634	133
			7,919,966	9,152,298
Current assets	流動資產			
Biological assets	生物資產	14	1,470	–
Inventories	存貨	15	1,020,023	897,226
Trade and other receivables	貿易及其他應收款項	16	1,242,178	1,081,046
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	12	49,794	48,785
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	1,637,613	3,292,365
Cash and bank balances	現金及銀行存款	18	4,747,978	3,553,409
			8,699,056	8,872,831
Total assets	總資產		16,619,022	18,025,129
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	4,380,460	4,387,519
Retained earnings	保留盈利	22	7,941,787	9,168,518
			12,650,866	13,884,656
Non-controlling interests	非控制性權益		1,906,572	1,834,163
Total equity	總權益		14,557,438	15,718,819

Consolidated Statement of Financial Position 綜合財務狀況表

(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)



		As at 31 December		
		於12月31日		
		Note	2022	2021
		附註	2022年	2021年
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Put option liability	認沽期權負債	23	131,836	–
Lease liabilities	租賃負債	7	37,290	22,176
Deferred income tax liabilities	遞延所得稅負債	13	125,368	149,450
Trade and other payables	貿易及其他應付款項	25	12,163	800
			306,657	172,426
Current liabilities	流動負債			
Borrowings	貸款	24	677,700	962,774
Lease liabilities	租賃負債	7	23,480	18,751
Trade and other payables	貿易及其他應付款項	25	722,135	748,245
Current income tax liabilities	當期所得稅負債		215,650	237,169
Contract liabilities	合同負債	5	115,962	166,945
			1,754,927	2,133,884
Total liabilities	總負債		2,061,584	2,306,310
Total equity and liabilities	總權益及負債		16,619,022	18,025,129

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 126 to 267 were approved by the Board of Directors on 30 March 2023 and were signed on its behalf.

第126至267頁的財務報表已於2023年3月30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

綜合收益表

(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	2022	2021
		附註	2022年	2021年
Revenue	營業額	5	3,828,984	3,882,683
Cost of goods sold	銷售成本	27	(1,951,421)	(1,586,021)
Gross profit	毛利		1,877,563	2,296,662
Other income and other gains – net	其他收入及其他收益－淨額	26	212,812	248,519
Selling and marketing expenses	銷售及市場推廣開支	27	(344,405)	(292,244)
Administrative expenses	行政費用	27	(825,959)	(841,663)
Impairment of goodwill	商譽減值	9	(1,507,710)	(293,270)
Net impairment losses on financial assets	金融資產減值損失淨額	3.1(b)	(20,276)	(3,527)
Operating (loss)/profit	營運(虧損)/盈利		(607,975)	1,114,477
Finance income	財務收入		71,791	101,784
Finance costs	融資成本		(37,970)	(81,468)
Finance income – net	財務收入－淨額	29	33,821	20,316
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	(7,056)	12,584
Provision for impairment relating to the investment in an associate	聯營公司投資之減值撥備	10(i)	(139,000)	–
(Loss)/profit before income tax	除稅前(虧損)/盈利		(720,210)	1,147,377
Income tax expense	所得稅	30	(180,840)	(251,593)
(Loss)/profit for the year	本年度(虧損)/盈利		(901,050)	895,784
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		(1,054,547)	675,131
Non-controlling interests	非控制性權益		153,497	220,653
			(901,050)	895,784
(Loss)/earnings per share for (loss)/profit 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(虧損)/盈利		RMB cents	RMB cents
Basic and diluted	基本及攤薄	31	人民幣分	人民幣分
			(32.65)	21.70

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

綜合全面收益表

(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	
		2022 2022年	2021 2021年
(Loss)/profit for the year	年度(虧損)/盈利	(901,050)	895,784
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	(1,583)	(53,428)
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	107,178	8,039
<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	(2,762)	7,320
Other comprehensive income/(loss) for the year, net of tax	本年度除稅後其他全面收益/(虧損)	102,833	(38,069)
Total comprehensive (loss)/income for the year, net of tax	本年度除稅後全面(虧損)/收益總額	(798,217)	857,715
Total comprehensive (loss)/income attributable to:	應佔全面(虧損)/收益總額：		
Equity holders of the Company	本公司權益持有人	(958,614)	638,306
Non-controlling interests	非控制性權益	160,397	219,409
		(798,217)	857,715

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 綜合權益變動表

(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)

		Attributable to equity holders of the Company 本公司權益持有人應佔					Non-controlling interests	Total equity
	Note	Share capital	Reserves	Retained earnings	Total	非控制性權益	總權益	
	附註	股本	儲備	保留盈利	總計			
Balance at 1 January 2021	於2021年1月1日	318,636	2,633,732	8,918,688	11,871,056	1,823,193	13,694,249	
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	(53,428)	-	(53,428)	-	(53,428)	
Currency translation differences	貨幣換算差額	-	16,603	-	16,603	(1,244)	15,359	
Profit for the year	本年度盈利	-	-	675,131	675,131	220,653	895,784	
Total comprehensive income for the year ended 31 December 2021	截至2021年12月31日止年度的全面收益總額	-	(36,825)	675,131	638,306	219,409	857,715	
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	30,596	(30,596)	-	-	-	
Dividends paid to non-controlling interests	向非控制性權益支付的股息	-	-	-	-	(206,075)	(206,075)	
Share-based payment – Value of employee services	股份為基礎的支付 – 僱員服務價值	20, 21	5,747	-	5,747	-	5,747	
Changes in ownership interests in subsidiaries without change of control	改變附屬公司之所有者權益而不改變控制權	21	364	-	364	(2,364)	(2,000)	
Final dividends for the year ended 31 December 2020 paid to shareholders	向股東支付截至2020年12月31日止年度之年末股息	-	-	(229,479)	(229,479)	-	(229,479)	
Interim dividends for the six months ended 30 June 2021 paid to shareholders	向股東支付截至2021年6月30日止六個月之中期股息	32	-	(165,226)	(165,226)	-	(165,226)	
Issuance of new shares	發行新股	21	1,753,905	-	1,763,888	-	1,763,888	
Total transactions with owners	與擁有人交易總額	9,983	1,790,612	(425,301)	1,375,294	(208,439)	1,166,855	
Balance at 31 December 2021	於2021年12月31日	328,619	4,387,519	9,168,518	13,884,656	1,834,163	15,718,819	

Consolidated Statement of Changes In Equity 綜合權益變動表

(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)

	Note 附註	Attributable to equity holders of the Company 本公司權益持有人應佔			Total 總計	Non- controlling interests 非控制性權益	Total equity 總權益	
		Share capital 股本	Reserves 儲備	Retained earnings 保留盈利				
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	股份為基礎的支付							
- Value of employee services	一僱員服務價值	20, 21	-	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	21	-	(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	33	-	-	-	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	21	-	(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)	
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	32	-	-	(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)	
Dilution of investment in an associate	於聯營公司之投資的股權稀釋	10	-	25,755	-	-	25,755	
Total transactions with owners	與擁有人交易總額		-	(102,992)	(172,184)	(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

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	2022 2022年	2021 2021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	34(a)	1,029,918	1,664,774
Income tax paid	已付所得稅		(231,172)	(251,528)
Net cash generated from operating activities			798,746	1,413,246
Cash flows from investing activities		投資活動的現金流量		
Acquisition of a subsidiary	收購附屬公司	33	(79,233)	-
Acquisitions of equity interest in associates	購入聯營公司之股權	10	(9,200)	(445,696)
Proceeds from disposal of an associate	出售聯營公司所得款		-	12,640
Acquisitions of equity interest in jointly controlled entities	購入共同控制實體之股權		-	(200,500)
Proceeds from disposal of a jointly controlled entity	出售共同控制實體所得款		-	8,480
Proceeds from disposal of financial assets at fair value through other comprehensive income	出售以公允價值計量且其變動計入其他全面收益之金融資產所得款項		-	114,793
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		(15,011,795)	(8,578,731)
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		16,747,528	5,860,227
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		(55,803)	(27,155)
Purchases of property, plant and equipment and intangible assets	購入物業、機器及設備及無形資產		(434,993)	(412,572)
Purchases of investment properties	購入投資性物業		(27,734)	-
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	34(b)	18,001	20,246
Short-term time deposits released	提取短期定期存款		-	1,413,840
Dividends received	已收股息		8,553	8,254
Interest received	已收利息		88,715	130,939
Net cash generated from/(used in) investing activities			1,244,039	(2,095,235)

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	
		2022 2022年	2021 2021年
Cash flows from financing activities	融資活動的現金流量		
Proceeds from issuance of new shares	發行新股所得款	–	1,763,888
Final dividends for the year ended 31 December 2020 paid to shareholders	向股東支付截至2020年12月31日止年度之期末股息	–	(229,479)
Interim dividends for the six months ended 30 June 2021 paid to shareholders	向股東支付截至2021年6月30日止六個月之中期股息	–	(165,226)
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)	–
Dividends paid to non-controlling interests	向非控制性權益支付股息	(194,454)	(206,075)
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)	(2,000)
Deposit for note receivables discounted between the subsidiaries	附屬公司間貼現應收票據保證金	(75,800)	–
New bank borrowings raised	新增銀行貸款	34(c) 750,590	1,557,156
Repayment of bank borrowings	償還銀行貸款	34(c) (1,179,178)	(3,284,355)
Principal elements of lease payments	支付租賃付款之本金部分	34(c) (26,987)	(22,578)
Interest elements of lease payments	支付租賃付款之利息部分	34(c) (1,735)	(2,151)
Interest paid related to bank borrowings and others	與銀行貸款及其他相關之已付利息	(24,882)	(81,904)
Net cash used in financing activities	融資活動所用之現金淨額	(997,635)	(672,724)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	1,045,150	(1,354,713)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	3,541,425	4,921,756
Effects of exchange rate change on cash and cash equivalents	匯率變動對現金及現金等價物的影響	81,900	(25,618)
Cash and cash equivalents at the end of the year	年末之現金及現金等價物	4,668,475	3,541,425

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 2022.

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 30 March 2023.

On 9 August 2021, Huabao Flavours & Fragrances Co., Ltd. (“Huabao Flavours”), a non-wholly owned subsidiary of the Group, acquired 40% equity interests in Shanghai Yifang for a total consideration of RMB180,000,000 in cash. On 8 March 2022, Huabao Flavours further acquired 27% equity interests in Shanghai Yifang for a total consideration of RMB121,500,000 in cash. After the completion of the acquisition, Huabao Flavours’ shareholding in Shanghai Yifang in aggregate reaches 67% and Shanghai Yifang becomes a subsidiary of Huabao Flavours.

Shanghai Yifang is primarily engaged in the promotion and consulting services of agricultural technology, cultivation of fruits and vegetables, research and development of food additives and food production, etc.

Further details are set out in Note 33 to the consolidated financial statements.

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、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2022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說明者外，均以人民幣千元(「人民幣千元」)列示。本綜合財務報表已於2023年3月30日獲董事會批准刊發。

於2021年8月9日，華寶香精股份有限公司(「華寶股份」)，本集團一非全資附屬公司，以現金總代價人民幣180,000,000元收購上海奕方40%股權，並於2022年3月8日以總代價人民幣121,500,000元現金進一步收購上海奕方27%股權。本次收購完成後，華寶股份在上海奕方的持股比例合計達到67%，上海奕方自此成為華寶股份的附屬公司。

上海奕方主要從事農業技術的推廣和諮詢服務，果蔬種植；食品添加劑的研發；食品生產等。

詳情載於綜合財務報表附註33。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant 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 financial statements are for the Group.

2.1 Basis of preparation

(i) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622 (“HKCO”).

(ii) Historical cost convention

The consolidated financial statements of the Company have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (“FVOCI”), financial assets at fair value through profit or loss (“FVPL”) and certain biological assets, 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. 主要會計政策摘要

編製本綜合財務報表所應用的主要會計政策載於下文。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。本綜合財務報表為集團報告。

2.1 編製基準

(i) 遵守香港財務報告準則及香港公司條例

本集團的綜合財務報表乃根據所有適用的香港財務報告準則（「香港財務報告準則」）及香港公司條例第622章的披露規定編制（「香港公司條例」）。

(ii) 歷史成本法

本公司綜合財務報表乃按歷史成本法編制，且就重新計量之以公允價值計量且其變動計入其他全面收益的金融資產，以公允價值計量且其變動計入損益的金融資產及以公允價值計量的生物性資產而作出修訂。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(iii) Initial application of HKAS 41 "Agriculture"

In March 2022, Shanghai Yifang became a subsidiary of Huabao Flavours.

- Property, plant and equipment

Shanghai Yifang holds lemon trees, grapefruit trees, mulberry trees, orange trees and blueberry trees (collectively the "fruit trees") with aggregate carrying amounts of approximately RMB128,179,000 as at 31 December 2022. Shanghai Yifang'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.

All property, plant and equipment, including fruit trees is recognised at historical cost less depreciation. Depreciation of the fruit trees is calculated using the straight-line method to allocate their cost or revalued amounts, with no residual values, over the shorter of their estimated useful lives or lease term as follows:

Bearer plants	21.5-25 years
---------------	---------------

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.

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. 主要會計政策摘要(續)

2.1 編製基準(續)

(iii) 首次採納的香港會計準則第41條「農業」

於2022年3月，上海奕方成為華寶股份的一間控股附屬公司。

- 物業、機器及設備

截至2022年12月31日，上海奕方擁有檸檬樹、西柚樹、桑樹、橙樹及藍莓樹(統稱為「果樹」)總賬面價值約為人民幣128,179,000元。上海奕方的果樹符合香港會計準則第41號「農業」的生產性植物定義，因此根據機器及設備規則入賬。果樹被定義為尚未成熟的，直至完成商業收成才定義為產品。此時，果樹會重分類為成熟的並開始折舊。未成熟的果樹以累計成本扣除減值計量。

所有物業、機器及設備，包括果樹按歷史成本扣除折舊確認。果樹的折舊以直線法按可使用年期或租賃年期以較短者計算(沒有剩餘價值)以分配其成本及重估金額，如下：

生產性植物	21.5至25年
-------	----------

於各報告期末檢討資產的殘值及可使用年期並適當調整。如果資產的賬面值高於其估計可收回金額，資產的賬面值將立即減值至其可收回金額。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(iii) Initial application of HKAS 41 "Agriculture" (Continued)

- Biological assets

Biological assets consist of the growing produce before harvest on fruit trees. Harvested fruits are transferred to inventory raw materials when harvested. Fruit trees are bearer plants and are accounted for as property, plant and equipment.

Biological assets are measured at fair value less cost to sell on initial recognition and at the end of each reporting period, except where fair value cannot be measured reliably due to unavailability of quoted market prices and no reliable alternative estimates exist to determine fair value, in which case the assets are carried at cost less impairment loss. Once the fair value becomes reliably measurable, the biological assets are measured at fair value less costs to sell and changes in fair value are recognised in profit or loss.

The agricultural produce harvested from fruit trees is measured at fair value less costs to sell at the time of harvest, which is determined based on market prices of similar agricultural produce prevailing in the market as at or close to the harvest dates in the local market. The fair value less costs to sell at the time of harvest is deemed as the cost of the inventories for sales. Costs to sell are the incremental costs directly attributable to sell the assets but excludes finance costs and income taxes. Biological assets that are expected to be realised in the next harvest within the next twelve months are classified under current 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. 主要會計政策摘要(續)

2.1 編製基準(續)

(iii) 首次採納的香港會計準則第41條「農業」(續)

- 生物資產

生物資產包括果樹進行收成前之成長中農產品。在收成時，已收成的果類會轉入為庫存原材料。因此果樹乃生產性植物並作為物業、機器及設備入賬。

於初始確認及每個報告期末，生物資產以公允價值扣除出售成本計量。除非因無法獲得市場報價及不存在可靠的替代方法決定其公允價值而無法可靠計量公允價值，在這情況下，生物資產按成本扣除減值虧損列賬。當公允價值能可靠計量時，生物資產以公允價值扣除出售成本計量，而公允價值變動在損益中確認。

農產品從果樹收成後會以收成日之公允價值扣除出售成本計量，收成日之公允價值乃根據當地市場在收成日或接近收成日之市場上同類農產品價格值而確定。收成日之公允價值扣除出售成本被視為存貨之出售成本。出售成本是直接歸屬於出售資產的增量成本，但不包含融資成本及所得稅。若預期於未來十二個月內取得下一次收成的生物資產應被分類為流動資產。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(iv) *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 2022:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to HKAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to HKAS 37
- Annual Improvements to HKFRS Standards 2018-2020
- Reference to the Conceptual Framework – Amendments to HKFRS 3
- Amendments to Accounting Guideline 5 – Merger Accounting for Common Control Combinations
- Narrow scope amendments (amendments) – Amendments to HKFRS 3, HKAS 16 and HKAS 37

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or annual improvements.

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. 主要會計政策摘要(續)

2.1 編製基準(續)

(iv) *本集團已採納的新準則及對現有準則的修訂*

本集團於2022年1月1日起的年度報告期內，首次採納以下新準則或對現有準則的修訂：

- 物業，機器及設備：預定用途前之收益—對香港會計準則第16號的修訂
- 虧損性合同 – 履行合約之成本—對香港會計準則第37號的修訂
- 香港財務報告準則年度改進 2018-2020年週期
- 準則範圍之參考—對香港財務報告準則第3號的修訂
- 同一控制權下之合併會計—對香港會計指引第5條的修訂
- 狹義範圍修訂(修訂)—對香港財務報告準則第3號，香港會計準則第16號及香港會計準則第37號的修訂

本集團並未因採納以上修訂及年度改進而改變其會計政策或進行追溯性調整。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(v) *New 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年度期間起生效
HKFRS 17 香港財務報告準則第17號	Insurance contract 保險合同	1 January 2023 2023年1月1日
Amendments to HKAS 1 and HKFRS Practice Statement 2 香港會計準則第1號修訂及香港財務報告準則實務說明第2號	Disclosure of Accounting Policies 會計政策的披露	1 January 2023 2023年1月1日
Amendments to HKAS 8 香港會計準則第8號修訂	Definition of Accounting Estimates 會計估計的定義	1 January 2023 2023年1月1日
Amendments to HKAS 12 香港會計準則第12號修訂	Deferred Tax related to Assets and Liabilities arising from a Single Transaction 與單一交易所產生的資產及負債相關之遞延所得稅	1 January 2023 2023年1月1日
Hong Kong Interpretation 5 (2020) 香港詮釋第5號(2020年)	Presentation of Financial Statements - classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause 財務報表之呈列－借款人對有償還要求條款之有期貸款之分類	1 January 2024 2024年1月1日
Amendments to HKAS 1 香港會計準則第1號修訂	Classification of liabilities as current or non-current 流動負債及非流動負債之分類	1 January 2024 2024年1月1日
Amendments to HKAS 1 香港會計準則第1號修訂	Non-current Liabilities with covenants 有承諾條款之非流動負債	1 January 2024 2024年1月1日
Amendment to HKFRS 16 香港財務報告準則第16號修訂	Lease Liability in a Sale and Leaseback 售後回租之租賃負債	1 January 2024 2024年1月1日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號修訂	Sale or contribution of assets between an investor and its associate or joint venture 投資者與其聯營公司或合營企業之間的資產出售或出資	To be determined 待定

The management is in the process of making an assessment of the impact of the above new and revised standards, amendments and interpretations to existing standards on the Group's consolidated financial statements.

本集團並無提早採納以下已公佈但仍未生效的新準則及對現有準則的修訂及詮釋：

Effective for the financial year beginning on or after 於下列日期或之後開始的年度期間起生效

1 January 2023
2023年1月1日
1 January 2023
2023年1月1日
1 January 2023
2023年1月1日
1 January 2023
2023年1月1日
1 January 2024
2024年1月1日
1 January 2024
2024年1月1日
1 January 2024
2024年1月1日
1 January 2024
2024年1月1日
1 January 2024
2024年1月1日
To be determined
待定

管理層正在評估以上新訂、經修改之準則、修訂及對現有準則的詮釋對本集團綜合財務報表的影響。

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. 主要會計政策摘要(續)

2.1 編製基準(續)

(v) 尚未採納之新訂準則及詮釋

本集團並無提早採納以下已公佈但仍未生效的新準則及對現有準則的修訂及詮釋：

Effective for the financial year beginning on or after 於下列日期或之後開始的年度期間起生效

1 January 2023
2023年1月1日
1 January 2023
2023年1月1日
1 January 2023
2023年1月1日
1 January 2023
2023年1月1日
1 January 2024
2024年1月1日
1 January 2024
2024年1月1日
1 January 2024
2024年1月1日
1 January 2024
2024年1月1日
1 January 2024
2024年1月1日
To be determined
待定

管理層正在評估以上新訂、經修改之準則、修訂及對現有準則的詮釋對本集團綜合財務報表的影響。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

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. 主要會計政策摘要(續)

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合併入賬。附屬公司在控制權終止之日起停止合併入賬。

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。

(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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

(i) Business combinations (Continued)

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.

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. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within 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. 主要會計政策摘要(續)

2.2 綜合賬目(續)

(a) 附屬公司(續)

(i) 業務合併(續)

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。

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後續變動，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。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

(i) Business combinations (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

(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. 主要會計政策摘要(續)

2.2 綜合賬目(續)

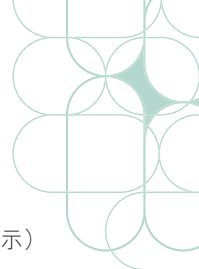
(a) 附屬公司(續)

(i) 業務合併(續)

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。

(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 SIGNIFICANT 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. 主要會計政策摘要(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 SIGNIFICANT 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 statement of comprehensive income.

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. 主要會計政策摘要(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數額與其賬面值的差額，並在收益表中的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全面收益表確認。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT 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. 主要會計政策摘要(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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

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. 主要會計政策摘要(續)

2.3 獨立財務報表

附屬公司投資按成本扣除減值列賬。成本亦包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。

如股息超過宣派股息期內附屬公司的綜合收益總額，或如在獨立財務報表的投資賬面值超過綜合財務報表中被投資公司淨資產(包括商譽)的賬面值，則必須對附屬公司投資作減值測試。

2.4 分部報告

經營分部按照向主要經營決策者提供的內部報告貫徹一致的方式報告。主要經營決策者被認定為作出策略性決定的執行董事負責分配資源和評估經營分部的表現。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The 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.

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.

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. 主要會計政策摘要(續)

2.5 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。

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。

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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation (Continued)

(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;
- (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.

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. 主要會計政策摘要(續)

2.5 外幣換算(續)

(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；
- (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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation (Continued)

(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.

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.

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. 主要會計政策摘要(續)

2.5 外幣換算(續)

(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。

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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 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.

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, fittings and equipment	3-10 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. 主要會計政策摘要(續)

2.6 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。

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，後續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被終止確認。所有其他維修保養費用於其產生的財政期間於綜合收益表中支銷。

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

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (Continued)

Furniture, fittings and equipment and other 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.

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 2.9).

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.

2.7 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. 主要會計政策摘要(續)

2.6 物業、機器及設備(續)

傢俬、裝置及設備和其他租賃物業改良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使用年期將超過租賃年期。

於每個結算日均會檢查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2.9)。

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。

2.7 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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 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 and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(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.

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. 主要會計政策摘要(續)

2.8 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數額，及在被收購方之前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數額。

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的賬面值與可收回數額（使用價值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。

(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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Intangible assets (Continued)

(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.

(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.

2.9 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 value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at 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. 主要會計政策摘要(續)

2.8 無形資產(續)

(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用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。

(e) 專利

專利乃購自第三方的技術並具有有限可使用期，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。

2.9 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使用價值兩者之較高者為準。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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and 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.

(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.

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. 主要會計政策摘要(續)

2.10 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。

(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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and financial assets (Continued)

(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.

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. 主要會計政策摘要(續)

2.10 金融資產(續)

(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。

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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and financial assets (Continued)

(c) Measurement (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. 主要會計政策摘要(續)

2.10 金融資產(續)

(c) 計量(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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and 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. 主要會計政策摘要(續)

2.10 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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.12 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.

2.13 Trade and other receivables

Trade receivables are amounts due from customers for inventories sold in the ordinary course of business. 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.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for 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. 主要會計政策摘要(續)

2.11 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在財務狀況表報告其淨額。法定可執行權利不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時亦必須可強制執行。

2.12 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。

2.13 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或服務執行而應收客戶的款項。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。

貿易及其他應收款項最初以公允價值確認，其後以實際利息法按攤銷成本扣除減值撥備計量。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 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.

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to owners of the Company.

2.16 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. 主要會計政策摘要(續)

2.14 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。

2.15 股本

普通股列為權益。直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少(扣除稅項)。

如任何集團公司購入本公司的權益股本(庫存股份)，所支付的對價，包括任何直接所佔的新增成本(扣除所得稅)，自歸屬於本公司權益持有人的權益中扣除，直至股份被註銷或重新發行為止。如股份其後被重新發行，任何已收取的對價(扣除任何直接所佔的新增交易費用及相關受影響的所得稅)包括在歸屬於本公司權益持有人的權益。

2.16 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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 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.

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. 主要會計政策摘要(續)

2.17 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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within 12 months after the reporting period (or longer if in the normal operating cycle of the business). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Put option liability

Put option is the financial instrument granted by the Group that the counterparty may have the right to request the Group to purchase the equity instrument that held by the counterparty 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 put option, it is reclassified from equity and has to recognise a financial liability with a reduction of parent equity at the present value of the estimated future cash outflows under the put option. 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 financial cost in the consolidated income statement. If the put option expires without delivery, the carrying amount of the liability is reclassified to equity. The put option liabilities are classified as current liabilities unless the 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. 主要會計政策摘要(續)

2.18 貿易及其他應付款

貿易應付賬款為在日常經營活動中購買商品或服務而應支付的債務。如貿易及其他應付款的支付日期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動負債；否則分類為非流動負債。

貿易及其他應付款初始以公允價值確認，其後利用實際利息法按攤銷成本計量。

2.19 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無條件避免交付現金或其他金融資產的權利，則從權益重分類並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有交付，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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, associates and jointly controlled entities 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.

(b) Deferred income tax

Inside basis difference

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. 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.

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. 主要會計政策摘要(續)

2.20 當期及遞延所得稅

本期間的稅項支出包括當期和遞延稅項。稅項在綜合收益表中確認，但與在其他全面收益中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益或直接在權益中確認。

(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。

(b) 遞延所得稅

內在差異

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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

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. 主要會計政策摘要(續)

2.20 當期及遞延所得稅(續)

(b) 遞延所得稅(續)

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。

外在差異

就子公司、聯營和合營投資產生的應課稅暫時性差異確認遞延所得稅負債，但不包括本集團可以控制暫時性差異的轉回時間以及暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債。一般而言，本集團無法控制聯營的暫時性差異的撥回。只有當有協議賦予本集團有能力控制暫時性差異的撥回時才不予確認。

就子公司、聯營和合營投資產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差異。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax (Continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred income taxes assets and liabilities balances relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(d) Deferred taxes recognised arising on a lease

Assets acquired under lease contracts give rise to temporary differences between the carrying amount and tax base. Short-term leases and leases of low value assets are recognised as a straight-line basis as expense in profit or loss. The amount that is charged to rentals by the lessee in its consolidated income statement is likely to be the same as the amount charged in arriving at the taxable profit. An exception to this is where accrued rentals, deferred rentals or lease incentives give rise to temporary differences. The Group considers the lease which is on balance sheet as a single transaction in which the asset and liability are integrally linked, so there is no net temporary difference at inception. Subsequently, as differences arise on settlement of the liability and the amortisation of the leased asset, there will be a net temporary difference on which deferred tax is recognised.

2.21 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. 主要會計政策摘要(續)

2.20 當期及遞延所得稅(續)

(c) 抵銷

當有法定可執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同課稅實體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

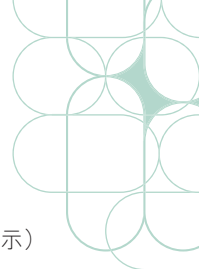
(d) 租賃產生的遞延稅款

根據租賃合同獲得的資產會導致賬面價值和稅基之間的暫時性差異。短期或低價值的資產租賃，承租人所支付的租金在綜合收益表中很可能視作為取得應稅利潤。但應計租金，遞延租金或租賃激勵措施導致暫時性差異將會除外。本集團將資產負債表上的租賃視為一項將資產和負債緊密相連的單一交易，因此初始時並無淨暫時性差異淨額。隨後，由於負債清償和租賃資產攤銷產生差異，則會產生暫時性淨額並確認為遞延稅項。

2.21 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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 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. 主要會計政策摘要(續)

2.21 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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Share-based payment

(a) Employee share scheme

As disclosed in Note 20(a), Guangdong Jiahao Foodstuff Co., Ltd (“Guangdong Jiahao”), a subsidiary of the Group operates equity-settled shared-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).

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.

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. 主要會計政策摘要(續)

2.22 以股份支付之酬金

(a) 僱員購股權計劃

如附註20(a)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)

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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Share-based payment (Continued)

(a) Employee share scheme (Continued)

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.

2.23 Revenue recognition

(a) 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 discounts and after eliminating sales with the Group companies. 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.

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. 主要會計政策摘要(續)

2.22 以股份支付之酬金(續)

(a) 僱員購股權計劃(續)

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(如果有)的影響，並相應的權益進行調整。

2.23 收入確認

(a) 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允價值計量。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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue recognition (Continued)

(a) Revenue from contracts with customers (Continued)

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.

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.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is 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)

2. 主要會計政策摘要(續)

2.23 收入確認(續)

(a) 與客戶之間的合同產生的收入(續)

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，可為迄今已完成的業績付款。

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。

完成履約義務的進度乃根據本集團為履行完成履約義務所作的努力或投入而計量，並參考截至報告期末所產生的合約成本佔每份合約估計總成本的百分比。

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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the original effective interest rate.

2.25 Dividend income

Dividends are recognised when the right to receive payment is established.

2.26 Research and development costs

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (b) the management intends to complete the intangible asset and use or sell it;
- (c) there is an ability to use or sell the intangible asset;
- (d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (f) the expenditure attributable to the intangible asset during its development can be reliably measured.

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. 主要會計政策摘要(續)

2.24 利息收入

利息收入採用實際利息法按時間比例基準確認入賬。倘應收款項出現減值時，本集團會將賬面值撇減至可收回款額，即估計的未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。已減值應收款的利息收益通過有效利率確認。

2.25 股息收入

股息收入在收取款項的權利確定時確認。

2.26 研發成本

研究費用於產生時確認為支出。倘開發中項目(有關設計及測試全新或經改良產品)所產生之費用，符合下列條件的確認為無形資產：

- (a) 產品技術上可行並可完成該無形資產並能出售或使用；
- (b) 管理層有意完成該無形資產並出售或使用；
- (c) 有能力使用或出售該無形資產；
- (d) 可證明該無形資產如何為將來產生經濟效益；
- (e) 足夠的技術、財務及其他資源可完成開發及使用或出售該無形資產；及
- (f) 於開發該無形資產時的成本能可靠計量。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Research and development costs (Continued)

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Development assets are tested for impairment annually.

2.27 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

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. 主要會計政策摘要(續)

2.26 研發成本(續)

資本化的研發費用計入無形資產並在資產達到可使用狀態時採用直線法在使用壽命內開始攤銷，使用年限不會超過5年。

其他研發費用於產生時如不符合上述條件的均會確認為費用。過往確認作費用之開發成本在其後期間並不確認為資產。

研發資產每年進行減值測試。

2.27 租賃

集團應在租賃資產可供使用之日把租賃確認為使用權資產和相應的負債。

租賃條款是以獨立協商，包含各種不同的條款和條件。除了出租人持有的租賃資產中的擔保權益外，租賃合同不包含其他承諾。租賃資產不得用作借貸的抵押品。

租賃產生的資產及負債按現值基準進行初始計量。租賃負債包括下列租賃付款額的淨現值：

- 固定付款額(包括實質固定付款額)，扣減任何應收租賃激勵
- 基於指數或比率的可變租賃付款，初始評估應使用在生效日期的指數或比率
- 剩餘價值擔保項下的本集團預期應付款項
- 購買選擇權的行使價，前提是本集團能合理確定將行使該選擇權，及
- 終止租賃的罰款金額，前提是租賃條款反映本集團將行使該終止租賃選擇權

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Leases (Continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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. 主要會計政策摘要(續)

2.27 租賃(續)

在訂有合理的延期選擇權下所支付的租賃付款需要包括在負債的計量。

租賃付款額按照租賃內含利率折現。如果無法確定該利率(本集團的租賃通常不能確定租賃內含利率)，則應採用承租人的增量借款利率，即承租人為在類似經濟環境下獲得價值相近的使用權資產，以類似條款，條件和情況下借入資金而必須支付的利率。

為確定增量借款利率，本集團：

- 在可能的情況下，以個別承租人最近收到的第三方融資為起點，並進行調整以反映自收到第三方融資以來融資條件的變化
- 該租賃沒有最近的第三方融資下，採用建立方法，先從無風險利率開始對本集團所持租賃的信用風險進行調整，並且
- 針對租賃進行調整，例如條款，國家，貨幣和安全性

若個別承租人通過類似租賃的付款方式(通過最近的融資或市場數據)而獲取可觀察的攤銷借貸利率，本集團應以該利率為起點來確定增量借款利率。

本集團面臨以指數或比率為基礎的未來可變租賃費用的潛在增加，直至受影響後才包含在租賃負債內。基於指數或比率的租賃付款調整生效後，將對租賃負債進行重新評估，並根據使用權資產進行調整。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Leases (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of properties and motor vehicles are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. The Group does not have any leases of low-value assets.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

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. 主要會計政策摘要(續)

2.27 租賃(續)

租賃付款在本金和融資成本之間分配。融資成本在租賃期內在租賃期內從損益中扣除，並藉此制定每個期間對負債餘額之穩定利息率。

使用權資產以下列成本計量：

- 租賃負債的初始計量金額
- 在開始日或之前支付的任何租賃付款減去收到的任何租賃激勵
- 任何初始的直接費用，及
- 還原成本

使用權資產通常按資產使用壽命或租賃年期以較短者按直線法折舊。如集團能合理地確定要行使購買權，則使用權資產按其使用年期折舊。

與物業和汽車車輛的短期租賃有關的付款以直線法確認為損益支出。短期租賃是指租賃期為12個月或更短且無購買選項的租賃。本集團並無任何低值資產的租賃。

本集團為出租人的經營租賃的租金收入在租賃期內按直線法確認為收入。為獲得經營租賃而發生的初始直接費用被加至相關資產的賬面價值，並在租賃期內以與租賃收入相同的基礎確認為費用。各個租賃資產根據其性質包括在資產負債表中。由於採用新的租賃準則，本集團無需對持有出租人的資產會計進行任何調整。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 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.

2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the final dividends are approved by the Company's shareholders and interim dividends are approved by the Company's Board of Directors.

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 investing of excess liquidity.

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. 主要會計政策摘要(續)

2.28 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。

2.29 股息分派

向本公司股東分派的期末股息在股息獲本公司股東批准的期間內，中期股息在獲本公司董事會批准的期間內，於本集團及本公司的財務報表內列為負債。

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、確定和評估財務風險。集團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，以及投資剩餘的流動資金。

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

(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 did not have other significant exposure to foreign exchange risk.

If HKD, United States dollars (“USD”) and Indonesia Rupiah (“IDR”), being the main foreign currencies in which the Group’s financial assets and liabilities denominated, had strengthened/weakened by 5% against RMB during the year ended 31 December 2022, with all other factors remaining unchanged, the profit after income tax for the year would have been affected as follows:

Group	本集團
– Strengthened by 5%	– 升值5%
– Weakened by 5%	– 貶值5%

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

(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，故本集團並無重大外匯風險。

截至2022年12月31日止年度內，假若港幣、美元及印尼盾作為本集團金融資產和負債的主要計價海外貨幣，假若上述貨幣兌人民幣升值／貶值5%，而所有其他因素維持不變，則對本年度除稅後盈利及於年末權益的影響如下：

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

		2022 2022年	2021 2021年
Group	本集團		
– Strengthened by 5%	– 升值5%	45,721	8,400
– Weakened by 5%	– 貶值5%	(45,721)	(8,400)

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

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.

As at 31 December 2022, if interest rates on borrowings at floating rates had been 50 basis points higher or lower with all other variables held constant, interest charges for the year ended 31 December 2022 would increase/decrease by approximately RMB546,000 (2021: RMB3,605,000).

(iii) Price risk

The Group is exposed to price risk because of certain biological assets (Note 14) and 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 RMB2,083,000 higher/lower for the year ended 31 December 2022 (2021: RMB1,821,000).

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) 現金流量及公允價值之利率風險

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。

於2022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2022年12月31日止年度的利息開支將會增加／減少約人民幣546,000元（2021年：人民幣3,605,000元）。

(iii) 價格風險

由於本集團持有的若干生物資產(附註14)及上市權益投資分類為以公允價值計量且其變動計入損益的金融資產，本集團承受價格風險(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2022年12月31日止年度的稅後利潤將上升／下降約人民幣2,083,000元（2021年：人民幣1,821,000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 cash equivalents, contractual cash flows of debt instruments carried at amortised cost, at FVPL and deposits with banks, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management and Security

For cash and cash equivalents, 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

信用風險源於現金及現金等價物、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、銀行和其他金融機構存款以及未收應收款在內的客戶信用風險。

(i) 風險管理及安全

就現金及現金等價物而言，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 formulates the credit losses of cash and bank balances and trade and other receivables using expected credit losses ("ECL") models according to HKFRS 9 requirements.

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 management considers that the counter-parties are reputable banks and financial institutions with high credit ratings. There is no significant increase in credit risk since initial recognition.

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.

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

本集團根據香港財務報告準則第9號的規定使用預期信貸虧損(「預期信貸虧損」)釐定現金及銀行存款以及貿易及其他應收款項的信貸虧損。

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。

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。

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)

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 base 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)

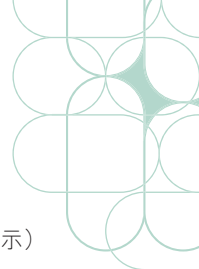
3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

貿易應收款(續)

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 as at 31 December 2022 and 2021 is determined as follows.

As at 31 December 2022

		0 – 90 days	91 days – 180 days	181 days – 360 days	Over 360 days	Total
Trade receivables		0 – 90 日	91 – 180 日	181 – 360 日	超過360 日	合計
Effective expected loss rate	預計有效撥備率	0%	0.005%	6.08%	23.76%	
Gross carrying amount	賬面價值	764,775	112,752	59,268	101,394	1,038,189
Loss allowance	減值撥備金額	-	6	3,604	24,094	27,704

As at 31 December 2021

		0 – 90 days	91 days – 180 days	181 days – 360 days	Over 360 days	Total
Trade receivables		0 – 90 日	91 – 180 日	181 – 360 日	超過360 日	合計
Effective expected loss rate	預計有效撥備率	0%	0.005%	13.64%	68.77%	
Gross carrying amount	賬面價值	756,502	75,511	15,097	16,247	863,357
Loss allowance	減值撥備金額	-	4	2,059	11,174	13,237

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2022年及2021年12月31日，減值撥備金額如以下列示。

於2022年12月31日

於2021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 2022 and 2021 reconciles to the opening loss allowance as follows:

		Year ended 31 December 截至12月31日止年度	
		2022 2022年	2021 2021年
Opening loss allowance at the beginning of the year	年初減值撥備	13,237	11,167
Provision for impairment loss on trade receivables	貿易應收款減值撥備	17,888	2,136
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	(4,358)	(66)
Closing loss allowance at the end of the year	年末減值撥備	27,704	13,237

As at 31 December 2022, the gross carrying amount of trade receivables was RMB1,038,189,000 (31 December 2021: RMB863,357,000), and thus the maximum exposure to loss of trade receivables was RMB1,010,485,000 (31 December 2021: RMB850,120,000).

於2022年12月31日，貿易應收款的賬面價值為人民幣1,038,189,000元（2021年12月31日：人民幣863,357,000元），因此承擔損失風險的最大餘額為人民幣1,010,485,000元。（2021年12月31日：人民幣850,120,000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)

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2022年及2021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. Other receivables mainly include notes receivable, deposits, deductible input tax of Value-Added Tax, advances to staff, retention money and others.

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。其他應收款項主要包括應收票據、存款、增值稅可抵扣進項稅、預付員工款、質保金及其他。

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:

- internal credit rating
- 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 borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

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能性進行比較，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：

- 內部信用評級
- 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)

The loss allowance for other receivables at 31 December reconciles to the opening loss allowance as follows:

		Year ended 31 December 截至12月31日止年度	
		2022 2022年	2021 2021年
Opening loss allowance at the beginning of the year	年初減值撥備	29,565	34,854
Provision for impairment loss on other receivables	其他應收款減值撥備	2,388	1,391
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	(3,982)	(6,680)
Closing loss allowance at the end of the year	年末減值撥備	27,965	29,565

As at 31 December 2022, the gross carrying amount of other receivables was RMB197,231,000 (31 December 2021: RMB209,011,000), and thus the maximum exposure to loss of other receivables was RMB169,266,000 (31 December 2021: RMB179,446,000).

Financial assets at FVPL

The Group is also exposed to credit risk in relation to debt instruments that are measured at FVPL (Note 17). The wealth management products are considered to be low credit risk, where they have a low risk of default and banks has a strong capacity to meet its contractual cash flow obligations in the near term. As at 31 December 2022, the Group has assessed that the expected credit losses for the wealth management product was immaterial.

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12月31日的減值撥備與年初減值撥備的調節如下：

		Year ended 31 December 截至12月31日止年度	
		2022 2022年	2021 2021年
Opening loss allowance at the beginning of the year	年初減值撥備	29,565	34,854
Provision for impairment loss on other receivables	其他應收款減值撥備	2,388	1,391
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	(3,982)	(6,680)
Closing loss allowance at the end of the year	年末減值撥備	27,965	29,565

於2022年12月31日，其他應收款的賬面價值為人民幣197,231,000元(2021年12月31日：人民幣209,011,000元)。因此承受損失風險的最大餘額為人民幣169,266,000元(2021年12月31日：人民幣179,446,000元)。

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(附註17)。其中的財富管理產品被認為是低信用風險，違約風險低且銀行在短期內履行其合同現金流量義務的能力較強。於2022年12月31日，本集團認為財富管理產品的減值損失並不重大。

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)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Financial assets at FVPL (Continued)

The maximum credit risk exposure of unlisted equity investments and contingent consideration at the end of the reporting period are the carrying amount RMB189,568,000 (31 December 2021: RMB215,679,000) and RMB63,490,000 (31 December 2021: nil) respectively.

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group. The Directors monitors 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)

(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損益的金融資產(續)

於報告期末，非上市權益投資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189,568,000元(2021年12月31日：人民幣215,679,000元)及人民幣63,490,000元(2021年12月31日：無)

(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)

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. 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	Over 5 years 五年以上	Total 總計
At 31 December 2022	於2022年12月31日							
Borrowings (including interest)	貸款(包括應計利息)	684,651	-	-	-	-	-	684,651
Trade and other payables excluding non-financial liabilities	貿易及其他應付款項(不包括法定債項及預付款)	527,407	-	-	-	-	-	527,407
Put option liability	認沽期權負債	-	-	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
At 31 December 2021	於2021年12月31日							
Borrowings (including interest)	貸款(包括應計利息)	972,067	-	-	-	-	-	972,067
Trade and other payables excluding non-financial liabilities	貿易及其他應付款項(不包括法定債項及預付款)	501,819	-	-	-	-	800	502,619
Lease liabilities	租賃負債	20,215	9,940	5,446	4,144	2,442	691	42,878
		1,494,101	9,940	5,446	4,144	2,442	1,491	1,517,564

As at 31 December 2022, the Group's net current assets is RMB6,944,129,000 (31 December 2021: RMB6,738,947,000).

於2022年12月31日，本集團之流動資產淨值為人民幣6,944,129,000元（2021年12月31日：人民幣6,738,947,000元）。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

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 2022 and 2021.

3.3 Fair value estimation

The following categorises financial instruments carried at fair value based on the level of inputs to valuation techniques within a fair value hierarchy. The different levels have been defined as follows:

- Quoted price (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

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。

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2022年及2021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

以下對以公允價值計量的金融工具進行分類，乃根據在公允價值層級中輸入估值技巧的級別釐定。不同層級的定義如下：

- 相同資產或負債在活躍市場的報價(未經調整)(第一層)；
- 除了第一層所包括的報價外，該資產和負債的可觀察的其他輸入，可直接(即例如價格)或間接(即源自價格)(第二層)；
- 資產和負債並非依據可觀察市場數據的輸入(即不可觀察輸入)(第三層)。

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)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

The following tables present the Group's financial assets measured and recognised at fair value at 31 December 2022 and 2021:

3. 財務風險管理(續)

3.3 公允價值估計(續)

下表列示本集團於2022及2021年12月31日按公允價值計量及確認的金融資產：

	Note 附註	Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 共計
At 31 December 2022					
Financial assets at FVPL					
- Listed equity investments	17	43,298	-	-	43,298
- Wealth management products	17	-	-	1,594,315	1,594,315
- Unlisted equity investments	17	-	-	189,568	189,568
- Contingent consideration	17	-	-	63,490	63,490
Financial assets at FVOCI					
- Unlisted equity investments in the PRC	12	-	-	16,006	16,006
- Debt securities	12	-	-	49,794	49,794
		43,298	-	1,913,173	1,956,471
At 31 December 2021					
Financial assets at FVPL					
- Listed equity investments	17	35,866	-	-	35,866
- Wealth management products	17	-	-	3,256,499	3,256,499
- Unlisted equity investments	17	-	-	215,679	215,679
Financial assets at FVOCI					
- Unlisted equity investments in the PRC	12	-	-	17,870	17,870
- Debt securities	12	-	-	48,785	48,785
		35,866	-	3,538,833	3,574,699

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)

There were no transfers of financial assets between level 1, level 2 and level 3 fair value hierarchy classifications for the year ended 31 December 2022.

There are no other financial instruments that were measured at fair value as at 31 December 2022 and 2021.

The financial assets of level 1 within the fair value hierarchy as at 31 December 2022 and 2021 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)

截至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2022及2021年12月31日，並無其他金融工具乃按公允價值計量。

於2022及2021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當期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)

The financial assets of level 3 within the fair value hierarchy as at 31 December 2022 and 2021 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 year ended 31 December 2022 and 2021:

		Unlisted equity investments 非上市股權投資	Wealth management products 財富管理產品	Debt securities 債權投資	Total 共計
At 1 January 2021	於2021年1月1日	167,686	540,492	-	708,178
Additions	添置	85,600	8,510,999	163,194	8,759,793
Disposals	出售	(2,421)	(5,852,944)	(114,409)	(5,969,774)
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	(53,428)	-	-	(53,428)
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	38,866	57,952	-	96,818
Currency translation differences	貨幣換算差額	(2,754)	-	-	(2,754)
At 31 December 2021	於2021年12月31日	233,549	3,256,499	48,785	3,538,833

		Unlisted equity investments 非上市股權投資	Wealth management products 財富管理產品	Debt securities 債權投資	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

Asset-based approach, market approach and income approach are adopted in the valuation of financial assets of level 3.

第三層金融資產的估值採用資產法、市場法及收益法。

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)

截至2022年和2021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當期損益的金融資產。下表列出了本集團截至2022年及2021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)

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			2022 2022年	2021 2021年	
	2022 2022年	2021 2021年				
Unlisted equity investment 非上市權益投資	205,574	233,549	Discount for lack of marketability 缺乏市場流動性折扣	9%-19%	10%-20%	The higher the Discount for lack of marketability, the lower the fair value 缺乏市場流動性折扣越高，公允價值越低
			Enterprise Value/Sales multiple of peers 市場乘數EV/Sales	1.60-3.65	n/a 不適用	The higher the Enterprise Value/Sales multiple, the higher the fair value 市場乘數EV/Sales越高，公允價值越高
			Price/Sales multiple of peers 市場乘數P/S	4.43-6.80	n/a 不適用	The higher the Price/Sales multiples, the higher the fair value 市場乘數P/S越高，公允價值越高
			Price/Earnings multiple of peers 市場乘數P/E	20.00	n/a 不適用	The higher the Price/Earnings multiples, the higher the fair value 市場乘數P/E越高，公允價值越高
Wealth management products 財富管理產品	1,594,315	3,256,499	Expected rate of return 預期回報率	1.00%-4.71%	1.00%-5.85%	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 債權投資	49,794	48,785	Risk-adjusted discount rate 風險調整貼現率	2.55%	2.50%	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	63,490	n/a 不適用	Risk-adjusted discount rates 風險調整貼現率	12.86%-14.95%	n/a 不適用	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	5%-65%	n/a 不適用	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	20.24%-28.08%	n/a 不適用	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)

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)

3.4 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.

3.5 Fair value of financial assets and liabilities measured at amortised cost

The fair values of financial assets and liabilities measured at amortised cost approximate their carrying amounts.

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.

4.1 Critical accounting estimates

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 2.8 and Note 2.9. The recoverable amounts of CGUs have been determined based on the higher of value in use and the fair value less costs to sell. These calculations require the use of estimates (Note 9). 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)

3. 財務風險管理(續)

3.4 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。

3.5 按攤銷成本計量的金融資產及負債之公允價值

按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。

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。

4.1 關鍵會計估計

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2.8及2.9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(附註9)。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)

4.1 Critical accounting estimates (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)

4.1 關鍵會計估計(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)

4.1 Critical accounting estimates (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 put option liability

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 with a reduction of parent equity 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)

4.1 關鍵會計估計(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) 認沽期權負債之估計

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)

4.2 Critical accounting judgements

(a) 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).

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)

4.2 關鍵會計判斷

(a) 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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

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.

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

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。

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)

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. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The segment information for the year ended 31 December 2022 is presented below:

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：

		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	分部間銷售	(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						(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

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)

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The segment information for year ended 31 December 2021 is presented below:

5. 營業額及分部資料(續)

截至2021年12月31日止年度之分部資料呈列如下：

		Year ended 31 December 2021 截至2021年12月31日止年度					
		Flavours and fragrances 香精	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	1,941,375	586,072	720,649	676,481	22	3,924,599
Inter-segment revenue	分部間銷售	(14,626)	(20,667)	(6,623)	-	-	(41,916)
Segment revenue – net	分部營業額－淨額	1,926,749	565,405	714,026	676,481	22	3,882,683
Segment result	分部業績	1,104,081	(80,091)	59,096	136,864	(105,473)	1,114,477
Finance income	財務收入						101,784
Finance costs	融資成本						(81,468)
Finance income – net	財務收入－淨額						20,316
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						12,584
Profit before income tax	除稅前盈利						1,147,377
Income tax expense	所得稅						(251,593)
Profit for the year	本年度盈利						895,784
Depreciation	折舊	40,583	84,652	33,401	11,836	6,357	176,829
Amortisation	攤銷	1,828	8,994	15,444	73,919	139	100,324
		As at 31 December 2021 於2021年12月31日					
		Flavours and fragrances 香精	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	8,389,135	2,314,894	1,344,664	4,586,505	1,389,931	18,025,129

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 consist primarily of property, plant and equipment, right-of-use assets, intangible assets, investments in associates, investments in jointly controlled entities, financial assets at FVPL and financial assets at FVOCI that are managed by the Finance Department, deferred income tax assets, other non-current assets, inventories, trade and other receivables, time deposits and cash and cash equivalents. They exclude financial assets at FVOCI and financial assets at FVPL that are managed by the Investment Department and intersegment eliminations.

Non-current assets other than financial instruments and deferred tax assets of the Group as at 31 December 2022 and 2021 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 2022 amounted to 7% (2021: 6%) of the Group's total revenue. These revenues are attributable to F&F and food ingredients segment.

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。

分部資產主要包括物業，廠房及設備、使用權資產、無形資產、對聯營公司的投資、對共同控制實體的投資、由財務部管理之按公允價值計量且其變動計入損益和按公允價值計量且其變動計入其他全面收益的金融資產、遞延所得稅資產、其他非流動資產、存貨、貿易和其他應收款、定期存款以及現金和現金等價物。它們不包括由投資部門管理的以公允價值計量且其變動計入其他全面收益和以公允價值計量且其變動計入損益的金融資產，及分部間抵銷。

除金融工具和遞延所得稅資產以外，於2022年及2021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2022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7%（2021年：6%）。這些收入是由香精及食品配料分部產生的。

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

The Group has recognised the liabilities related to contracts with customers:

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
Prepayment from customers	客戶預付貨款	76,724	101,795
Unrealized sales incentives	未實現的銷售激勵	39,238	65,150
Total contract liabilities	總合同負債	115,962	166,945

(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 decrease in contract liabilities were mainly attributable to a decrease in condiments business.

(ii) Revenue recognised in relation to contract liabilities

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.

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

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	
		2022 2022年	2021 2021年
Prepayment from customers	客戶預付貨款	76,724	101,795
Unrealized sales incentives	未實現的銷售激勵	39,238	65,150
Total contract liabilities	總合同負債	115,962	166,945

(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。合同負債減少的主要原因是調味品的業務減少。

(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	
		2022 2022年	2021 2021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	127,854	158,818

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。

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)

(iii) *Contract liabilities related to unrealized sales incentives are analysed as follows:*

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
Unrealized 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	19,387	28,069
Unrealized 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	19,851	37,081
		39,238	65,150

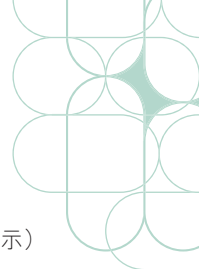
綜合財務報表附註

(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)

(iii) *與合同負債相關的未變現銷售獎勵分析如下：*



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 2021	於2021年1月1日										
Cost	成本	887,708	1,109,593	-	-	57,825	242,539	77,910	296,850	2,962	2,675,387
Accumulated depreciation	累計折舊	(377,487)	(678,093)	-	-	(44,150)	(169,063)	(16,810)	-	(1,527)	(1,287,130)
Net book amount	賬面淨值	510,221	431,500	-	-	13,675	73,476	61,100	296,850	1,435	1,388,257
Year ended 31 December 2021	截至2021年12月31日止年度										
Net book amount at 1 January	於1月1日賬面淨值	510,221	431,500	-	-	13,675	73,476	61,100	296,850	1,435	1,388,257
Additions	添置	40,993	8,677	-	-	2,576	16,230	2,672	351,250	-	422,398
Transfers	轉移	129,462	252,265	-	-	-	2,835	14,400	(398,962)	-	-
Disposals	出售	(191)	(1,093)	-	-	(328)	(3,844)	(9,064)	-	-	(14,520)
Depreciation	折舊	(37,823)	(96,436)	-	-	(3,107)	(13,745)	(1,120)	-	(296)	(152,527)
Currency translation differences	貨幣換算差額	(280)	(666)	-	-	(15)	(59)	(22)	-	-	(1,042)
Net book amount at 31 December	於12月31日賬面淨值	642,382	594,247	-	-	12,801	74,893	67,966	249,138	1,139	1,642,566
At 31 December 2021	於2021年12月31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



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	
		2022 2022年	2021 2021年
Manufacturing overheads	製造費用	156,631	75,080
Administrative expenses	行政費用	44,258	76,709
Selling and marketing expenses	銷售及推廣開支	718	738
Other non-current assets	其他非流動資產	60	–
Total depreciation	折舊總額	201,667	152,527

- (i) As at 31 December 2022, buildings with net book value of RMB5,996,000 were pledged as collateral for the Group's borrowings (31 December 2021: the Group's secured bank borrowings were fully repaid, no property, plant and equipment were pledged as collateral for the Group's borrowings).
- (ii) The amount represented impairment loss provided for the construction cost of certain specialised machineries in the tobacco raw materials segment due to the termination of related projects.

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) 於2022年12月31日，賬面淨值為人民幣5,996,000元的樓宇已被抵押為本集團貸款的抵押品。(2021年12月31日：本集團的有抵押銀行貸款已全數償還，已沒有物業、機器或設備被抵押作為本集團的抵押品)。
- (ii) 該金額為因相關項目終止而對煙用原料板塊部分專用機械的建設成本計提的減值損失。

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	2022 2022年	2021 2021年
Right-of-use assets:	使用權資產:			
Land use rights	土地使用權	(i)	327,497	215,147
Properties	物業		58,001	36,816
			385,498	251,963
Lease liabilities:	租賃負債:			
Current	流動		23,480	18,751
Non-current	非流動		37,290	22,176
			60,770	40,927

Additions to the right-of-use assets for the year ended 31 December 2022 were RMB89,962,000, excluding the increase of RMB85,394,000 due to the acquisition of equity interest in Shanghai Yifang.

- (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 2022, land use rights with net book value of RMB11,666,000 were pledged as collateral for the Group's borrowings (31 December 2021: the Group's secured bank borrowings were fully repaid, no right-of-use assets were pledged as collateral for the Group's 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)

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：

		As at 31 December 於12月31日		
		Note 附註	2022 2022年	2021 2021年
Right-of-use assets:	使用權資產:			
Land use rights	土地使用權	(i)	327,497	215,147
Properties	物業		58,001	36,816
			385,498	251,963
Lease liabilities:	租賃負債:			
Current	流動		23,480	18,751
Non-current	非流動		37,290	22,176
			60,770	40,927

截至2022年12月31日止年度，使用權資產增加額為人民幣89,962,000元，當中不包括因收購上海奕方權益而增加的人民幣85,394,000元。

- (i) 本集團在土地使用權的權益為預付的經營租賃款項及其賬面淨值。

於2022年12月31日，賬面淨值為人民幣11,666,000元的土地使用權已被抵押為本集團貸款的抵押品。(2021年12月31日：本集團的有抵押銀行貸款已全數償還，已沒有使用權資產被抵押作為本集團的抵押品)。

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

The consolidated income statement shows the following amounts relating to lease:

		Year ended 31 December 截至12月31日止年度		
		Note 附註	2022 2022年	2021 2021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		11,162	6,495
Properties	物業		23,318	24,302
			34,480	30,797
Interest expense	利息支出	29	1,735	2,151
Expense relating to short-term leases	短期租賃費用	27	29,669	19,691

The total cash outflow for leases for the year ended 31 December 2022 was RMB58,394,000 (2021: RMB44,420,000).

截至2022年12月31日止年度的租賃現金流出總額為人民幣58,394,000元(2021年:人民幣44,420,000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

綜合收益表顯示以下與租賃有關的金額：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

8. Investment properties

		Land and buildings 土地及樓宇	Construction in progress 在建工程	Total 總計
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	-	-	-
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

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。

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. 投資性物業

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)

9. INTANGIBLE ASSETS

9. 無形資產

	Note	Goodwill	Trademarks and licenses	Customer relationships	Non-competition agreement	Computer software	Patents	Total
	附註	商譽 (a)	商標及許可證 (b)	客戶關係	非競爭協議	電腦軟件	專利	總計
At 1 January 2021	於2021年1月1日							
Cost	成本	5,903,875	544,817	787,443	3,085	10,738	60,180	7,310,138
Accumulated amortisation and impairment	累計攤銷及減值	(531,864)	(126,140)	(367,893)	(3,013)	(7,768)	(47,098)	(1,083,776)
Net book amount	賬面淨值	5,372,011	418,677	419,550	72	2,970	13,082	6,226,362
Year ended 31 December 2021	截至2021年12月31日止年度							
Net book amount at 1 January	於1月1日賬面淨值	5,372,011	418,677	419,550	72	2,970	13,082	6,226,362
Additions	添置	-	21	-	-	4,030	3,993	8,044
Amortisation	攤銷	27	(23,197)	(62,939)	-	(1,035)	(6,658)	(93,829)
Impairment	減值	(a)	(293,270)	-	-	-	-	(293,270)
Net book amount at 31 December	於12月31日賬面淨值	5,078,741	395,501	356,611	72	5,965	10,417	5,847,307
At 31 December 2021	於2021年12月31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	33	49,418	75	15,869	-	6,900	72,262
Additions	添置	-	9	-	-	5,315	-	5,324
Amortisation	攤銷	27	(23,169)	(61,441)	-	(2,355)	(7,498)	(94,463)
Impairment	減值	(a)	(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

Amortisation is included in cost of goods sold, administrative expenses and other non-current assets.

攤銷包括在銷售成本、行政費用及其他非流動資產內。

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 within the operating segment. The goodwill is allocated in CGUs as follows:

		As at 31 December 2022 於2022年12月31日					As at 31 December 2021 於2021年12月31日				
		Reconstituted			Others	Total	Reconstituted			Others	Total
		Flavours Subgroup	Tobacco Leaves	Jiahao Foodstuff	(Including Shanghai Yifang) 其他		Flavours Subgroup	Tobacco Leaves	Jiahao Foodstuff		
		香精	再造煙葉	嘉豪食品 (包括上海奕方)		香精	再造煙葉	嘉豪食品	其他		
Goodwill	商譽	1,186,344	356,168	1,969,377	108,560	3,620,449	1,186,344	649,363	3,140,052	102,982	5,078,741

The recoverable amount of a CGU is determined based on the higher of value in use ("VIU") and the fair value less costs to sell. An impairment of RMB293,270,000 was recognised for the CGU of Reconstituted Tobacco Leaves ("RTL") for the year ended 31 December 2021, resulted in a reduce in the carrying amount of the goodwill of RTL from RMB942,633,000 to RMB649,363,000 as at 31 December 2021. Based on the results of the Group's discussion with customers at the end of 2022, the management of the Group re-evaluated the supply and demand situation of the traditional RTL industry and considered that the oversupply in the traditional RTL would remain for a longer period of time, while based on the principle of prudence and conservatism, a conservative forecast on the future sales of the traditional RTL was made. As at 31 December 2022, management engaged an independent valuer to conduct an impairment test on goodwill of CGU of RTL. According to the test results, an impairment of goodwill of approximately RMB293,195,000 was recognised for the CGU of RTL, resulted in a reduce in the carrying amount of the goodwill of RTL from RMB649,363,000 to RMB356,168,000 as at 31 December 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)

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主要根據其業務分部分配至多個CGUs。商譽分配至CGUs呈列如下：

CGU的可收回金額乃根據使用價值(「VIU」)與公允價值減處置費用兩者中的較高者釐定。截至2021年12月31日止年度，再造煙葉確認了人民幣293,270,000元的商譽減值，導致再造煙葉的商譽由人民幣942,633,000元減少至人民幣649,363,000元。基於本集團於2022年年底與客戶的溝通結果，本集團管理層對傳統再造煙葉行業供需情況重新做了評估，認為傳統再造煙葉行業供大於求仍將維持一段較長時間，基於審慎和保守的原則，對傳統再造煙葉未來的銷售做了保守的預測。於2022年12月31日，管理層聘用獨立評估師為再造煙葉的CGU進行減值測試。根據測試結果，再造煙葉的CGU確認了商譽減值為人民幣293,195,000元，導致再造煙葉的商譽賬面值由人民幣649,363,000元減少至於2022年12月31日的人民幣356,168,000元。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

(a) (Continued)

Following the decrease in revenue and operating profit of the CGU of Jiahao Foodstuff due to the impact of the resurgence of Novel Coronavirus Pneumonia Pandemic ("Pandemic") in the PRC in 2022, which hindered the logistics and supply chains of raw materials, while various daily consumption activities including those of retail and catering sectors were adversely affected, thereby resulting in decrease in demand and increase in the operating costs. Given that the revenue and the operating profit of Jiahao Foodstuff had dropped significantly in 2022, and there is great uncertainty in the future of the Chinese condiment market due to the Pandemic, an impairment loss on goodwill of Jiahao Foodstuff's CGU is expected. As at 31 December 2022, management engaged an independent valuer to conduct an impairment test on goodwill of CGU of Jiahao Foodstuff. In the goodwill impairment test carried out by the valuer, fair value less costs to sell and VIU of the CGU of Jiahao Foodstuff 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 sell and therefore VIU was adopted to be the recoverable amount of the CGU of Jiahao Foodstuff. According to the test results, an impairment of goodwill of approximately RMB1,170,675,000 were recognised for the CGU of Jiahao Foodstuff, resulted in a reduction in the carrying amount of the goodwill of Jiahao Foodstuff from RMB3,140,052,000 to RMB1,969,377,000 as at 31 December 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)

9. 無形資產(續)

(a) (續)

繼2022年新型冠狀病毒肺炎大流行(「新冠肺炎疫情」)在中國捲土重來阻礙了原材料的物流和供應鏈，同時各種包括零售業和餐飲業在內的日常消費活動受到不利影響，從而導致需求減少和經營成本增加。鑑於2022年嘉豪食品的收入和營運盈利大幅下降，且受新冠肺炎疫情影響，中國調味品市場未來存在較大不確定性，預計嘉豪食品CGU的商譽將出現減值損失。於2022年12月31日，管理層聘請獨立評估師對嘉豪食品CGU的商譽進行減值測試。此次評估分別採用市場法及收益法去評估嘉豪食品CGU的公允價值減處置費用及VIU。根據測試結果，VIU高於公允價值減處置費用，因此採用VIU作為嘉豪食品CGU的可收回金額。根據測試結果，嘉豪食品CGU確認商譽減值約人民幣1,170,675,000元，導致嘉豪食品的商譽賬面值由人民幣3,140,052,000元減少至於2022年12月31日的人民幣1,969,377,000元。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

(a) (Continued)

Following the decrease in revenue and operating profit of the CGU of Shanghai Yifang after the acquisition date due to the impact of multiple factors such as slowing economic growth, Pandemic in the PRC, complex and changeable external environment, and weakened market demand in 2022. Based on prudent and conservative principles, the Group has lowered its earnings forecast for Shanghai Yifang in the future, and an impairment loss on goodwill of Shanghai Yifang's CGU is expected. As at 31 December 2022, 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 sell and VIU of the CGU of Shanghai Yifang was assessed by using income approach. According to the test results, VIU was higher than fair value less costs to sell and therefore VIU was adopted to be the recoverable amount of the CGU of Shanghai Yifang. According to the test results, an impairment of goodwill of approximately RMB43,840,000 was recognised for the CGU of Shanghai Yifang, resulted in a reduction in the carrying amount of the goodwill of Shanghai Yifang from RMB49,418,000 to RMB5,578,000 as at 31 December 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)

9. 無形資產(續)

(a) (續)

集團在完成收購上海奕方後，2022年面對經濟增速放緩、國內疫情、外部環境複雜多變以及市場需求減弱等多重因素衝擊，上海奕方CGU於2022年的銷售收入及營運盈利下滑。基於審慎和保守的原則，集團下調了上海奕方在未來的盈利預測並預計上海奕方CGU之商譽將出現減值。於2022年12月31日，管理層聘用獨立評估師為上海奕方的CGU進行減值測試，是次測試採用收益法來評估上海奕方CGU的公允價值減處置費用及VIU。根據測試結果，VIU高於公允價值減處置費用，因此採用VIU作為上海奕方CGU的可收回金額，並確認上海奕方CGU商譽減值人民幣43,840,000元。確認減值後，上海奕方的商譽賬面值由人民幣49,418,000元減少至於2022年12月31日的人民幣5,578,000元。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

(a) (Continued)

Other than the CGU of Jiahao Foodstuff, RTL and Shanghai Yifang, as at 31 December 2022, 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.

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)

除了嘉豪食品CGU，再造煙葉CGU及奕方CGU外，於2022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是基於管理層編制的五年期財務預算而預計之稅前現金流量計量。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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

(a) (Continued)

The key assumptions used for VIU calculations are as follows:

		As at 31 December 2022 於2022年12月31日				As at 31 December 2021 於2021年12月31日			
		Flavours Subgroup	RTL	Jiahao Foodstuff	Others (Including Shanghai Yifang) 其他 (包括上海奕方)	Flavours Subgroup	RTL	Jiahao Foodstuff	Others
		香精	再造煙葉	嘉豪食品		香精	再造煙葉	嘉豪食品	其他
Forecast growth rate	預計增長率	-14.0%~0.0%	-6.0%~20.1%	7.8%~22.7%	-27.2%~82.4%	-3.0%~0.0%	3.9%~20.6%	6.7%~26.4%	-5.5%~137.8%
Terminal growth rate	永續年增長率	0.0%	3.0%	3.0%	0.0%~3.0%	0.0%	3.0%	3.0%	0.0%~3.0%
Budgeted gross margin	預計毛利率	82.6%	51.9%~54.9%	53.7%~55.6%	13.4%~44.9%	83.0%	49.1%~54.3%	58.5%~59.4%	22.0%~45.0%
Pre-tax discount rate	稅前貼現率	14.6%	19.0%	15.9%	15.0%~19.8%	14.3%	16.5%	13.5%	14.9%~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)

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)

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 2022 於2022年12月31日			As at 31 December 2021 於2021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	8,643,717	910,991	3,065,913	9,438,095	1,187,631	4,414,130
Headroom	不減值空間	3,564,620	-	-	4,087,668	-	101,116

The recoverable amount of the CGU of Flavours Subgroup, CGU of RTL and CGU of Jiahao Foodstuff would equal its carrying amount if the key assumptions were to change as follows:

		31 December 2022 於2022年12月31日						31 December 2021 於2021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	-14%	-0%	-107.0%	-121.8%	NA	NA	NA	NA	-3.0%	-0.0%	-18.9%	-22.3%
Terminal growth rate*	永續年增長率*	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Budgeted gross profit margin	預計毛利率	82.6%	38.5%	NA	NA	NA	NA	83.0%	46.3%	NA	NA	58.5%	-59.4%
Pre-tax discount rate	稅前貼現率	14.6%	65.6%	NA	NA	NA	NA	14.3%	54.4%	NA	NA	13.5%	13.7%

* The management have considered and assessed reasonably possible changes for terminal growth rate and have not identified any other instances that could cause the carrying amount of the CGU of Flavours Subgroup to exceed its recoverable amount.

(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)

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:

若關鍵假設變更如下，香精業務的CGU的可收回金額、再造煙葉的CGU的可收回金額和嘉豪食品的CGU的可收回金額將等同於其賬面值:

* 管理層經考慮及評估永續年增長的合理可能變動，並無發現其他情況可能導致香精業務的CGU的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

The Group has interests in ten (31 December 2021: nine) individually immaterial associates as at 31 December 2022. 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2022年12月31日，本集團於十個（2021年12月31日：九個）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	
		2022 2022年	2021 2021年
At the beginning of the year	年初	806,407	374,761
Acquisition of equity interest in Broad Far (Hong Kong) Limited and its subsidiaries ("Broad Far Group")	購入博遠(香港)有限公司及其附屬公司(「博遠集團」)之股權	—	17,836
Acquisition of equity interest in Hunan Jiapinjiawei Technology Development Group Co., Ltd. ("Hunan Jiapinjiawei")	購入湖南省嘉品嘉味科技發展集團有限公司(「湖南嘉品嘉味」)之股權	—	54,800
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	增資湖南嘉品嘉味	5,200	—
Acquisition of equity interest in Junjieshang Network Technology Co., Ltd. ("Junjieshang")	購入駿杰尚網絡科技有限公司(「駿杰尚」)之股權	—	350,000
Acquisition of equity interest in Yingtan Dongwu Technology Co., Ltd. ("Yingtan Dongwu")	購入鷹潭東霧科技有限責任公司(「鷹潭東霧」)之股權	—	3,500
Acquisition of equity interest in Xiamen Fengtao Ceramics Co., Ltd. ("Xiamen Fengtao")	購入廈門蜂濤陶瓷有限公司(「廈門蜂濤」)之股權	—	19,560
Provision for impairment relating to the investment in Junjieshang	投資駿杰尚之減值撥備	(a) (139,000)	—
Share of results of associates	應佔聯營公司業績	(7,156)	6,685
Dividends received	已收股息	(5,110)	(4,031)
Adjustment for transactions between the Group and associates	調整本集團與聯營公司之交易	—	(2,916)
Disposal of equity interest in Beijing Kingdee Yunji Technology Co., Ltd.	出售北京金蝶雲基科技有限公司之股權	—	(13,788)
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	1,652	—
At the end of the year	年末	691,748	806,407



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

- (a) 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.

During the year ended 31 December 2022, an aggregate impairment provision of approximately RMB139,000,000 has been recognised for the investment in Junjieshang. The recoverable amounts were determined using VIU, which is higher than fair value less costs of disposal.

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)

- (a) 於評估聯營投資是否需要減值時，所有外部和內部因素均會被考慮，此等因素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按公允價值減去出售成本或VIU中的較高者確認。

截至2022年12月31日止年度，對駿杰尚的投資已確認累計減值撥備約人民幣139,000,000元。而可收回金額按VIU確認，因該金額高於公允價值減去處置成本之金額。

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)

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

As at 31 December 2022, the Group had interests in the following associates:

10. 於聯營公司之投資(續)

於2022年12月31日，本集團於以下聯營公司擁有權益：

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
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 Ruisheng Tobacco Technology Group Co., Ltd. ("Yunnan Ruisheng") (i) 雲南瑞升煙草技術(集團)有限公司(「雲南瑞升」)(i)	PRC 中國	6.72%	Research, develop, produce and sell flavours and additives 研發、生產和銷售香精香料及添加劑
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
Junjieshang(ii) 駿杰尚(ii)	PRC 中國	10.00%	Technology development and promotion in the field of internet technology, advertisement design and production 互聯網科技領域內的技術開發、技術推廣、廣告設計及製作
Xiamen Fengtao (i) 廈門峰濤(i)	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 Group 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
Yingtang Dongwu 鷹潭東霧	PRC 中國	35.00%	Produce and sell electronic atomized cigarette products 生產及銷售電子霧化煙產品
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
Shenzhen Ruili 深圳銳麗	PRC 中國	34.00%	Research, develop, produce and sell atomizer products 研發、生產及銷售霧化類產品

(i) The Group has significant influence over these companies by representations on its board of directors.

(ii) The Group has significant influence over Junjieshang by the appointment of its executive director.

The associates are private entities and no quoted price is available.

(i) 本集團通過在公司的董事會中委任董事，對此等公司有重大影響力。

(ii) 本集團通過在駿杰尚委任執行董事，對這間公司有重大影響力。

此等聯營公司為私人實體，並無公開市場報價。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

11. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

The Group has interests in two (31 December 2021: three) immaterial joint ventures as at 31 December 2022. 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.

An analysis of the movements of equity investments in jointly controlled entities is as follows:

綜合財務報表附註

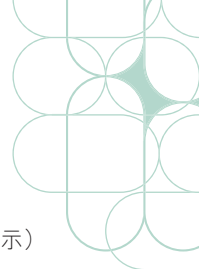
(除另有指明者外，所有金額均以人民幣千元列示)

11. 於共同控制實體之投資

於2022年12月31日，本集團於兩個（2021年12月31日：三個）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。

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	
		2022 2022年	2021 2021年
At the beginning of the year	年初	202,831	7,410
Acquisition of equity interest in Shanghai Yifang	購入上海奕方之股權	–	180,000
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)	–
Acquisition of equity interest in Wuxi Jintou Huikai Emerging Industry Venture Capital Fund Partnership (Limited Partnership) (“Wuxi Jintou”)	購入無錫金投惠開新興產業創業投資基金合夥企業（有限合夥）之股權（「無錫金投」）	–	12,000
Acquisition of equity interest in Shanghai Miou Food Technology Co., Ltd (“Shanghai Miou”)	購入上海米偶食品科技有限公司（「上海米偶」）之股權	–	8,500
Disposal of equity interest in Dianhua Benxiang Technology Co., LTD (“Dianhua Benxiang”)	出售滇華本香科技有限公司（「滇華本香」）之股權	–	(6,603)
Share of results of jointly controlled entities	應佔共同控制實體業績	100	5,899
Dividends received	已收股息	–	(2,669)
Adjustment for transactions between the Group and a jointly controlled entity	調整集團與共同控制實體之交易	–	(1,706)
At the end of the year	年末	19,802	202,831



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

11. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (CONTINUED)

- (a) As at 31 December 2022, the Group had interests in the following jointly controlled entities:

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 無錫金投	PRC 中國	40%	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 上海米偶	PRC 中國	20%	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.

The jointly controlled entities are private entities and no quoted price is available.

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)

- (a) 於2022年12月31日，本集團於以下共同控制實體擁有權益：

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。

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)

12. 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.

Equity investments at FVOCI comprise the following investments:

		As at 31 December 於12月31日	
		2022 2022年	2021 2021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	16,006	17,870

Debt investments at FVOCI comprise the following investments:

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
Current assets:	流動資產：		
Debt Securities (i)	債權投資(i)	49,794	48,785

- (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)

12. 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權益投資包括以下投資：

		As at 31 December 於12月31日	
		2022 2022年	2021 2021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	16,006	17,870

以公允價值計量且其變動計入其他全面收益之金融資產下的債務投資包括以下投資：

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
Current assets:	流動資產：		
Debt Securities (i)	債權投資(i)	49,794	48,785

- (i) 債權投資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)

12. 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	
		Note 附註	2021 2021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	21	(53,428)
			2022 2022年
			(1,862)

(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)

12. 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	
		Note 附註	2021 2021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	21	(53,428)
			2022 2022年
			(1,862)

(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 3 級，並以人民幣計價。

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)

13. DEFERRED INCOME TAX ASSETS/LIABILITIES

The movements in the deferred income tax are as follows:

13. 遞延所得稅資產／負債

遞延所得稅變動如下：

		Note	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 on dividends 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	Total 總計
At 1 January 2021	於2021年1月1日		89,992	35,213	35,242	160,447	139,513	31,023	170,536
Recognised in the income statement	於損益表確認	30	(6,508)	15,047	(1,444)	7,095	(2,955)	(18,131)	(21,086)
At 31 December 2021	於2021年12月31日		83,484	50,260	33,798	167,542	136,558	12,892	149,450
At 1 January 2022	於2022年1月1日		83,484	50,260	33,798	167,542	136,558	12,892	149,450
Acquisition of equity interest in Shanghai Yifang	收購上海奕方之股權	33	-	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	於收益表確認	30	774	(2,874)	(1,822)	(3,922)	(9,930)	(12,892)	(22,822)
Recognised in other comprehensive income	於其他全面收益中確認		-	-	279	279	-	-	-
Total	總計		84,258	50,189	32,391	166,838	139,682	-	139,682
Set-off of deferred income tax assets/liabilities	相抵消之遞延所得稅資產／負債					(14,314)			(14,314)
At 31 December 2022	於2022年12月31日					152,524			125,368

As at 31 December 2022, deferred income tax liabilities of RMB226,563,000 (31 December 2021: RMB194,886,000) have not been recognised for the withholding tax that would otherwise be payable on the undistributed profits amounting to approximately RMB4,525,522,000 (31 December 2021: RMB3,888,819,000) retained by certain PRC subsidiaries.

於2022年12月31日，本集團並未就若干中國大陸附屬公司之未分派盈利約人民幣4,525,522,000元（2021年12月31日：人民幣3,888,819,000元）須支付的預提所得稅確認遞延所得稅負債人民幣226,563,000元（2021年12月31日：人民幣194,886,000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)

14. BIOLOGICAL ASSETS

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
At 1 January	於1月1日	–	–
Acquisition of equity interest in Shanghai Yifang	收購上海奕方之股權	4,104	–
Increase due to plantation	新增種植成本	2,425	–
Transfer to inventories	轉移至存貨	(7,153)	–
Changes in fair value due to biological transformation	生物轉化產生的公允價值變動	2,094	–
At 31 December	於12月31日	1,470	–

As at 31 December 2022, the growing fruits including lemon, grape, mulberry, orange and blueberry were in premature stage, future economic benefit and expected harvest quantity could not be reliably estimated for fair value measurement as this would involve adoption of subjective assumptions, such as weather conditions, natural disaster and effectiveness of fertilizers and pesticides. As such, management considered that the fair value of these fruit at the end of the reporting period could not be measured reliably and no reliable alternative estimates existed to determine their fair value. Therefore, these biological assets were stated at cost as at 31 December 2022, representing cultivation cost incurred, mainly comprising fertilisers, pesticides, labour costs and leasehold land amortisation. The group recognised no provision for impairment in respect of the biological assets as at 31 December 2022.

於2022年12月31日，檸檬、葡萄、桑椹、橙、藍莓等種植性農產品尚處於早熟期，因公允價值計量涉及主觀假設，無法可靠估計未來經濟效益和預期收穫量，如天氣狀況、自然災害以及化肥和殺蟲劑的有效性。因此，管理層認為該等水果於報告期末之公允價值無法可靠計量，亦無可靠替代估計可釐定其公允價值。因此，該等生物資產於2022年12月31日按成本列賬，金額為已發生的種植成本，主要包括化肥、農藥、人工成本及土地租賃攤銷。於2022年12月31日，本集團並未需要就生物資產計提減值準備。

15. INVENTORIES

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
Raw materials - at cost	原材料—按成本	419,976	334,932
Raw materials - at NRV	原材料—按可變現淨值	206,848	177,201
Work in progress - at cost	在製品—按成本	88,851	111,763
Finished goods - at cost	製成品—按成本	162,854	96,129
Finished goods - at NRV	製成品—按可變現淨值	141,494	177,201
		1,020,023	897,226

15. 存貨

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

15. INVENTORIES (CONTINUED)

For the year ended 31 December 2022, the cost of inventories recognised as expense and included in cost of goods sold and administrative expenses amounted to approximately RMB1,451,284,000 (2021: RMB1,258,664,000).

The Group recognised provision for impairment of approximately RMB4,312,000 (31 December 2021: RMB2,869,000) in respect of the losses on obsolete inventories as at 31 December 2022.

16. TRADE AND OTHER RECEIVABLES

		As at 31 December 於12月31日		
		Note 附註	2022 2022年	2021 2021年
Trade receivables	貿易應收款項	(a)	1,038,189	863,357
Less: provision for impairment of trade receivables	減：貿易應收款項 減值撥備	3.1(b)	(27,704)	(13,237)
Trade receivables - net	貿易應收款項－淨額		1,010,485	850,120
Notes receivable	應收票據		27,574	27,493
Prepayments and other receivables	預付款項及其他應收款項		228,234	204,893
Advances to staff	員工墊款		2,532	9,865
Others	其他		1,318	18,240
Less: provision for impairment of other receivables	減：其他應收款項 減值撥備	3.1(b)	(27,965)	(29,565)
			1,242,178	1,081,046

Except for prepayment of RMB62,427,000 (31 December 2021: RMB51,480,000), trade and other receivables are financial assets categorised as those to be measured at amortised cost. All trade and other receivables are either recoverable within one year or on demand.

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)

15. 存貨(續)

截至2022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1,451,284,000元(2021年：人民幣1,258,664,000元)。

於2022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4,312,000元(2021年12月31日：人民幣2,869,000元)。

16. 貿易及其他應收款項

除預付賬款人民幣62,427,000元(2021年12月31日：人民幣51,480,000元)外，貿易及其他應收款乃金融資產被分類為「以攤銷成本計量的金融資產」。所有貿易及其他應收款項乃於一年內或於通知時清還。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (a) The credit period generally granted to customers ranges from 0 to 180 days. At 31 December 2022 and 2021, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on invoice date were as follows:

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
0 - 90 days	0至90日	764,775	756,502
91 - 180 days	91至180日	112,752	75,511
181 - 360 days	181至360日	59,268	15,097
Over 360 days	360日以上	101,394	16,247
		1,038,189	863,357

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2022, a provision of RMB27,704,000 (as at 31 December 2021: RMB13,237,000) were made against the gross amounts of trade receivables (Note 3.1(b)).

The creation and release of provision for impaired receivables have been included in "net impairment losses on financial assets" in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The carrying amounts of the Group's trade receivables (including amounts due from related parties which are trade in nature) are denominated in the following currencies:

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
RMB	人民幣	971,811	798,313
USD	美元	61,112	64,728
IDR	印尼盾	3,130	–
HKD	港幣	344	316
others	其他	1,792	–
		1,038,189	863,357

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) 授予客戶的信貸期一般為0至180日。於2022年及2021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：

本集團採用簡化方法並根據香港財務報告準則第9號所規定計提預期信貸虧損。於2022年12月31日，已對貿易應收款項總額作出人民幣27,704,000元(2021年12月31日：人民幣13,237,000元)之撥備(附註3.1(b))。

對已減值應收款撥備的設立和轉回已包括在綜合收益表中「金融資產減值損失淨額」內。計入撥備賬戶中的數額一般會在預期無法收回額外現金時撇銷。

本集團的貿易應收款的賬面值(包括關聯方的貿易應收款項)以下列貨幣為單位：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

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

Financial assets at FVPL include:

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

(a) 按公允價值計量且其變動計入損益之金融資產分類

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之金融資產：

- 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

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	2022 2022年	2021 2021年
Non-current assets:				
	非流動資產：			
Unlisted equity investments	於非上市權益投資		189,568	215,679
Contingent consideration	或有業績補償	33	63,490	-
			253,058	215,679
Current assets:				
	流動資產：			
Listed equity investments	上市權益投資		43,298	35,866
Wealth management products	財富管理產品		1,594,315	3,256,499
			1,637,613	3,292,365
Total	總計		1,890,671	3,508,044

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 gains were recognised in profit or loss:

		Year ended 31 December 截至12月31日止年度	
		Note 附註	2021 2021年
Fair value gains on equity instruments recognised 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收益		7,750
Fair value gains on debt instruments recognised 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		96,818
Fair value 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		-
		26	104,568
			106,052

(c) Risk exposure

Information about the Group's exposure to price risk and credit risk is disclosed in Note 3.1.

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)

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，於損益確認之收益如下：

(c) 風險承受

有關本集團承受的價格風險和信用風險的信息在附註3.1中披露。

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	
		2022 2022年	2021 2021年
	Note 附註		
Restricted bank balances		79,503	11,984
Cash and cash equivalents		4,668,475	3,541,425
		4,747,978	3,553,409

(a) As at 31 December 2022, restricted bank balances represented security deposits and frozen bank balances.

(b) Cash and bank balances are denominated in the following currencies:

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. 銀行及庫存現金

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
	Note 附註		
Restricted bank balances	(a)	79,503	11,984
Cash and cash equivalents		4,668,475	3,541,425
		4,747,978	3,553,409

(a) 於2022年12月31日，受限的銀行存款為保證金及被凍結之銀行存款。

(b) 銀行及庫存現金以下列貨幣金額列示：

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
RMB	人民幣	3,963,834	2,404,137
USD	美元	273,165	238,343
HKD	港幣	496,464	891,184
Others	其他	14,515	19,745
		4,747,978	3,553,409

As at 31 December 2022 and 2021, the Group's and the Company's maximum exposure to credit risk of cash and bank balances is their carrying amounts.

於2022年及2021年12月31日，本集團及本公司面對來自銀行及庫存現金的最高信貸風險乃其賬面價值。

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 2021,	於2021年12月31日，
1 January 2022 and	2022年1月1日及
31 December 2022	2022年12月31日

	Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元
	3,229,926,876	328,619

20. SHARE-BASED PAYMENT

(a) Employee share scheme

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 Law of the People's Republic of China on Partnerships 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.

The amounts of share-based compensation recognised as expenses with a corresponding credit to reserves of the Group during the year ended 31 December 2022 was RMB3,713,000 (2021: RMB5,747,000).

(b) Expenses arising from share-based payment transactions

			Year ended 31 December 截至12月31日止年度	
		Note 附註	2022 2022年	2021 2021年
Employee share scheme	僱員購股權計劃	21	3,713	5,747

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

(a) 僱員購股權計劃

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，會作為被授人持有普通股的持股平台。根據該計劃，被授人通過其在四家有限合夥企業的權益獲授予約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。

截至2022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3,713,000元（2021年：人民幣5,747,000元）。

(b) 以股份為基礎的支付產生之費用

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)

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 2021	於2021年1月1日	296,853	(628,438)	429,861	2,411	4,760	536	76,035	790,912	1,660,802	2,633,732
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)	-	-	-	-	-	-	-	(53,428)	(53,428)
Appropriations from net profit	自純利撥付	22	-	-	-	-	-	-	30,596	-	30,596
Share-based payment	股份為基礎的支付										
- Value of employee services	一僱員服務價值	20	-	-	-	-	5,747	-	-	-	5,747
Changes in ownership interests in a subsidiary without change of control	改變附屬公司之所有者權益而不改變控制權									364	364
Issuance of new shares	發行新股			1,753,905	-	-	-	-	-	-	1,753,905
Currency translation differences	貨幣換算差額			-	-	-	-	16,603	-	-	16,603
At 31 December 2021	於2021年12月31日	296,853	(628,438)	2,183,766	2,411	4,760	6,283	92,638	821,508	1,607,738	4,387,519
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	股份為基礎的支付										
- Value of employee services	一僱員服務價值	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	(b)	-	-	-	-	-	-	-	(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	23	-	-	-	-	-	-	-	(119,887)	(119,887)
Dilution of investment in an associate	於聯營公司之投資的股權稀釋	10	-	-	-	-	-	-	-	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

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

21. RESERVES (CONTINUED)

- (a) For the year ended 31 December 2022, the amount of decreases in fair value in financial assets at FVOCI net of tax is RMB1,583,000 (2021: decreases RMB53,428,000) (Note 12), of which RMB279,000 (2021: nil) was recognised in other comprehensive income as deferred tax (Note 13).
- (b) During the year ended 31 December 2022, the acquisitions of additional equity interests in non wholly-owned subsidiaries from non-controlling interests comprised the additional acquisitions of equity interest of Jiangxi Yifang Rural Technology Co., Ltd. ("Jiangxi Yifang"), a non wholly-owned subsidiary of the Group. The Group acquired additional 9.7561% and 24.3902% equity interest of Jiangxi Yifang based on the agreed purchase prices respectively. These transactions were accounted for as transaction with non-controlling interest, and the excess of considerations over the aggregate carrying amounts of acquired non-controlling interests of RMB4,770,000 and RMB22,157,000 were recognised in equity.

During the year ended 31 December 2022, the acquisitions of additional equity interests in non wholly-owned subsidiaries from non-controlling interests comprised the additional acquisition of equity interest of Jiangxi Huabao Xinhui Technology Co., Ltd. ("Jiangxi Xinhui"), a non wholly-owned subsidiary of the Group. The Group acquired additional 15% equity interest of Jiangxi Xinhui based on the agreed purchase price. This transaction was accounted for as transaction with non-controlling interest, and the excess of considerations over the aggregate carrying amounts of acquired non-controlling interests of RMB639,000 was recognised in equity.

- (c) 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.
- (d) Other reserves mainly arise from transactions with non-controlling interests that do not result in a loss of control and fair value changes on financial assets at FVOCI (net of tax).

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2022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值變動稅後減少金額為人民幣1,583,000元(2021年：減少人民幣53,428,000元)(附註12)，當中於其他全面收益確認人民幣279,000元為遞延稅項(2021年：無)(附註13)。
- (b) 截至2022年12月31日止年度，從非控制性權益收購非全資附屬公司之額外股權包括額外收購江西奕方農業科技有限公司(「江西奕方」)的股權，本集團之非全資附屬公司。本集團按協議收購價分別增購江西奕方9.7561%及24.3902%之股權。此交易作為與非控制性權益進行的交易入賬，代價較所收購非控制性權益的總賬面值超出之人民幣4,770,000元及RMB22,157,000於權益中確認。

截至2022年12月31日止年度，向非控制性權益收購非全資附屬公司之額外股權包括額外收購江西華寶芯薈科技有限公司(「江西芯薈」)的股權，本集團之非全資附屬公司。本集團按協議收購價增購江西芯薈15%股權。此交易作為與非控制性權益進行的交易入賬，代價較所收購非控制性權益總賬面值超出之人民幣639,000元於權益中確認。

- (c) 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。
- (d) 其他儲備主要來自與非控制性權益的交易，這些交易不會導致喪失控制權，和以公允價值計量且其動計入其他全面收益的金融資產的公允價值變動(稅後)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

22. RETAINED EARNINGS

		Year ended 31 December 截至12月31日止	
		Note 附註	2021 2021年
			2022 2022年
At the beginning of the year	年初		9,168,518
(Loss)/profit for the year	年度(虧損)/盈利		8,918,688
Appropriations from net profit	自純利撥付	21	(1,054,547)
Final dividends for the year ended 31 December 2020	截至2020年12月31日止年度之期末股息		(21,523)
Interim dividends for the six months ended 30 June 2021	截至2021年6月30日止六個月之中期股息	32	(30,596)
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	32	–
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	32	(54,821)
			–
At the end of the year	年末		7,941,787
			9,168,518

23. PUT OPTION LIABILITY

		Year ended 31 December 截至12月31日止年度	
			2021 2021年
			2022 2022年
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		–
			131,836

According to the "Equity Transfer Agreement in respect of Shanghai Yifang", the non-controlling shareholders of Shanghai Yifang after Huabao Flavours' above acquisition, 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 put option 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 put option arrangement and was accreted to redemption amount of approximately RMB131,836,000 as at 31 December 2022. The accretion charge of the put option liabilities recorded in the finance cost was amounting to approximately RMB11,949,000 for the year ended 31 December 2022.

根據《上海奕方股權轉讓協議》，華寶股份於收購後，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，認沽期權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2022年12月31日已增加至約人民幣131,836,000元。截至2022年12月31日止十二個月，認沽期權負債增加金額約人民幣11,949,000元並已確認於財務費用中。

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)

22. 保留盈利

		Year ended 31 December 截至12月31日止	
		Note 附註	2021 2021年
			2022 2022年
At the beginning of the year	年初		9,168,518
(Loss)/profit for the year	年度(虧損)/盈利		8,918,688
Appropriations from net profit	自純利撥付	21	(1,054,547)
Final dividends for the year ended 31 December 2020	截至2020年12月31日止年度之期末股息		(21,523)
Interim dividends for the six months ended 30 June 2021	截至2021年6月30日止六個月之中期股息	32	(30,596)
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	32	–
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	32	(54,821)
			–
At the end of the year	年末		7,941,787
			9,168,518

23. 認沽期權負債

		Year ended 31 December 截至12月31日止年度	
			2021 2021年
			2022 2022年
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		–
			131,836

According to the "Equity Transfer Agreement in respect of Shanghai Yifang", the non-controlling shareholders of Shanghai Yifang after Huabao Flavours' above acquisition, 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 put option 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 put option arrangement and was accreted to redemption amount of approximately RMB131,836,000 as at 31 December 2022. The accretion charge of the put option liabilities recorded in the finance cost was amounting to approximately RMB11,949,000 for the year ended 31 December 2022.

根據《上海奕方股權轉讓協議》，華寶股份於收購後，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，認沽期權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2022年12月31日已增加至約人民幣131,836,000元。截至2022年12月31日止十二個月，認沽期權負債增加金額約人民幣11,949,000元並已確認於財務費用中。

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)

24. BORROWINGS

24. 貸款

		As at 31 December 於12月31日		
		Note 附註	2022 2022年	2021 2021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)	15,000	–
Less: current portion	減：流動部分		(15,000)	–
			–	–
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)	612,700	962,774
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	–
			677,700	962,774
Total borrowings	總貸款		677,700	962,774

(a) As at 31 December 2022, the Group's secured bank borrowings of RMB65,000,000 (31 December 2021: the Group's secured bank borrowings were fully repaid) are repayable within one year and secured by certain buildings, right-of-use assets of Shanghai Yifang with total carrying values of approximately RMB17,662,000. During the year, the average interest rate of the borrowings was 4.2% (2021: 5.7%) per annum.

(b) The unsecured bank borrowings are repayable within one year. During the year, the average interest rate was 2.8% (2021: 2.9%) per annum. Borrowings are financial liabilities categorised under "financial liabilities measured at amortised cost".

Interest expense on bank borrowings for the year ended 31 December 2022 amounted to approximately RMB20,269,000 (2021: RMB78,871,000). No interest expense was capitalised for the year ended 31 December 2022 and 2021.

(a) 於2022年12月31日，本集團之有抵押銀行貸款為人民幣65,000,000元（2021年12月31日：集團之有抵押銀行貸款已全數償還），該貸款需於一年內償還，並以上海奕方賬面值約為人民幣17,662,000元的物業及使用權資產作抵押。於年內，該貸款平均利息為每年4.2厘（2021年：5.7厘）。

(b) 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2.8厘（2021年：2.9厘）。貸款乃金融負債被分類為「按攤銷成本計量的金融負債」。

截至2022年12月31日止年度的銀行貸款利息開支約為人民幣20,269,000元（2021年：人民幣78,871,000元）。截至2022年和2021年12月31日止年度並無利息費用資本化。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

24. BORROWINGS (CONTINUED)

- (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	
		2022 2022年	2021 2021年
At fixed rates	固定利率	677,700	360,000
At floating rates	浮動利率	-	602,774
		677,700	962,774

- (d) As at 31 December 2022 and 2021, the maturities of the borrowings are as follows:

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
Within 1 year	一年以內	677,700	962,774

- (e) The carrying amounts of the Group's borrowings were denominated in the following currencies:

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
RMB	人民幣	677,700	459,950
HKD	港幣	-	502,824
		677,700	962,774

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)

- (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	
		2022 2022年	2021 2021年
At fixed rates	固定利率	677,700	360,000
At floating rates	浮動利率	-	602,774
		677,700	962,774

- (d) 於2022年及2021年12月31日，貸款到期日如下：

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
Within 1 year	一年以內	677,700	962,774

- (e) 本集團貸款的賬面值是以下列貨幣為單位：

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
RMB	人民幣	677,700	459,950
HKD	港幣	-	502,824
		677,700	962,774

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	
		2022 2022年	2021 2021年
	Note 附註		
Trade payables	貿易應付款項 (a)	277,249	302,330
Wages payable	應付工資	97,021	112,220
Other taxes payable	其他應付稅項	98,107	134,206
Accruals for expenses	應計開支	9,677	9,985
Other payables	其他應付款項	240,481	190,304
Deferred income from government grants	政府補貼產生之遞延收入	11,763	–
		734,298	749,045

Except for other taxes payable of RMB98,107,000 (31 December 2021: RMB134,206,000), wages payable of RMB97,021,000 (31 December 2021: RMB112,220,000) and deferred income from government grants of RMB11,763,000 (31 December 2021: nil), trade and other payables balances are financial liabilities categorised under “financial liabilities measured at amortised cost”.

The non-current and current portion of trade and other payables was as follows:

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
Non-current	非流動	12,163	800
Current	流動	722,135	748,245
		734,298	749,045

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

除其他應付稅款人民幣98,107,000元（2021年12月31日：人民幣134,206,000元）、應付工資人民幣97,021,000元（2021年12月31日：人民幣112,220,000元）及政府補貼產生之遞延收入人民幣11,763,000元（2021年12月31日：無）外，貿易及其他應付款乃金融負債被分類為「按攤銷成本計量的金融負債」。

貿易及其他應付款的非流動及流動部份如下：

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 2022 and 2021, 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	
		2022 2022年	2021 2021年
0 - 90 days	0至90日	245,146	271,535
91 - 180 days	91至180日	9,721	15,326
181 - 360 days	181至360日	5,113	3,589
Over 360 days	360日以上	17,269	11,880
		277,249	302,330

The carrying amounts of the Group's trade payables (including amounts due to related parties which are trade in nature) are denominated in the following currencies:

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
RMB	人民幣	263,867	292,336
IDR	印尼盾	7,786	-
USD	美元	1,753	2,135
HKD	港幣	1,363	6,284
Others	其他	2,480	1,575
		277,249	302,330

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2022年及2021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(包括關聯方貿易應付款項)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	2022 2022年	2021 2021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	106,052	104,568
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		3,444	889
Gain on disposal of financial assets at FVPL	出售以公允價值計量且其變動計入損益的金融資產的收益		—	5,246
Gain on disposal of an associate	出售聯營公司之收益		—	16,720
Gain on disposal of a jointly controlled entity	出售共同控制實體之收益		—	1,876
Loss on disposal of a subsidiary	出售附屬公司之虧損		(1,184)	—
Gain on disposal of property, plant and equipment	出售物業、機器及設備之淨收益		5,085	5,726
Government grants	政府津貼		126,085	146,542
Foreign exchange losses- net	貨幣匯兌虧損—淨額		(17,871)	(27,510)
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)	—
Gains on fair value change of biological assets	生物資產的公允價值變動收益	14	2,094	—
Written off of payables	沖銷應付款		12,234	—
Donations	捐贈		(839)	(3,979)
Others	其他		1,795	(1,559)
			212,812	248,519

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「研究及發展開支」外，每項開支均已不包括有關研究及發展的金額）分析如下：

		Year ended 31 December 截至12月31日止年度		
		Note 附註	2022 2022年	2021 2021年
Depreciation	折舊	6, 7, 8	207,173	162,052
Amortisation	攤銷	7, 9	98,253	98,266
Provision for impairment of property, plant and equipment	固定資產減值撥備	6	31,774	–
Provision for impairment of inventories	存貨減值撥備		1,760	1,220
Changes in inventories of finished goods and work in progress	製成品及在製品 存貨變動		(8,106)	(149,570)
Raw materials and consumables used	已用原材料及消耗品		1,385,390	1,343,231
Short-term lease rentals	短期租賃租金	7	29,669	19,691
Auditor's remuneration	核數師酬金			
– Audit services	– 核數服務		10,418	9,565
– Non-audit services	– 非核數服務		–	2,876
Consulting service fee	專業服務費		18,229	15,577
Travelling expenses	差旅開支		17,307	30,876
Employee benefit expenses	僱員及福利開支	28	608,149	557,962
Research and development expenses	研究及發展開支	(a)	266,233	250,788
Delivery expenses	運輸開支		38,064	36,120
Utilities expenses	公共設施開支		92,055	71,636
Motor vehicle expenses	汽車費用開支		6,163	7,931
Maintenance expenses	維修費		16,123	20,695
Advertising, promotion and agency services expenses	廣告、推廣及服務代理費		124,624	45,463
Office administrative and communication expenses	辦公及通訊費		9,370	9,760
Other surcharges	其他附加稅費		44,738	47,562
Others	其他		124,399	138,227
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		3,121,785	2,719,928

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		
		Note 附註	2022 2022年	2021 2021年
Depreciation	折舊	6, 7, 8	18,165	14,777
Amortisation	攤銷	7, 9	6,650	2,058
Employee benefit expenses	僱員及福利開支	28	137,114	124,374
			161,929	141,209

No development cost has been capitalised for the year ended 31 December 2022 (2021: nil).

在截至2022年12月31日止年度內並無任何發展成本已資本化(2021年：無)。

28. EMPLOYMENT BENEFIT EXPENSES

		Year ended 31 December 截至12月31日止年度		
		Note 附註	2022 2022年	2021 2021年
Wages, salaries and bonus	工資、薪酬及花紅		597,579	555,234
Defined contribution plans and other employee insurances	定額供款計劃及其他員工保險	(a)	91,702	82,165
Share-based benefits	以股份為基礎之福利	20(b)	3,713	5,747
Other benefits	其他福利		52,269	39,190
			745,263	682,336

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) 研究及發展開支中包括的折舊、攤銷及僱員及福利開支列示如下：

28. 僱員及福利開支

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 (2021: 4) directors whose emoluments are reflected in Note 39(a). The emoluments paid and payable to the remaining 1 (2021: 1) individual during 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)

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(2021年：四位)為董事，而彼等之酬金詳情已載於附註39(a)。本年度已付及應付予餘下一位人士(2021年：一位)之酬金如下：

		Year ended 31 December 截至12月31日止年度	
		2022 2022年	2021 2021年
Basic salaries and allowances	基本薪金及津貼	11,171	10,410
Contributions to the retirement scheme	退休福利計劃供款	15	15
		11,186	10,425

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	
		2022 2022年	2021 2021年
Emolument bands	酬金範圍		
HKD12,500,001–HKD13,000,000	港幣12,500,001元 — 港幣13,000,000元	–	1
HKD13,000,001–HKD13,500,000	港幣13,000,001元 — 港幣13,500,000元	1	–

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)

29. FINANCE INCOME AND FINANCE COSTS

29. 財務收入及融資成本

		Year ended 31 December 截至12月31日止年度	
		2022 2022年	2021 2021年
Finance income:	財務收入：		
– Interest income on bank deposits	– 銀行存款之利息收入	71,791	101,784
Finance costs:	融資成本：		
– Interest expense on bank borrowings and others	– 銀行貸款及其他之利息費用	(24,286)	(79,317)
– Interest expense on put option liability (Note 23)	– 認沽期權負債之利息費用 (附註23)	(11,949)	–
– Interest expense on lease liabilities	– 租賃負債之利息費用	(1,735)	(2,151)
Finance income - net	財務收入－淨額	33,821	20,316

30. INCOME TAX EXPENSE

The amount of taxation charged to the consolidated income statements represents:

30. 所得稅

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	
		2022 2022年	2021 2021年
Current income tax	當期稅項		
– Hong Kong profits tax	– 香港所得稅 (a)	2,955	6,833
– PRC corporate income tax	– 中國企業所得稅 (b)	196,512	271,822
– Germany company income tax	– 德國企業所得稅 (c)	54	116
– Botswana company income tax	– 博茨瓦納企業所得稅 (d)	142	1,003
– Indonesia company income tax	– 印度尼西亞企業所得稅 (e)	77	–
Deferred income tax	遞延所得稅	(18,900)	(28,181)
		180,840	251,593

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

30. INCOME TAX EXPENSE (CONTINUED)

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2021: 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.
- (b) 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. Enterprises, simultaneously enjoy additional tax incentives from Tibet Autonomous Region Government that the output value of the Company's High/New Tech products can be exempted from the local share of corporate income tax, can accrue income tax expenses at reduced rate of 9% for the output value of High/New Tech products and of 15% for that of non- High/New Tech products.
- (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.
- (c) Germany company income tax has been provided at the rate of 15% (2021: 15%) on the estimated assessable profit for the year.
- (d) Botswana company income tax has been provided at the rate of 15% (2021: 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(續)

- (a) 香港所得稅按本年度估計應課稅盈利以稅率16.5%(2021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。
- (b) 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) 受西部大開發戰略支援的企業可繼續享有15%的稅率至2030年，企業同時享受西藏自治區政府額外稅收優惠政策，其高新技術產品產值可免徵企業所得稅地方分享部份，可按9%稅率計提高新技術產品產值對應所得稅費用，按15%計提非高新技術產品產值對應所得稅費用。
- (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。
- (c) 德國企業所得稅按本年度估計應課稅盈利以稅率15%(2021年:15%)撥備。
- (d) 博茨瓦納企業所得稅按本年度估計應課稅盈利以稅率15%(2021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% 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 year ended 31 December 2022 and 2021.
- (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:

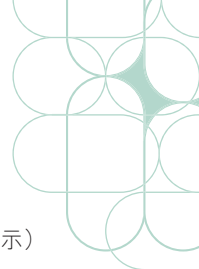
綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

30. 所得稅(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22.0%撥備。
- (f) 本集團於截至2022年及2021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	2022 2022年	2021 2021年
(Loss)/profit before income tax	除稅前(虧損)/盈利		(720,210)	1,147,377
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	7,056	(12,584)
			(713,154)	1,134,793
Tax calculated at statutory tax rate	按適用稅率計算的稅項		223,247	379,372
Tax incentives	稅收優惠	b(ii)(iii)	(121,514)	(167,189)
Super deduction for research and development expenditure	研發費用加計扣除的影響		(17,806)	(23,956)
Utilisation of previously unrecognised tax losses	動用之前未確認的稅務虧損		(1,670)	(3,124)
Expenses not deductible for tax purposes	不可扣稅開支之稅務影響		45,574	984
Income not subject to tax	無須課稅收入的影響		(5,828)	(3,701)
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		19,032	50,089
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		39,805	19,118
Income tax expense	所得稅		180,840	251,593



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

30. INCOME TAX EXPENSE (CONTINUED)

(g) (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 RMB112,095,000 (31 December 2021: RMB92,574,000) as at 31 December 2022 in respect of tax losses of such subsidiaries amounting to RMB606,230,000 (31 December 2021: RMB488,223,000). 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(續)

(g) (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2022年12月31日確認若干附屬公司之可抵稅虧損人民幣606,230,000(2021年12月31日：人民幣488,223,000元)的遞延所得稅資產約人民幣112,095,000元(2021年12月31日：人民幣92,574,000元)。可抵稅虧損將於下列年度到期：

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
Year	年度		
2022	2022年	–	58,275
2023	2023年	9,507	11,689
2024	2024年	36,329	39,801
2025	2025年	33,858	36,956
2026	2026年	91,487	72,075
2027	2027年	151,476	–
No expiring date	沒有到期日	283,573	269,427
		606,230	488,223



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

31. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2022 and 2021.

		Year ended 31 December 截至12月31日止年度	
		2022 2022年	2021 2021年
(Loss)/profit attributable to equity holders of the Company	本公司權益持有人應佔 (虧損)／盈利	(1,054,547)	675,131
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	3,111,851
Basic (loss)/earnings per share 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(虧損)／盈利 (每股人民幣分)	(32.65)	21.70

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the year ended 31 December 2022 and 2021 was the same as basic (loss)/earnings per share, since the Company did not have any potential ordinary share outstanding that has dilution 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)

31. 每股(虧損)／盈利

(a) 每股基本(虧損)／盈利

每股基本(虧損)／盈利乃根據本年度本公司權益持有人應佔(虧損)／盈利，除以截至2022年及2021年12月31日止年度已發行普通股的加權平均數目計算。

(b) 每股攤薄(虧損)／盈利

截至2022及2021年12月31日止年度的每股攤薄(虧損)／盈利與每股基本(虧損)／盈利相同，因為本公司沒有任何潛在的具有稀釋作用的已發行普通股。

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	
		2022 2022年	2021 2021年
Paid interim dividend of HK6.4 cents per share for the six months ended 30 June 2021	已付截至2021年6月30日止六個月之中期股息每股港幣6.4仙	–	165,226
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	–
		95,840	165,226
Proposed special dividend of HK5.1 cents per share	擬派特別股息每股港幣5.1仙	147,145	–
Paid final dividend of HK2.0 cents per share	已付期末股息每股港幣2.0仙	–	54,821
		242,985	220,047

On 30 March 2023, the Board proposed a special dividend of HK5.1 cents per share, totalling approximately RMB147,145,000 for the year ended 31 December 2022. The proposed dividend in respect of the year ended 31 December 2022 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2023年3月30日，董事會建議派發截至2022年12月31日止年度的特別股息每股港幣5.1仙，共約人民幣147,145,000元。截至2022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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

33. BUSINESS COMBINATIONS

Acquisition of Shanghai Yifang

On 9 August 2021, Huabao Flavours acquired 40% equity interests in Shanghai Yifang from independent third parties with a total consideration of RMB180,000,000 in cash. On 8 March 2022 Huabao Flavours further acquired 27% equity interests in Shanghai Yifang with a total consideration of RMB121,500,000 in cash (the "Acquisition").

After the completion of the Acquisition, Huabao Flavours' shareholding in Shanghai Yifang, in aggregate, reaches 67% and Shanghai Yifang becomes a subsidiary of Huabao Flavours.

Shanghai Yifang is primarily engaged in the promotion and consulting services of agricultural technology, cultivation of fruits and vegetables; research and development of food additives; food production, etc.

The Group has undertaken a detailed assessment of the fair value of assets and liabilities arising from the acquisition as at the acquisition date. As a result, the goodwill of RMB49,418,000 is calculated based on the fair value of Shanghai Yifang's net assets. The goodwill arising from the acquisition is attributable to the synergy and economics of scale expected from combining the operations of the Group and Shanghai Yifang. None of the goodwill recognised is expected to be deductible for income tax purposes.

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. 業務合併

收購上海奕方

於2021年8月9日，華寶股份以總對價人民幣180,000,000元的現金向獨立第三方收購上海奕方的40%股權。於2022年3月8日，華寶股份以總對價人民幣121,500,000元現金向獨立第三方進一步收購上海奕方的27%股權（「本次收購」）。

本次收購完成後，華寶股份持有上海奕方的股權累計達到67%，上海奕方成為華寶股份的附屬公司。

上海奕方主要從事農業技術的推廣和諮詢服務，果蔬種植；食品添加劑的研發；糧食生產等。

本集團將會對收購產生的資產及負債於收購日的公允價值進行詳細評估。根據上海奕方的淨資產的公允價值計算出商譽為人民幣49,418,000元。此收購產生的商譽乃來自於整合本集團及上海奕方之經營後預期產生的協同效應和規模經營效益。確認的商譽預期不可用於抵扣所得稅。

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)

33. BUSINESS COMBINATIONS (CONTINUED)

Details of net assets acquired and goodwill are as follows:

Consideration	收購對價	
– Fair value of previously held interests in Shanghai Yifang	– 先前持有的上海奕方權益的公允價值	159,046
– Cash paid for acquisition of an additional 27% equity interest	– 收購額外27%股權所支付的現金	121,500
– Contingent consideration (i)	– 或有業績補償(i)	–
Less: fair value of identifiable net assets acquired – shown below	減：收購可辨認淨資產之公允價值 – 詳列如下	(231,128)
Goodwill (Note 9)	商譽(附註9)	49,418

(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 2022, the fair value of the contingent consideration is 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.

33. 業務合併(續)

收購之淨資產及商譽詳情如下：

(i) 本集團應收或有業績補償取決於上海奕方未來的財務表現，該或有業績補償在收購日的公允價值為零，其後公允價值變動則計入「其他收入及其他收益 – 淨額」中。於2022年12月31日，或有業績補償的公允價值為人民幣63,490,000元。該公允價值是根據企業合併可能產生的超過一年的未來現金流入的價值估計的，並採用適當的貼現率計算出現值。

The assets and liabilities recognised as a result of the acquisition are as follows:

因收購而確認之資產及負債如下：

Property, plant and equipment (Note 6)	物業、機器及設備(附註6)	218,643
Right-of-use assets	使用權資產	85,394
Intangible assets (Note 9)	無形資產(附註9)	22,844
Deferred income tax assets (Note 13)	遞延所得稅資產(附註13)	3,448
Inventories	存貨	57,761
Biological Assets (Note 14)	生物資產(附註14)	4,104
Trade and other receivables	貿易及其他應收款項	207,384
Cash and cash equivalents	現金及現金等價物	42,267
Deferred tax liabilities (Note 13)	遞延所得稅負債(附註13)	(13,054)
Borrowings	貸款	(134,500)
Lease liabilities	租賃負債	(19,069)
Trade and other payables	貿易及其他應付款	(77,001)
Current income tax liabilities	當期所得稅負債	(1,298)
Contract liabilities	合同負債	(18)
Less: non-controlling interest	減：非控制性權益	(165,777)
Fair value of identifiable net assets acquired	收購之可辨認淨資產的公允價值	231,128
Outflow of cash to acquire business during current year (net of cash acquired)	於本年度收購業務之現金流出 (扣除收購之淨現金)	
Consideration – cash paid	以現金支付收購代價	121,500
Cash and cash equivalents in a subsidiary acquired	收購附屬公司內的現金及現金等價物	(42,267)
Net cash outflow on acquisition during the year	於本年度收購的淨現金流出	79,233

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

33. BUSINESS COMBINATIONS (CONTINUED)

Non-controlling interest in Shanghai Yifang are measured at the present ownership interest's proportionate share in the recognised amount of Shanghai Yifang's identifiable net assets.

Acquisition-related costs of RMB121,000 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2022.

The acquired business contributed revenue of approximately RMB221,976,000 and net loss after tax of approximately RMB45,694,000 to the Group for the period from 8 March 2022 to 31 December 2022. If the acquisition had occurred on 1 January 2022, consolidated revenue and consolidated net loss after tax for the year ended 31 December 2022 would have been approximately RMB266,953,000 and RMB46,324,000 respectively. These amounts have been calculated using the subsidiary's results and adjusting them for the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 January 2022, together with the consequential tax effects.

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. 業務合併(續)

上海奕方的非控制性權益及按其擁有人的現有股權比例根據上海奕方之可供辨識淨資產計算。

收購相關成本人民幣121,000元已計入截至2022年12月31日止年度的綜合收益表的行政費用。

該業務自收購日即2022年3月8日至2022年12月31日止，為本集團分別帶來的銷售收入約人民幣221,976,000元和稅後虧損約人民幣45,694,000元，如果收購發生在2022年1月1日，截至2022年12月31日止年度之綜合收入和綜合稅後淨虧損將分別約人民幣266,953,000元和人民幣46,324,000元。此等金額乃根據子公司的業績並假設物業，機器和設備以及無形資產從2022年1月1日起進行公允價值調整並計提額外折舊和攤銷，以及隨之而來的稅收影響。

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)

34. CASH GENERATED FROM OPERATIONS

(a) Reconciliation of (loss)/profit before tax to cash generated from operations

		Year ended 31 December 截至12月31日止年度		
		Note 附註	2022 2022年	2021 2021年
(Loss)/profit before income tax	除稅前(虧損)/盈利		(720,210)	1,147,377
Adjustments for:	調整：			
- Depreciation	- 折舊	27	225,338	176,829
- Amortisation	- 攤銷	27	104,903	100,324
- Provision for impairment of goodwill	- 商譽減值撥備	9	1,507,710	293,270
- Provision for impairment of inventories	- 存貨減值撥備	27	1,760	1,220
- Provision for impairment of trade and other receivables	- 貿易及其他應收款項減值撥備	3.1(b)	20,276	3,527
- Provision for impairment of property, plant and equipment	- 固定資產減值撥備	6	31,774	-
- Provision for impairment relating to the investment in an associate	- 聯營公司投資之減值撥備	10	139,000	-
- Share-based payment-value of employee services	- 股份為基礎的支付 - 僱員服務價值	21	3,713	5,747
- Interest expense	- 利息費用	29	37,970	81,468
- Interest income	- 利息收入	29	(71,791)	(101,784)
- 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	7,056	(12,584)
- Adjustment for transactions between the Group and associates/jointly controlled entities	- 調整集團與聯營公司及 共同控制實體之交易	10, 11	-	4,622
- Gains on disposal of property, plant and equipment	- 出售物業、機器及設備 之收益	26	(5,085)	(5,726)
- Written off of payables	- 沖銷應付款	26	12,234	-
- Losses/(gains) on termination of leases	- 終止租賃之虧損/(收益)		1,294	(1,811)
- Gains on disposal of financial assets at FVPL	- 出售以公允價值計量且 其變動計入損益的 金融資產之收益	26	-	(5,246)
- Loss on disposal of a subsidiary	- 出售附屬公司之虧損	26	1,184	-
- Gain on disposal of an associate	- 出售聯營公司之收益	26	-	(16,720)
- Gain on disposal of a jointly controlled entity	- 出售共同控制實體 之收益	26	-	(1,876)
- 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	26	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 資產之公允價值變動	26	(106,052)	(104,568)
- Gains on fair value change of biological assets	- 生物資產的公允價值變動 收益	26	(2,094)	-
- Dividend income from investment in 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	(3,444)	(889)
- Foreign exchange losses- net	- 貨幣匯兌虧損-淨額	26	17,871	27,510
Changes in working capital:	營運資金變動：			
- Biological assets	- 生物資產		(2,425)	-
- Inventories	- 存貨		(60,053)	(43,700)
- Trade and other receivables	- 貿易及其他應收款項		7,042	62,623
- Trade and other payables	- 貿易及其他應付款項		(91,135)	70,917
- Contract liabilities	- 合同負債		(51,001)	(15,756)
Cash generated from operations	營運產生之現金		1,029,918	1,664,774

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

34. 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)

34. 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	2022 2022年	2021 2021年
Net book amount	賬面淨值		12,916	14,520
Gains on disposal of property, plant and equipment	出售物業、機器及設備之收益	26	5,085	5,726
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備的所得款		18,001	20,246

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

34. 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		
		Borrowings 借款	Lease liabilities 租賃負債	Total 總計
	Note 附註			
At 1 January 2021	於2021年1月1日	2,708,230	63,871	2,772,101
Changes from financing cash flow:	融資活動的現金流量變化：			
Proceeds from borrowings	借貸所得款	1,557,156	-	1,557,156
Repayments of borrowings	償還借款	(3,284,355)	-	(3,284,355)
Principal elements of lease payments	租賃付款之本金部份	-	(22,578)	(22,578)
Interest elements of lease payments	租賃付款之利息部份	-	(2,151)	(2,151)
Total changes from financing cash flow	融資活動的現金流量變化總計	(1,727,199)	(24,729)	(1,751,928)
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	-	3,936	3,936
Interest expenses	利息支出	29	(2,151)	(2,151)
Currency translation difference	匯兌差異	(18,257)	-	(18,257)
Total other changes	其他變動總計	(18,257)	1,785	(16,472)
At 31 December 2021	於2021年12月31日	962,774	40,927	1,003,701
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 elements of lease payments	租賃付款之利息部份	-	(1,735)	(1,735)
Total changes from financing cash flow	融資活動的現金流量變化總計	(428,588)	(28,722)	(457,310)
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	153,569
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	1,735
Currency translation difference	匯兌差異	9,014	-	9,014
Total other changes	其他變動總計	143,514	48,565	192,079
At 31 December 2022	於2022年12月31日	677,700	60,770	738,470

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. 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：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

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)

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	
		2022 2022年	2021 2021年
Property, plant and equipment	物業、機器及設備	139,761	169,196
Intangible assets	無形資產	23,878	29,043
Right-of-use assets	使用權資產	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	19,164	24,942
		215,563	251,181

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) Name 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
Yunnan Ruisheng 雲南瑞升	An associate indirectly held by the Company 本公司間接持有的聯營公司
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
Xiamen Fengtao 廈門蜂濤	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
Shenzhen Ruili 深圳銳麗	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
Joy Light (HongKong) Tabacoo Co. Ltd. ("Joy Light") 香港卓羿煙草有限公司(「香港卓羿」)	An entity controlled by the Company's ultimate holder 本公司最終持有人控制之公司
The Group disposed Dianhua Benxiang, a jointly controlled entity indirectly held by the Company in July 2021, and since then it was no longer a related party.	本集團於2021年7月處置滇華本香，一家由本公司間接持有之共同控制實體，自此不再是關聯方。
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.	集團於2022年3月進一步收購上海奕方27%的股權，合計達到67%，上海奕方成為本集團的子公司。

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 (CONTINUED)

(b) Transactions with related parties

		Year ended 31 December 截至12月31日止年度	
		2022 2022年	2021 2021年
Sales of goods and services:	銷售商品及服務：		
– Huangguoshu Golden Leaf	– 黃果樹金葉	6,350	14,126
– Broad Far Group	– 博遠集團	17,299	2,048
– Yingtan Dongwu	– 鷹潭東霧	–	892
– Hunan Jiapinjiawei	– 湖南嘉品嘉味	314	2
– Shanghai Miou	– 上海米偶	22	–
– Shanghai Yifang	– 上海奕方	28	352
– Dianhua Benxiang	– 滇華本香	–	6,522
		24,013	23,942
Purchase of goods and services:	購買商品及服務：		
– Huangguoshu Golden Leaf	– 黃果樹金葉	134	870
– Broad Far Group	– 博遠集團	15	51
– Yunnan Ruisheng	– 雲南瑞升	113	41
– Hunan Jiapinjiawei	– 湖南嘉品嘉味	857	–
– Shenzhen Ruili	– 深圳銳麗	136	–
– Shanghai Miou	– 上海米偶	268	–
– Joy Light	– 香港卓羿	–	3,435
– Shanghai Yifang	– 上海奕方	680	142
– Dianhua Benxiang	– 滇華本香	–	6,232
		2,203	10,771
Dividend revenue:	股息收入：		
– Hongta Blue Eagle	– 紅塔藍鷹	5,110	4,031
– Dianhua Benxiang	– 滇華本香	–	2,669
		5,110	6,700
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

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)

36. RELATED PARTY TRANSACTIONS (CONTINUED)

36. 關聯方交易(續)

(c) Balances with related parties

(c) 關聯方結餘

		As at 31 December 於12月31日	
		2022 2022年	2021 2021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	6,553	13,109
– Broad Far Group	– 博遠集團		
– trade and other receivables	– 貿易及其他應收款	8,815	3
– Yunnan Ruisheng	– 雲南瑞升		
– other receivables	– 其他應收款	35	–
– Yingtan Dongwu	– 鷹潭東霧		
– trade receivables	– 貿易應收款	504	504
– Hunan Jiapinjiawei	– 湖南嘉品嘉味		
– other receivables	– 其他應收款	21	1
– Shanghai Yifang	– 上海奕方		
– trade receivables	– 貿易應收款	–	59
		15,928	13,676
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	970
– Broad Far Group	– 博遠集團		
– other payables	– 其他應付款	353	–
– Yunnan Ruisheng	– 雲南瑞升		
– trade payables	– 貿易應付款	31	–
– Xiamen Fengtao	– 廈門蜂濤		
– other payables	– 其他應付款	–	9,560
– Hunan Jiapinjiawei	– 湖南嘉品嘉味		
– trade payables	– 貿易應付款	127	–
– Shenzhen Ruili	– 深圳銳麗		
– trade payables	– 貿易應付款	136	–
– Shanghai Yifang	– 上海奕方		
– trade payables	– 貿易應付款	–	160
		683	10,690

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。

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:

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。應付及已付予董事的酬金已在附註39(a)披露。向高級管理人員支付作為僱員服務的已付及應付酬金如下：

		Year ended 31 December 截至12月31日止年度	
		2022 2022年	2021 2021年
Fees, salaries and bonus	工資、薪酬及花紅	21,597	20,948
Employer's contributions to retirement benefit scheme	僱主就退休計劃供款	512	531
Share-based benefits	以股份為基礎之福利	–	1,870
		22,109	23,349

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)

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 實際權益%		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Aromascape Development Centre GmbH Aromascape Development Centre GmbH ^{FC1, 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	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 natural extracts in Botswana 生產和銷售天然提取物，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}	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 ^{YX1, GX1}	PRC, Limited liability company 中國，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 ^{X1, 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, RM1}	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
Huabao Flavour & Chemical Technology Development(Shanghai) Co., Ltd. 華寶香化科技發展(上海)有限公司	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

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)

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 % 本集團持有的實際權益%		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Huabao Flavours & Fragrances (HK) Limited 華寶香精(香港)有限公司 ^{C1, FC1}	Hong Kong, Limited liability company 香港，有限責任公司	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	-	81.103	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 ^{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，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	RMB300,000,000 人民幣300,000,000元	-	100	Manufacturing and sales of food flavours and fragrances in the PRC 生產及銷售香原料，中國
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
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
Shenzhen Huazhu Bio-Technology Development Co., Ltd. 深圳華竹生物科技發展有限公司 ^{ZD1, ZD2, GX1, YX1} (formerly known as "Shanghai Huazhu Biological Technology Co., Ltd") (前稱「上海華竹生物科技發展有限公司」)	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

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)

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 % 本集團持有的實際權益%		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Smart Sino International Investment Holdings (China) Co., Ltd 華鋒國際投資控股(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	Investments holding in the PRC 投資控股，中國
Amber (XiaMen) Fragrance Co., Ltd. 廈門琥珀香精股份有限公司 ^{LX1, LX2} (formerly known as "Xiamen Amber Daily Chemical Technology Co., Ltd") (前稱「廈門琥珀日化科技股份有限公司」)	PRC, Limited liability company 中國，有限責任公司	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
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
Shanghai Yifang Rural Technology Holdings Co., Ltd. 上海奕方農業科技股份有限公司	PRC, Limited liability company 中國，股份有限公司	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
Jiangxi Yifang Rural Technology Co., Ltd. 江西奕方農業科技有限公司	PRC, Limited liability company 中國，有限責任公司	RMB205,000,000 人民幣205,000,000元	-	67	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

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 2022 is RMB160,397,000 (2021: RMB219,409,000), of which RMB146,288,000 (2021: RMB212,381,000) 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 subsidiaries that have non-controlling interests that are material to the Group:

Summarised consolidated statement of financial position of Huabao Flavours Group

		As at 31 December 於12月31日	
		2022 2022年	2021 2021年
Current Assets	流動資產	6,559,465	6,295,078
Liabilities	負債	(1,080,830)	(532,664)
Total current net assets	流動淨資產總額	5,478,635	5,762,414
Non-current Assets	非流動資產	2,447,122	2,094,057
Liabilities	負債	(177,831)	(19,569)
Total non-current net assets	非流動淨資產總額	2,269,291	2,074,488
Net assets	淨資產	7,747,926	7,836,902

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)

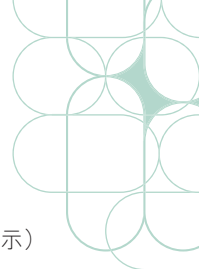
37. 主要附屬公司之詳情(續)

(a) 重大非控制性權益

截至2022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160,397,000元（2021年：人民幣219,409,000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146,288,000元（2021年：人民幣212,381,000元）。於其他附屬公司的非控制性權益並不重大。

以下載列本集團有重大的非控制性權益的附屬公司的財務資料摘要：

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)

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. 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

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	
		2022 2022年	2021 2021年
Revenue	營業額	1,893,883	1,941,375
Profit before income tax	除稅前盈利	866,784	1,181,624
Income tax expense	所得稅費用	(134,512)	(158,066)
Profit for the year	本年度盈利	732,272	1,023,558
Other comprehensive income/(loss)	其他全面收益/(虧損)	48,835	(34,776)
Total comprehensive income	全面收益總額	781,107	988,782
Total comprehensive income allocated to non-controlling interests	分配予非控制性權益的全面收益總額	146,288	212,381
Dividends paid to non-controlling interests	向非控制性權益派付之股利	37,313	14,330



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)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (Continued)

Summarised consolidated statement of cash flows of Huabao Flavours Group

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	
		2022 2022年	2021 2021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	855,076	1,382,699
Income tax paid	已付所得稅	(164,993)	(133,862)
Net cash generated from operating activities	營運活動產生之現金淨額	690,083	1,248,837
Net cash generated/(used in) from investing activities	投資活動(所用)/產生之現金淨額	1,224,959	(1,347,738)
Net cash used in financing activities	融資活動所用之現金淨額	(646,958)	(1,011,263)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	1,268,084	(1,110,164)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	2,271,032	3,395,528
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	36,045	(14,332)
Cash and cash equivalents at the end of the year	於年末之現金及現金等價物	3,575,161	2,271,032

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	2021 2021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	1,112,197	1,017,981
Current assets	流動資產		
Trade and other receivables	貿易及其他應收款項	763	45,363
Amounts due from subsidiaries	應收附屬公司款項	6,191,600	5,365,652
Cash and cash equivalents	現金及現金等價物	31,112	755,865
		6,223,475	6,166,880
Total assets	總資產	7,335,672	7,184,861
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	2,710,794	2,095,783
Retained earnings	保留盈利	4,110,756	4,276,355
Total equity	總權益	7,150,169	6,700,757
LIABILITIES	負債		
Current liabilities	流動負債		
Borrowings	貸款	-	310,688
Amounts due to subsidiaries	應付附屬公司款項	184,596	171,390
Trade and other payables	貿易及其他應付款項	907	2,026
		185,503	484,104
Total liabilities	總負債	185,503	484,104
Total equity and liabilities	總權益及負債	7,335,672	7,184,861

The statement of financial position of the Company was approved by the Board of Directors on 30 March 2023 and was signed on its behalf.

Mr. XIA Liqun
夏利群先生
Director
董事

本公司之財務狀況表已於2023年3月30日由董事局批准並簽署。

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

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 (CONTINUED)

(a) Reserve movements of the Company

		Contributed surplus	Share premium	Capital reserve	Capital redemption reserve	Other reserve	Currency Translation reserve	Total
		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 2021	於2021年1月1日	296,853	429,861	2,411	4,760	40,125	(293,521)	480,489
Issuance of new shares	發行新股	-	1,753,905	-	-	-	-	1,753,905
Currency translation differences	貨幣換算差異	-	-	-	-	-	(138,611)	(138,611)
At 31 December 2021	於2021年12月31日	296,853	2,183,766	2,411	4,760	40,125	(432,132)	2,095,783
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

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 (續)

(a) 公司儲備變動

		Contributed surplus	Share premium	Capital reserve	Capital redemption reserve	Other reserve	Currency Translation reserve	Total
		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 2021	於2021年1月1日	296,853	429,861	2,411	4,760	40,125	(293,521)	480,489
Issuance of new shares	發行新股	-	1,753,905	-	-	-	-	1,753,905
Currency translation differences	貨幣換算差異	-	-	-	-	-	(138,611)	(138,611)
At 31 December 2021	於2021年12月31日	296,853	2,183,766	2,411	4,760	40,125	(432,132)	2,095,783
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

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

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 year ended 31 December 2022 and 2021 are set out below:

Name of directors	Note	Year ended 31 December 2022 截至2022年12月31日止年度						Year ended 31 December 2021 截至2021年12月31日止年度							
		Fees	Salaries	Bonus	Employer's contribution to pension scheme 僱主就退休計劃供款	Share-based benefits 以股份為基礎之福利	Other benefits 其他福利	Total	Fees	Salaries	Bonus	Employer's contribution to pension scheme 僱主就退休計劃供款	Share-based benefits 以股份為基礎之福利	Other benefits 其他福利	Total
Executive directors:	執行董事:														
Ms. CHU Lam Yiu	(i)	4,297	-	-	-	-	4,297	16,606	-	16,606	-	-	-	33,212	
Mr. POON Chiu Kwok		-	2,165	-	1,459	-	3,624	-	2,092	-	1,410	-	-	3,502	
Mr. XIA Liqun		-	7,734	5,156	15	1,314	14,219	-	7,473	3,875	15	1,870	-	13,233	
Mr. LAM Ka Yu		2,503	-	-	-	-	2,503	3,487	-	-	-	-	-	3,487	
Ms. LAM Ka Yan	(iii)	1,811	-	-	-	-	1,811	-	-	-	-	-	-	-	
Ms. CHOY Man Har	(iii)	-	2,727	-	14	-	442	-	-	-	-	-	-	-	
Independent non-executive directors:	獨立非執行董事:														
Mr. LEE Luk Shiu		206	-	-	-	-	206	199	-	-	-	-	-	199	
Ms. MA Yunyan	(iv)	80	-	-	-	-	80	199	-	-	-	-	-	199	
Mr. WU Chi Keung	(ii)	-	-	-	-	-	-	149	-	-	-	-	-	149	
Mr. YAN Jonathan Jun		206	-	-	-	-	206	199	-	-	-	-	-	199	
Mr. HOU Haitao	(v)	127	-	-	-	-	127	-	-	-	-	-	-	-	
		9,230	12,626	5,156	1,488	1,314	442	30,256	20,839	9,565	20,481	1,425	1,870	-	54,180

(i) Ms. CHU Lam Yiu is also the chief executive officer of the Company.

(ii) Mr. WU Chi Keung resigned on 30 September 2021.

(iii) Ms. LAM Ka Yan and Ms. CHOY Man Har were appointed on 14 February 2022.

(iv) Ms. MA Yunyan retired on 20 May 2022.

(v) Mr. HOU Haitao was appointed on 20 May 2022.

No directors waived any emoluments during the year ended 31 December 2022 and 2021.

During the year ended 31 December 2022 and 2021, 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.

(i) 朱林瑤女士兼任本集團的首席執行官。

(ii) 胡志強先生於2021年9月30日退任。

(iii) 林嘉忻女士及蔡文霞女士於2022年2月14日獲委任。

(iv) 麻雲燕女士於2022年5月20日退任。

(v) 侯海濤先生於2022年5月20日獲委任。

截至2022年及2021年12月31日止年度，無董事放棄任何酬金。

截至2022年及2021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。

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

(a) 董事及行政總裁酬金

各董事及行政總裁於截至2022年及2021年12月31日止年度之酬金如下：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

39. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' retirement benefit

During the year ended 31 December 2022 and 2021, 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 year ended 31 December 2022 and 2021, 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 year ended 31 December 2022 and 2021, the Company did not provide any consideration to any third party for making available director's services.

(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 year ended 31 December 2022 and 2021, 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 year ended 31 December 2022 and 2021, 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.

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)

(b) 董事退休福利

截至2022年及2021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2022年及2021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2022年及2021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。

(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2022年及2021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2022年及2021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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

40. Events occurring after the reporting period

In January 2023, the Company was informed by Ms. Chu's family (Ms. Chu, the chairlady, CEO, executive Director and controlling shareholder of the Company) that Anyuan County Police Bureau had lifted Ms. Chu's residential surveillance and that she was on bail pending further investigation. Concurrently, the Company was informed by Ms. Chu's family that Ms. Chu is placed under residential surveillance at a designated location by Yongchuan District, Chongqing Police Bureau (the above events are collectively referred as "the Event").

The Event is the subsequent events of 2022. In January 2022, the Company had been informed by Huabao Flavours that Ms. Chu and Mr. Lam Ka Yu ("Mr. Lam"), the son of Ms. Chu, the Co-chairman and executive Director of the Company, and a director of Huabao Flavours, were under investigation for suspected disciplinary violations and were placed under residential surveillance at designated locations.

In July 2022, the Company was informed by Mr. Lam that he had been notified by Changsha County Police Bureau that they had lifted his residential surveillance and that he was on bail pending further investigation.

In July 2022, the Company was informed by Ms. Chu's family that Changsha County Police Bureau had lifted Ms. Chu's residential surveillance and that she was on bail pending further investigation. Concurrently, the Company had received a Case Filing Notice from Xinfeng County Supervisory Committee that Xinfeng County Supervisory Committee had decided to file an investigation against Ms. Chu and Ms. Chu was placed under residential surveillance at a designated location by Anyuan County Police Bureau.

Up to the date of this report, the Company has not been provided with any details of the nature of the suspected violations of Ms. Chu and Mr. Lam that were being investigated. The production and business operation of the Group remains normal. Further announcement(s) will be made to keep the shareholders of the Company and the public informed of the development in this matter in due course.

In response to the Event, the Group has conducted a review of the bank loan contracts that had not expired as at the date of this report and found that there were loan contracts of approximately RMB107 million (the "Loans") which contained clauses referring to the occurrence of similar events and that such occurrence "may endanger or impair the lender's rights and interests under the loan contracts" or "may affect the performance of the borrower's obligations under the loan contracts" and entitles the bank the right to demand early repayment. The Group has not received any form of early repayment notice from the relevant banks. The Group has sufficient cash readily available for repayment of the Loans.

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)

40. 報告期後事項

於2023年1月，本公司接獲朱女士(朱女士為本公司主席、首席執行官、執行董事及控股股東)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，採取取保候審。同時，本公司接獲朱女士家屬通知，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(以上事件統稱「該事件」)。

該事件為2022年的期後事件。2022年1月，本公司獲華寶股份通知，朱女士及朱女士的兒子，本公司之聯席主席兼執行董事以及華寶股份的董事林嘉宇先生(「林先生」)，涉嫌違紀被調查並被指定居所監視居住。

2022年7月，本公司收到林先生通知，其接獲長沙縣公安局通知，決定解除對其的監視居住，採取取保候審。

2022年7月，本公司接獲朱女士的家屬通知，長沙縣公安局已解除了對朱女士的監視居住，採取取保候審。同時，本公司收到信豐縣監察委員會的《立案通知書》，信豐縣監察委員會決定對朱女士進行立案調查。安遠縣公安局對朱女士執行指定居所監視居住。

截至本報告日止，本公司並未獲提供有關朱女士及林先生當時接受調查所涉嫌違法事宜的性質之任何詳情。本集團的生產和業務經營目前保持正常。本公司將作出進一步公告，以知會本公司股東及公眾人士有關事宜的進展。

針對該事項，本集團對截止本報告日尚未到期的銀行貸款合同進行檢查，發現其中有約人民幣1.07億元(「該等貸款」)的貸款合同內有提及類似該事件的發生「可能或已經危及或損害貸款人在貸款合同下的權益」或「可能影響到借款人在借款合同下義務的履行」而賦予銀行有權要求提前還款的條款。目前本集團沒有收到相關銀行任何形式的提前還款通知。本集團有充足的現金可隨時用於償還該等貸款。

Five Year Financial Summary

五年財務摘要

(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)

RESULTS

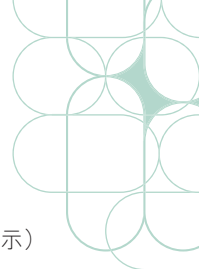
業績

		Nine Months ended 31 December 2018 截至2018年 12月31日 止九個月	Year ended 31 December 2019 截至2019年 止年度	Year ended 31 December 2020 截至2020年 止年度	Year ended 31 December 2021 截至2021年 止年度	Year ended 31 December 2022 截至2022年 12月31日 止年度
Revenue	營業額	3,058,707	4,241,040	3,854,058	3,882,683	3,828,984
Gross profit	毛利	1,949,805	2,745,410	2,442,407	2,296,662	1,877,563
(Loss)/profit before income tax	除稅前(虧損) ／盈利	1,374,957	1,745,817	948,821	1,147,377	(720,210)
Income tax expenses	所得稅	(320,805)	(372,076)	(280,382)	(251,593)	(180,840)
(Loss)/profit for the year	本年度(虧損) ／盈利	1,190,991	1,373,741	668,439	895,784	(901,050)

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 2018 於2018年 12月31日	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
Total assets	總資產	19,175,430	17,963,635	17,678,054	18,025,129	16,619,022
Total liabilities	總負債	(5,430,012)	(4,364,162)	(3,983,805)	(2,306,310)	(2,061,584)
Net assets	淨資產	13,745,418	13,599,473	13,694,249	15,718,819	14,557,438



Five Year Financial Summary

五年財務摘要

(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)

OTHER FINANCIAL INFORMATION

其他財務數據

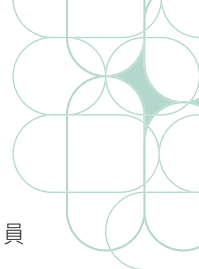
		2018 2018年	2019 2019年	2020 2020年	2021 2021年	2022 2022年
(Loss)/earnings per share, basic (RMB cents)	每股(虧損)/ 盈利，基本 (人民幣分)	32.75	35.78	13.46	21.70	(32.65)
(Loss)/earnings per share, diluted (RMB cents)	每股(虧損)/ 盈利，攤薄 (人民幣分)	32.75	35.78	13.46	21.70	(32.65)
Aggregated dividend per share (HKD cents)	每股全年累計 股息(港仙)	18.8	18.8	9.0	8.4	–
Aggregated special dividend per share (HKD cents)	每股全年累計 特別股息 (港仙)	18.9	–	6.0	–	8.48
Financial year-end share price (HKD)	財政年度結算 日股價(港元)	3.33	2.86	10.68	14.40	4.03
EBIT ratio	EBIT率	42.1%	40.8%	23.4%	28.7%	–15.9%
EBITDA ratio	EBITDA率	46.9%	47.0%	43.4%	43.5%	32.2%
ROE	ROE	8.8%	9.4%	3.5%	5.2%	–7.9%



Glossary

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
CEO	Chief Executive Officer	首席執行官	首席執行官
CG Code	Corporate Governance Code as set out in Appendix 14 of the Listing Rules	企業管治守則	上市規則附錄十四所列的企業管治守則
CGU	Cash-generating unit	CGU	現金產生單位
Chemactive	Chemactive Investments Limited	Chemactive	Chemactive Investments Limited
Mainland China or PRC	The People's Republic of China	中國或國內	中華人民共和國
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
FCPA (Aust.)	Fellow member of CPA Australia Ltd.	FCPA (Aust.)	澳洲資深註冊會計師
Group	The Company and its subsidiaries	本集團或華寶集團	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
Guangdong Tobacco	China Tobacco Guangdong Industrial Co., Ltd.	廣東中煙	廣東中煙工業有限責任公司
Guangdong Tobacco Company	Guangdong Tobacco and its subsidiaries and related companies	廣東中煙公司	廣東中煙及其附屬公司及關聯企業
Guangdong Zhaoqing	Zhaoqing Perfumery Co., Ltd (Guangdong)	廣東肇慶	廣東省肇慶香料廠有限公司
HKD or HK\$	Hong Kong dollars, the lawful currency of Hong Kong	港幣或港元	港幣，香港法定貨幣

詞彙



Glossary

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
Huabao Kongque	Shanghai H&K Flavors & Fragrances Co., Ltd.
INEDs	Independent Non-executive Director(s) of the Company
Interim Period	For the six months ended 30 June 2022
Jiahao	Jiahao Foodstuff Limited and its subsidiaries
Jiahao Foodstuff	Jiahao Foodstuff Limited
Jiangxi Xianghai	Jiangxi Xianghai Biological Technology Co., Ltd.
Listing Rules	the Rules Governing the Listing of Securities on the Main Board of the Hong Kong Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
Pandemic	Novel Coronavirus Pneumonia pandemic
Reporting Period	For the year ended 31 December 2022
R&D	Research and development
RMB	Renminbi, the lawful currency of the PRC
RTL	Reconstituted Tobacco Leaves

詞彙

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
華寶孔雀	上海華寶孔雀香精有限公司
獨立非執行董事	本公司之獨立非執行董事
中期	截至2022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
嘉豪食品	嘉豪食品有限公司
江西香海	江西香海生物科技有限公司
上市規則	香港聯交所主板證券上市規則
標準守則	上市規則附錄十所列的上市發行人董事進行證券交易的標準守則
疫情／新冠肺炎 疫情	新型冠狀病毒肺炎疫情
報告期	截至2022年12月31日止之年度
研發	研究及發展
人民幣	人民幣，中國法定貨幣
再造煙葉	再造煙葉



Glossary

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
SFO	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
Shareholder(s)	Shareholder(s) of the Company
Share(s) or ordinary share(s)	Ordinary share(s) of HKD0.10 each in the capital of the Company
Shenzhen Stock Exchange	Shenzhen Stock Exchange in the PRC
STMA	State Tobacco Monopoly Administration
U. S.	United States of America
USD	US dollars, the lawful currency of the United States of America
Xiamen Amber	Xiamen Amber Daily Chemical Technology Co., Ltd.

詞彙

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
證券及期貨條例	香港法例第571章證券及期貨條例
股東	本公司之股東
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
深圳證券交易所	中國深圳證券交易所
國煙局	國家煙草專賣局
美國	美利堅合眾國
美元	美元，美國法定貨幣
廈門琥珀	廈門琥珀日化科技股份有限公司



Huabao International Holdings Limited
華寶國際控股有限公司

