

KANGJI 康基

康基医疗控股有限公司
Kangji Medical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：9997



Annual Report **2023** 年度報告

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Chairman's Statement

董事長致辭



Dear Shareholders,

In 2023, with the lifting of COVID-19 restrictions, China's overall economic and business activities continued to recover steadily, with patient flow and surgical volume gradually rebounded, which led to an increase in the end market demand for our products, and a significant increase in both the domestic and international businesses. Kangji Medical achieved operating revenue of RMB926.0 million in 2023, representing a year-on-year growth of approximately 17.8%. The non-HKFRS adjusted net profit attributable to owners of the parent for the Reporting Period was RMB504.0 million, representing a year-on-year growth of approximately 5.3%.

Kangji Medical, as a leading enterprise in the field of minimally invasive surgery device products in China, always adheres to and practices the clinical-oriented thinking of "originating from clinical practice, used for clinical practice" and the product R&D concept of "co-creation and co-construction with industry, academia, and research". We focus on the minimally invasive surgery field and insist on providing comprehensive, high-quality, reliable, and accessible overall minimally invasive surgical solutions for doctors and patients in China and around the world, where we strive to make meaningful contributions to the advancement of minimally invasive surgical technology.

尊敬的各位股東：

2023年，隨著疫情防控的放開，中國整體經濟及商業活動持續穩定復甦，患者流量及手術量逐漸回升，帶動終端市場對我們產品的需求增加，國內及國際業務均獲得顯著增長。2023年，康基医疗實現營業收入人民幣926.0百萬元，同比增長約17.8%；報告期內的母公司擁有人應佔非《香港財務報告準則》調整後的純利人民幣504.0百萬元，同比增長約5.3%。

作為中國微創外科器械的龍頭，康基医疗始終秉承與實踐「源於臨床，用於臨床」的臨床導向思維、「產學研共創共建」的產品研發理念，深耕微創外科手術領域，為中國及全球的醫生和患者提供全面、優質、可靠、可及的微創外科手術整體解決方案，竭力為中國乃至全球微創外科技術的進步做出應有的貢獻。

Chairman's Statement

董事長致辭

In 2023, we successfully organised and carried out many thematic academic promotion conferences and training sessions. These activities covered different highlights ranging from product-specific events, surgery-specific trainings to thematic conferences in clinical fields. For example, we have established single-port procedures training centres through cooperation with local reputable hospitals. These training centres have provided single-port surgery training to doctors from hospitals located in many regions across China. Apart from this, we have also participated in different academic conferences and held video surgery competitions to promote medical knowledge and advocate standardised clinical operations.

We will continue to expand our R&D team and focus on key development areas including biodegradable implantable consumables, which is one of the most important segments in the medical field due to its potential to help improving patient's treatment. Weijing Medical, a subsidiary of the Group, also made progress in its R&D development, and one of the remarkable achievements was the launch of clinical trial for four-arm surgical robots in the fourth quarter of 2023.

Looking ahead, it is expected that China's healthcare industry and market will continue to expand as the proportion of the elderly population in China continues to surge. We are persevering in implementing long-term strategic planning, focusing on the growth trend in industry development, striving to seize the opportunities of import substitution and VBPs, expanding into the international market with enormous potential, and exploring innovative ideas for China's medical device industry to leap forward. The medical industry is closely linked to people's healthy living. We expect that the industry will gradually resume its normal operating levels in the second half of 2024, which will be conducive to the launch of new products and strengthen face-to-face academic exchanges. We are actively increasing the market share of our existing core products. At the same time, we are also continuously expanding the geographical presence of new products, including ultrasonic scalpels, 4K endoscopic camera systems and disposable products. We are confident that we will be able to achieve relatively high growth rates of new products in 2024.

On behalf of the Board of Directors, I would like to extend my sincere gratitude to our Shareholders and sincerely thank our management team and employees for their hard work. The Company will actively execute the development strategies, to create greater value for Shareholders through sustainable business development and continuous improvement of corporate management, and to reward the trust of our Shareholders.

2023年，我們成功策劃了專題學術推廣會議及培訓，這些活動涵蓋多個聚焦點，包括產品專題活動、外科專科培訓以及臨床領域專題會議。例如，我們透過與當地知名醫院合作，成立單孔手術培訓中心。該等培訓中心已為中國多個地區的醫院醫生提供單孔手術培訓。此外，我們亦參與學術會議及舉行手術視頻比賽活動，以推廣醫學知識及倡導規範化臨床操作。

我們持續擴大研發團隊，專注於關鍵發展領域，其中包括可降解植入耗材，這是醫療領域中非常重要的板塊，因為其具有改善患者治療成效的潛力。本集團旗下唯精醫療的研發工作也取得了進展，其中一項重要的成就是於2023年第四季度展開四臂手術機器人臨床試驗。

展望將來，隨著中國老年人口比例持續上升，中國的醫療保健行業市場預計將持續呈現增長態勢。我們正鏗而不捨地推進長遠戰略規劃，瞄準行業發展中的增長趨勢，致力把握進口替代及集中帶量採購的機會，拓展龐大的國際市場，為中國醫療器械行業的躍進探路。醫療行業與民眾的健康生活緊密聯繫。我們預期該行業將於2024年下半年逐漸恢復正常營運水平，這將有利於推出新產品及加強面對面學術交流的步伐。我們正積極提高旗下現有核心產品的市場佔有率。與此同時，我們亦在不斷拓寬新產品的銷售版圖，包括超聲切割止血刀、4K內窺鏡攝像系統及一次性吻合器。我們有信心於2024年看到相對較高的新產品增長率。

本人謹代表董事會向尊敬的股東致以誠摯的謝意，並對管理團隊及員工的辛勤付出表示由衷的感謝。本公司將積極執行各項發展戰略，以持續的業務發展和不斷提升的企業經營管理為公司股東創造更大價值，回饋廣大股東的信任。

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. ZHONG Ming (*Chairman*)
Ms. SHENTU Yinguang
Ms. Frances Fang CHOVANEC
(*resigned on September 15, 2023*)
Mr. YIN Zixin

Non-executive Director

Ms. CAI Li

Independent Non-executive Directors

Mr. JIANG Feng
Mr. GUO Jian
Mr. CHEN Weibo

AUDIT COMMITTEE

Mr. CHEN Weibo (*Chairman*)
Mr. JIANG Feng
Ms. CAI Li

REMUNERATION COMMITTEE

Mr. CHEN Weibo (*Chairman*)
Ms. SHENTU Yinguang
Mr. GUO Jian

NOMINATION COMMITTEE

Mr. ZHONG Ming (*Chairman*)
Mr. JIANG Feng
Mr. GUO Jian

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. ZHONG Ming (*Chairman*)
Mr. SHENTU Yinguang
Ms. Frances Fang CHOVANEC
(*resigned on September 15, 2023*)
Mr. YIN Zixin (*with effect from September 15, 2023*)

COMPANY SECRETARY

Mr. WAN Siu Keung

AUTHORIZED REPRESENTATIVES

Mr. ZHONG Ming
Mr. YIN Zixin

董事會

執行董事

鍾鳴先生 (*董事長*)
申屠銀光女士
Frances Fang CHOVANEC (陳芳) 女士
(*於2023年9月15日辭任*)
尹自鑫先生

非執行董事

蔡俐女士

獨立非執行董事

姜峰先生
郭建先生
陳衛波先生

審核委員會

陳衛波先生 (*主席*)
姜峰先生
蔡俐女士

薪酬委員會

陳衛波先生 (*主席*)
申屠銀光女士
郭建先生

提名委員會

鍾鳴先生 (*主席*)
姜峰先生
郭建先生

環境、社會及管治委員會

鍾鳴先生 (*主席*)
申屠銀光女士
Frances Fang CHOVANEC (陳芳) 女士
(*於2023年9月15日辭任*)
尹自鑫先生 (*自2023年9月15日起生效*)

公司秘書

溫兆強先生

授權代表

鍾鳴先生
尹自鑫先生

Corporate Information

公司資料

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

REGISTERED OFFICE

Appleby Global Services (Cayman) Limited
71 Fort Street
P.O. Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

CORPORATE HEADQUARTERS

No. 1668 Chunjiang East Road
Tonglu Economic Development Zone
Hangzhou
Zhejiang Province
PRC

HONG KONG LEGAL ADVISER

Cleary Gottlieb Steen and Hamilton (Hong Kong)
37/F, Hysan Place
500 Hennessy Road
Causeway Bay
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat 1007B, 10/F, Harbour Crystal Centre
100 Granville Road, Kowloon
Hong Kong

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

INVESTOR RELATIONS

T: +86 571 69900020
E: ir@kangji.com

WEBSITE

www.kangjimedical.com

STOCK CODE

9997

核數師

安永會計師事務所
執業會計師
註冊公眾利益實體核數師
香港
鰂魚涌
英皇道979號
太古坊一座27樓

註冊辦事處

Appleby Global Services (Cayman) Limited
71 Fort Street
P.O. Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

公司總部

中國
浙江省
杭州市
桐廬經濟開發區
春江東路1668號

香港法律顧問

佳利(香港)律師事務所
香港
銅鑼灣
軒尼詩道500號
希慎廣場37樓

香港主要營業地點

香港九龍
加連威老道100號
港晶中心10樓1007B室

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716室

投資者關係

電話 : +86 571 69900020
電郵 : ir@kangji.com

公司網址

www.kangjimedical.com

股份代號

9997

Financial Highlights

財務摘要

A summary of the results and of the assets and liabilities of the Group for the last five* financial years, as extracted from/calculated based on the audited financial information and financial statements is set out below:

本集團於過往五個*財政年度的業績以及資產與負債之概要(摘錄自經審核財務資料及財務報表/根據該等資料及報表計算得出)載列如下:

| | | For the year ended December 31, 截至12月31日止年度 | | | | |
|---|------------------------------|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 | 2021 2021年 RMB' 000 人民幣千元 | 2020 2020年 RMB' 000 人民幣千元 | 2019 2019年 RMB' 000 人民幣千元 |
| Revenue | 收入 | 926,023 | 786,367 | 690,263 | 511,490 | 503,467 |
| Gross profit | 毛利 | 741,199 | 635,247 | 562,926 | 431,470 | 423,175 |
| Profit for the year | 年內利潤 | 452,295 | 461,174 | 456,789 | 259,150 | 326,735 |
| Non-HKFRS adjusted net profit for the year** | 非《香港財務報告準則》經調整年內純利** | 486,457 | 476,101 | 412,058 | 329,137 | 320,239 |
| Profit attributable to owners of the parent | 母公司擁有人應佔利潤 | 504,021 | 478,735 | 456,789 | 250,296 | 206,444 |
| Non-HKFRS adjusted net profit for the year attributable to owners of the parent** | 母公司擁有人應佔非《香港財務報告準則》經調整年內純利** | 538,183 | 498,711 | 412,058 | 320,911 | 202,287 |
| Earnings per share | 每股盈利 | | | | | |
| - Basic (RMB) | -基本(人民幣) | 43.08 cents 43.08分 | 39.63 cents 39.63分 | 37.31 cents 37.31分 | 26.27 cents 26.27分 | 20.11 cents 20.11分 |
| - Diluted (RMB) | -攤薄(人民幣) | 42.99 cents 42.99分 | 39.63 cents 39.63分 | 37.08 cents 37.08分 | 25.97 cents 25.97分 | 20.11 cents 20.11分 |
| | | As at December 31, 於12月31日 | | | | |
| | | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 | 2021 2021年 RMB' 000 人民幣千元 | 2020 2020年 RMB' 000 人民幣千元 | 2019 2019年 RMB' 000 人民幣千元 |
| Non-current assets | 非流動資產 | 883,129 | 861,151 | 221,954 | 90,234 | 75,517 |
| Current assets | 流動資產 | 3,380,689 | 3,123,760 | 3,168,390 | 2,930,027 | 717,265 |
| Non-current liabilities | 非流動負債 | 129,148 | 112,434 | 13,371 | 8,204 | 9,950 |
| Current liabilities | 流動負債 | 190,824 | 153,669 | 116,572 | 75,446 | 267,372 |
| Non-controlling interests | 非控股權益 | 294,084 | 345,810 | - | - | 188,232 |
| Total equity | 權益總額 | 3,943,846 | 3,718,808 | 3,260,401 | 2,936,611 | 515,460 |

Financial Highlights

財務摘要

* The shares of the Company were listed on the Main Board of the Stock Exchange on June 29, 2020.

** For details, please see section headed “Management Discussion and Analysis – Non-HKFRS Measures”.

For the year ended December 31, 2023, the Company realized revenue of RMB926.0 million, representing an increase of 17.8% as compared to 2022. The increase in sales was mainly attributable to a moderate growth in sales for the domestic market along with the gradual recovery of elective surgery volume after the COVID-19 restrictions were relaxed. The Group’s export sales also increased rapidly, which thanks to more distributors developed in new areas.

The Group’s net profit attributable to owners of the parent for the Reporting Period increased by 5.3% from RMB478.7 million in 2022 to RMB504.0 million in 2023. The increase was mainly attributable to the Group’s sales growth, and partly offset by the increase of expenses primarily due to R&D expenses contributed by the Group and its subsidiary Weijing Medical and the increase in income tax expenses for withholding tax on dividends.

The Board has resolved to recommend the payment of a final dividend of RMB41 cents per Share for the year ended December 31, 2023 (the “**2023 Final Dividend**”), and a special dividend of RMB99 cents per Share (the “**2023 Special Dividend**”) in celebration of the 20th anniversary of the Group’s establishment and in recognition of the long-term support from the Shareholders. The proposed 2023 Final Dividend is intended to be paid out of the Group’s distributable profits for the year ended December 31, 2023, and the proposed 2023 Special Dividend is intended to be paid partly out of the Group’s accumulated distributable profits and partly out of the Company’s share premium account.

* 本公司股份已於2020年6月29日在聯交所主板上市。

** 詳情請參閱「管理層討論與分析—非《香港財務報告準則》計量」一節。

截至2023年12月31日止年度，本公司實現收入人民幣926.0百萬元，相較2022年增長17.8%。銷售額增長乃主要由於隨著COVID-19防疫限制放寬後擇期手術量逐步恢復，國內市場的銷售額穩步增加所致。本集團的出口銷售亦迅速增長，這得益於我們在新地區開拓了更多的經銷商。

本集團於報告期內的母公司擁有人應佔純利由2022年的人民幣478.7百萬元增加5.3%至2023年的人民幣504.0百萬元。有關增加乃主要由於本集團的銷售額上升所致，惟部分被本集團及其附屬公司唯精醫療的研發開支增加及股息預扣稅的所得稅開支增加所抵銷。

董事會已議決建議派付截至2023年12月31日止年度的末期股息每股人民幣41分（「**2023年末期股息**」）及特別股息每股股份人民幣99分（「**2023年特別股息**」），以慶祝本集團成立20週年及回報股東的長期支持。擬派發的2023年末期股息擬自本集團截至2023年12月31日止年度的可分派利潤中派付，而擬派發的2023年特別股息則擬部分自本集團的累計可分派利潤及部分自本公司的股份溢價賬中派付。

Management Discussion and Analysis

管理層討論與分析

OUR MISSION

Our mission is to enable physicians and improve health and wellness of patients through providing high performing and accessible products and services.

BUSINESS REVIEW

The Group is a leading medical device manufacturer in China offering a diversified product portfolio of medical equipment, instruments and accessories devoted to minimally invasive surgery. Through Weijing Medical, which the Group holds 35% equity interest, we also have a platform with surgical robotic system and consumable products which will be commercialized by leveraging the Group's extensive distribution network as well as our strong manufacturing capability and clinical trial and regulatory approval experience.

As China went to a post-pandemic full reopening in December 2022, economic and business activities across the board in China have been recovering steadily in 2023, with gradual rebound in patient traffic and surgery volume. The Group's domestic sales growth for the Reporting Period was driven mainly by growth in sales of disposable products (among the top three core product categories), as well as the significant increase in sales of some new products, such as ultrasonic scalpels and 4K endoscopic camera systems. On VBP, during the Reporting Period, the Group had won new bids for its core products. The most notable one was in Anhui province for polymer ligation clips, for which the Group won first place with the highest weighted score based on factors such as price cut, hospital coverage, and share in hospitals' procurement volume. As a result, the Group was also allocated the highest hospital procurement volume and we do not expect any change to the distributor model. The implementation of this bid has been in effect since September 2023. We also won bids in Yunnan and Shandong provinces respectively for ultrasonic scalpels with bidding results similar to the Guangdong-led alliance VBP. In Yunnan province, the Group also won bid for absorbable clips, which is expected to accelerate this product's penetration in the end market. The distributor model will remain the same for ultrasonic scalpels and absorbable clips. The VBPs for ultrasonic scalpels in Shandong and Yunnan provinces have been implemented since April and September 2023, respectively. The implementation of the VBP for absorbable clips in Yunnan province began in December 2023.

我們的使命

我們的使命是透過提供優質及便捷的產品及服務協助醫生並改善患者的健康狀況。

業務回顧

本集團是中國一家領先醫療器械製造商，提供微創手術的醫療設備、器械配件等多元化產品組合。透過本集團旗下擁有35%權益的唯精醫療，我們亦擁有一個配備著手術機器人系統及耗材產品的平台，憑藉本集團廣泛的分銷網絡、強大的製造產能以及豐富的臨床試驗及監管審批經驗，致力將該平台商業化。

隨著疫情過後中國於2022年12月全面重新開放，2023年國內整體經濟及商業活動持續穩定復甦，患者就診量與手術量也逐步回升。於報告期內，本集團的國內銷售增長主要得益於三大核心產品類別的一次性產品銷售增長以及超聲切割止血刀及4K內窺鏡攝像系統等新產品銷售大幅增長。在集中帶量採購方面，於報告期內，本集團的核心產品新增中標。其中，最引人注目的是於安徽省的高分子結紮夾，根據降價幅度、醫院覆蓋範圍及醫院採購量份額等因素，本集團以最高加權得分贏得了第一名。因此，本集團也獲得分配最高的醫院採購量，我們預計經銷商模式不會出現變化。是次中標自2023年9月起執行。此外，我們於雲南省及山東省的超聲切割止血刀亦分別成功中標，有關中標結果與廣東主導的聯盟集中帶量採購相類似。本集團於雲南省的可吸收結紮夾亦成功中標，預計將加速該產品在終端市場的滲透。同時，超聲切割止血刀及可吸收結紮夾的經銷商模式將保持不變。於山東省及雲南省的超聲切割止血刀集中帶量採購已分別自2023年4月及9月起執行。於雲南省的可吸收結紮夾集中帶量採購已於2023年12月開始執行。

Management Discussion and Analysis

管理層討論與分析

The VBP implementation for disposable trocars in Guangdong province commenced during the first half of 2023. We have switched from a distributor model to a “logistics partner + academic promotion partner” model, which has proven to be an effective model for disposable trocars in VBP area. While announcements for new VBPs have been ongoing, we do anticipate increasing visibility and rationality regarding the overall of VBP policies. These policies have weighed various factors that favor domestic industry leaders with a relatively more established track record, greater market share, as well as reliable and stable supply. We foresee our focus on VBP would bring the potential for market share gains and import substitution benefits in the long run.

Outside of China, we continued the growth momentum for exports. The number of customers as well as the number of countries/regions with customers continued to increase in 2023 while the concentration of customers determined based on sales amount has decreased. For the year ended December 31, 2023, the Group achieved export sales of RMB86.0 million, representing a 20.6% growth from the previous year.

The growth was primarily attributable to the increasing penetration in existing European and South American markets such as France, Spain and Peru. We continued to engage with authorized distributors to increase the sales of Kangji-branded products in these markets. We have also actively participated in and have been preparing for more industry conferences and international academic promotion events. During the Reporting Period, the Group added 22 overseas product registrations, mainly in Central and South America and Southeast Asia through overseas OEM customers or distributors

For the year ended December 31, 2023, the Group achieved a total revenue of RMB926.0 million, representing a 17.8% increase from the previous year. The growth in revenue was mainly attributable to the growth of core disposable products, ultrasonic scalpels and 4K endoscopic camera systems. The Group's net profit attributable to owners of the parent for the year ended December 31, 2023 increased by 5.3% from RMB478.7 million in 2022 to RMB504.0 million in 2023. The increase was mainly attributable to the Group's sales growth, and partly offset by the increase of expenses primarily due to R&D expenses contributed by the Group and Weijing Medical and the increase in income tax expenses for withholding tax on dividends. The Group's adjusted net profit attributable to owners of the parent for the Reporting Period, which excludes fair value gains on financial assets at fair value through profit or loss, share-based payment expense, foreign exchange difference, investment income/loss from short-term financial products and PRC withholding tax associated with special dividend, has increased by 7.9% from RMB498.7 million in 2022 to RMB538.2 million in 2023.

2023年上半年，廣東省開始執行一次性套管穿刺器集中帶量採購。我們從經銷商模式轉向「物流合作夥伴+學術推廣合作夥伴」模式，事實證明，此模式乃集中帶量採購一次性套管穿刺器的有效模式。隨著新的集中帶量採購陸續公佈，我們預計集中帶量採購政策整體將會更趨常態化。有關政策權衡了多重因素，有利於過往業績表現相對較好、市場份額較高及供應可靠穩定的國內龍頭企業。從長遠來看，我們預見集中帶量採購可帶來潛在的市場份額提升及有利於進口替代。

於國外市場，我們的出口業務繼續保持增長勢頭。2023年，客戶數量以及擁有客戶的國家／地區數量持續增加，且按銷售額計算的客戶集中度則有所下降。截至2023年12月31日止年度，本集團實現出口銷售人民幣86.0百萬元，較去年增加20.6%。

增長主要歸因於法國、西班牙及秘魯等現有歐洲及南美市場的持續滲透。我們繼續與授權經銷商合作，以增加康基品牌產品在該等市場的銷量。此外，我們還積極參與並持續籌備更多行業會議及國際學術推廣活動。於報告期內，本集團新增22個海外產品註冊，主要透過海外OEM客戶或經銷商於中南美洲及東南亞註冊。

截至2023年12月31日止年度，本集團實現總收入人民幣926.0百萬元，較去年增長17.8%。有關收入增長乃主要由於核心一次性產品、超聲切割止血刀及4K內窺鏡攝像系統增長所致。本集團截至2023年12月31日止年度的母公司擁有人應佔純利由2022年的人民幣478.7百萬元增加5.3%至2023年的人民幣504.0百萬元。有關增加乃主要由於本集團的銷售額上升所致，惟部分被本集團及唯精醫療的研發開支增加及股息預扣稅的所得稅開支增加所抵銷。本集團於報告期內的母公司擁有人應佔經調整純利（不計及以公允價值計量且其變動計入當期損益的金融資產的公允價值收益、以股份為基礎的付款開支、匯兌差額、短期金融產品的投資收益／虧損以及特別股息相關的中國預扣稅）由2022年的人民幣498.7百萬元增加7.9%至2023年的人民幣538.2百萬元。

Management Discussion and Analysis

管理層討論與分析

R&D

In the Reporting Period, the Group added 14 new product registrations in China excluding renewal of product registrations. As of December 31, 2023, the Group had an aggregate of 92 domestic NMPA product registrations including 12 for Class III medical devices, 46 for Class II medical devices and 34 for Class I medical devices. In the Reporting Period, the Group also obtained 111 new patents in China which include 56 new patents from Weijing Medical.

We continued the strategy to further diversify the Group's product mix, and within each product category, we strived to provide a comprehensive offering addressing differentiated clinical needs. As part of this effort, we have obtained approval for new surgical access devices, including a disposable balloon trocar and a disposable rotatable multi-channel single-port trocar, which have also received recognition as the Zhejiang Innovative Medical Devices. Additionally, the Group has obtained new approval for disposable trocars with cleaning rings and disposable trocars with filters that upgrade and complement its existing portfolio. In the area of closure devices, the Group has received regulatory approval for absorbable clip during the Reporting Period. This addition, along with the existing titanium clips, polymer ligation clips and the absorbable knotless suture currently in development, enhances the comprehensiveness of the Group's spectrum of minimally invasive closure products. Furthermore, the Group has obtained new registration approvals for advanced medical imaging products. These include the 3D endovision camera system, 3D electronic laparoscope and 4K fluorescence laparoscope. These additions align with our strategic vision and commitment to providing a comprehensive surgical solution to surgeons in the field of minimally invasive surgery.

In 2023, we made efforts to strengthen project progress management by establishing a dedicated team within the R&D department. This organizational enhancement was implemented with the aim of monitoring projects more effectively, addressing critical aspects such as documentation, time and cost management, internal reporting and problem-solving capabilities. The primary objective was to ensure optimal project outcomes and streamline the development process. Furthermore, this strategic move was also intended to enhance the accountability of R&D staff and provide them with additional incentives for their exceptional contributions. In line with the commitment to continuous growth and advancement, we continued to expand the R&D team, focusing on key areas of development. This included absorbable implantable consumable product, an area of high importance in the medical field due to its potential for improved patient outcomes. We also dedicated resources to develop our energy platform, recognizing the significance of energy-based technologies in advancing medical treatments and procedures.

研發

於報告期內，本集團於中國新增14項新產品註冊（不計及產品註冊續新）。截至2023年12月31日，本集團於中國合共有92項產品獲得中國國家藥品監督管理局(NMPA)註冊，包括12項第三類醫療器械、46項第二類醫療器械以及34項第一類醫療器械。於報告期內，本集團亦於中國取得111項新專利，包括來自唯精醫療的56項新專利。

我們繼續實施進一步多元化本集團產品組合的策略，針對每個產品類別致力提供全面的組合，以滿足不同的臨床需求。作為這項工作的一部分，我們的新手術通道類產品已獲得批准，包括一次性球囊套管穿刺器和一次性可旋轉多通道單孔套管穿刺器，該等產品亦已獲認可為浙江省創新醫療器械。此外，本集團亦取得了一次性帶清潔環套管穿刺器及一次性帶過濾器套管穿刺器的註冊證，藉此提升及完善其現有產品組合。就閉合類產品而言，本集團的可吸收結紮夾已於報告期內獲得監管審批，連同目前提供的鈦夾、高分子結紮夾以及目前正在開發中的可吸收免打結縫線，增強了本集團的微創閉合類產品的業務範圍全面性。此外，先進醫用影像產品亦獲得了新批准註冊。該等產品包括3D內窺鏡攝像系統、3D電子胸腹腔內窺鏡及4K熒光胸腹腔內窺鏡。該等新產品符合我們的策略願景和承諾，為微創手術領域的外科醫生提供全面的外科手術解決方案。

2023年，我們致力加強研發項目進度管理，在研發部設立專責團隊。該組織上的優化工作旨在針對文件、時間及成本管理以至內部報告及解決問題的能力等方面更有效地監控項目，確保最佳的項目成果，並使開發流程更順暢。此外，這項策略措施亦旨在加強研發人員的責任感，並為其傑出貢獻提供額外的激勵。因應對持續增長及進步的承諾，我們繼續擴大研發團隊，專注於關鍵發展領域，其中包括可降解植入耗材，這是醫療領域中非常重要的板塊，因為其具有改善患者治療成效的潛力。我們亦投入資源開發我們的能量平台，並認識到能量技術在推進治療和手術方面的重要性。

Management Discussion and Analysis

管理層討論與分析

The Group invested in Weijing Medical in February 2022, establishing it as a platform focused on the development of surgical robotic systems and related instruments and accessories for laparoscopic surgery. During the Reporting Period, Weijing Medical made progress in its R&D efforts. One notable accomplishment was the initiation of clinical trials for its 4-arm surgical robot in the fourth quarter of 2023. We anticipate obtaining registration approval for the 4-arm surgical robot around the end of 2024. Additionally, Weijing Medical is currently finalizing the product design of its single-port surgical robotic system and plans to commence the product type inspection and animal trials in the second half of 2024.

Sales and Distribution

Following the establishment of the sales offices in Shanghai and Guangzhou in 2022, the Group further strengthened the local distribution network by hiring additional district sales managers in the Reporting Period. These managers strengthened the management and support provided to the local distributors. We also maintained continuous communication with distributors, optimizing academic support mechanisms and fostering stronger interactions. Through a tailored approach that considered the unique characteristics of each region, we aligned product managers to better meet the academic needs of distributors.

With the full reopening of China after the pandemic, some of the Group's academic promotion activities transitioned back to in-person events. In 2023, we successfully carried out well-planned thematic academic promotion conferences and training sessions. These events encompassed a range of focuses, including product-specific sessions, specialized surgical training and conferences centered around specific clinical areas. For instance, we established single-port procedure training centers in collaboration with regional reputable hospitals. These centers provided single-port surgery trainings to physicians from hospitals in various regions in China. Additionally, we participated in academic conferences and conducted surgery video competition campaigns to promote medical knowledge and advocate for standardized clinical practices.

本集團於2022年2月投資唯精醫療後，將其打造成專注於開發腹腔鏡手術的手術機器人系統及相關器械和配件的平台。於報告期內，唯精醫療的研發工作取得了進展，其中一項重要的成就是於2023年第四季度展開四臂手術機器人臨床試驗。我們預計將於2024年年底前後獲得四臂手術機器人的註冊批准。此外，唯精醫療正在進行單孔手術機器人系統的產品設計定型，並預計將於2024年下半年展開型式檢驗及動物試驗。

銷售及經銷

繼2022年在上海及廣州設立銷售辦事處後，本集團進一步強化地區經銷網絡，於報告期內增加了更多區域銷售經理，加強向當地經銷商提供管理及支持。我們亦與經銷商保持溝通，優化學術支持機制及加強互動。針對每個地區的獨特性定制方法，配對產品經理，更有效迎合經銷商的學術需求。

隨著疫情過後中國全面重新開放，本集團的部分學術推廣活動均恢復面對面活動。2023年，我們成功策劃了專題學術推廣會議及培訓，這些活動涵蓋多個聚焦點，包括產品專題活動、外科專科培訓以及臨床領域專題會議。例如，我們透過與當地知名醫院合作，成立單孔手術培訓中心。該等培訓中心已為中國多個地區的醫院醫生提供單孔手術培訓。此外，我們亦參與學術會議及舉行手術視頻比賽活動，以推廣醫學知識及倡導規範化臨床操作。

Management Discussion and Analysis

管理層討論與分析

Forward Outlook

Looking ahead, with the growth of China's aging population, it is expected that the medical and health industry market in China will maintain a sustainable growth momentum in the future. The Company is committed to develop strategic plans in the long run. Taking advantage of the promising growth trend in this industry, we will strive to seize the opportunities of import substitution and VBP, capture the expansion in the vast overseas markets and explore the path of takeoff for the development of China's medical device industry. The medical industry is closely connected to people's livelihood. We expect that the industry will return to normal levels in the second half of 2024. This will be beneficial to the promotion of new products and in-person academic exchanges. The Group is boosting the market share of existing core products, such as trocars, polymer ligation clips, disposable and reusable electrocoagulation forceps. Meanwhile, the Group is also expanding sales of new products, such as ultrasonic scalpels, 4K endoscopic camera systems and disposable staplers. We are confident to see a relatively higher growth rate for new products in 2024.

FINANCIAL REVIEW

The following discussions are based on the financial information and notes set out in other sections of this report and should be read in conjunction with them.

Revenue

| | | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 | Changes 變動 % |
|--|------------------------|------------------------------------|------------------------------------|--------------------|
| Disposable products | 一次性產品 | | | |
| Disposable trocars | 一次性套管穿刺器 | 394,441 | 364,946 | 8.1 |
| Polymer ligation clips | 高分子結紮夾 | 227,322 | 192,511 | 18.1 |
| Disposable electrocoagulation forceps | 一次性電凝鉗 | 122,552 | 94,198 | 30.1 |
| Ultrasonic scalpels | 超聲切割止血刀 | 38,000 | 18,153 | 109.3 |
| Other disposable products ⁽¹⁾ | 其他一次性產品 ⁽¹⁾ | 22,632 | 19,324 | 17.1 |
| Sub-total | 小計 | 804,947 | 689,132 | 16.8 |
| Reusable products | 重複性產品 | | | |
| 4K endoscopic camera systems | 4K內窺鏡攝像系統 | 32,366 | 20,557 | 57.4 |
| Other reusable products ⁽²⁾ | 其他重複性產品 ⁽²⁾ | 88,710 | 76,678 | 15.7 |
| Sub-total | 小計 | 121,076 | 97,235 | 24.5 |
| Total | 總計 | 926,023 | 786,367 | 17.8 |

未來展望

展望將來，隨著中國老年人口比例持續上升，中國的醫療保健行業市場預計將持續呈現增長態勢。本公司正鏗而不捨地推進長遠戰略規劃，瞄準行業發展中的增長趨勢，致力把握進口替代及集中帶量採購的機會，拓展龐大的國際市場，為中國醫療器械行業的躍進探路。醫療行業與民眾的健康生活緊密聯繫。我們預期該行業將於2024年下半年逐漸恢復正常營運水平，這將有利於推出新產品及加強面對面學術交流的步伐。本集團正積極提高旗下現有核心產品（如套管穿刺器、高分子結紮夾、一次性及重複性電凝鉗）的市場佔有率。與此同時，本集團亦在不斷拓寬新產品的銷售版圖，包括超聲切割止血刀、4K內窺鏡攝像系統及一次性吻合器。我們有信心於2024年看到相對較高的新產品增長率。

財務回顧

以下討論乃建基於本報告其他章節所載財務資料及附註並應與之一併閱讀。

收入

For the year ended December 31,
截至12月31日止年度

| | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 | Changes 變動 % |
|--|------------------------------------|------------------------------------|--------------------|
| Disposable products | | | |
| Disposable trocars | 394,441 | 364,946 | 8.1 |
| Polymer ligation clips | 227,322 | 192,511 | 18.1 |
| Disposable electrocoagulation forceps | 122,552 | 94,198 | 30.1 |
| Ultrasonic scalpels | 38,000 | 18,153 | 109.3 |
| Other disposable products ⁽¹⁾ | 22,632 | 19,324 | 17.1 |
| Sub-total | 804,947 | 689,132 | 16.8 |
| Reusable products | | | |
| 4K endoscopic camera systems | 32,366 | 20,557 | 57.4 |
| Other reusable products ⁽²⁾ | 88,710 | 76,678 | 15.7 |
| Sub-total | 121,076 | 97,235 | 24.5 |
| Total | 926,023 | 786,367 | 17.8 |

Management Discussion and Analysis

管理層討論與分析

Notes:

(1) Other disposable products primarily include, among others, disposable suction and irrigation sets and retrieval bags.

(2) Other reusable products primarily include reusable trocars and reusable forceps.

The Group's revenue amounted to RMB926.0 million for the year ended December 31, 2023, representing an increase of 17.8% as compared to RMB786.4 million for the year ended December 31, 2022. The increase in revenue was primarily attributable to (i) the increase in sales of disposable electrocoagulation forceps, ultrasonic scalpels and other disposable products; and (ii) the continuing growth in export sales due to demand in overseas market continued to grow as well as the ongoing export to expand overseas channels, increased product registrations and overseas marketing activities.

Disposable Products

The Group's disposable products include disposable trocars, polymer ligation clips, disposable electrocoagulation forceps, ultrasonic scalpels, and other disposable products. Disposable products recorded revenue of RMB804.9 million for the year ended December 31, 2023, representing an increase of 16.8% as compared to RMB689.1 million for the year ended December 31, 2022. Such increase was mainly attributable to the year-on-year growth in revenue in disposable trocars, polymer ligation clips and disposable electrocoagulation forceps. Due to the release of restrictions and lockdowns from COVID outbreaks in China since early 2023, demand for disposable products had been increased by the gradual recovery in elective surgery in 2023. During the Reporting Period, sales of disposable products accounted for 86.9% of the Group's total revenue as compared to 87.6% in 2022.

Disposable trocars recorded revenue of RMB394.4 million for the Reporting Period, representing an increase of 8.1% as compared with RMB364.9 million in 2022. Disposable trocars accounted for approximately 42.6% of the Group's total revenue during the Reporting Period as compared to approximately 46.4% in 2022. Both export sales of disposable trocars and overall sales of single-site trocars exhibited better growth in the year of 2023. During the Reporting Period, VBP for disposable trocars was effective in Guangdong province and we enhanced the cooperation with logistics and external promotion partners under the non-distributor model to achieve sales growth in VBP regions.

附註：

(1) 其他一次性產品主要包括(其中包括)一次性沖洗吸引器及取物袋等。

(2) 其他重複性產品主要包括重複性套管穿刺器及重複性鉗子。

截至2023年12月31日止年度，本集團的收入為人民幣926.0百萬元，較截至2022年12月31日止年度的人民幣786.4百萬元增加17.8%。收入增長乃主要由於：(i)一次性電凝鉗、超聲切割止血刀及其他一次性產品的銷售增加；及(ii)由於海外市場需求不斷增長以及持續出口擴展海外渠道、增加產品註冊及海外營銷活動導致出口銷售持續增長。

一次性產品

本集團的一次性產品包括一次性套管穿刺器、高分子結紮夾、一次性電凝鉗、超聲切割止血刀及其他一次性產品。一次性產品於截至2023年12月31日止年度錄得收入人民幣804.9百萬元，較截至2022年12月31日止年度的人民幣689.1百萬元增加16.8%。有關增加乃主要由於於一次性套管穿刺器、高分子結紮夾及一次性電凝鉗的收入同比增長所致。鑒於自2023年初起在中國因COVID爆發而導致的限制及封城解除，一次性產品的需求於2023年因擇期手術逐漸回復正常而增加。於報告期內，一次性產品銷售額佔本集團的總收入的86.9%，而2022年則為87.6%。

於報告期內，一次性套管穿刺器錄得收入人民幣394.4百萬元，較2022年的人民幣364.9百萬元增加8.1%。於報告期內，一次性套管穿刺器佔本集團總收入約42.6%，而2022年則為約46.4%。於2023年，一次性套管穿刺器的出口銷售及單孔套管穿刺器的整體銷售均呈現較好增長。於報告期內，廣東省的一次性套管穿刺器的集中帶量採購政策已經生效，我們利用非經銷商模式，加強了與物流及外部推廣合作夥伴的合作關係，從而在集中帶量採購地區實現銷售增長。

Management Discussion and Analysis

管理層討論與分析

Polymer ligation clips recorded revenue of RMB227.3 million for the Reporting Period, representing an increase of 18.1% as compared with RMB192.5 million in 2022. Polymer ligation clips accounted for approximately 24.5% of the Group's total revenue during the Reporting Period. Sales of polymer ligation clips exhibited strong year-on-year growth which were benefited from the increase in market share together with the stimulus by VBP. Sales of polymer ligation clips in Shandong, Henan, Hebei and Shanxi provinces, currently under the four-province alliance VBP, recorded a strong growth in the Reporting Period. Disposable electrocoagulation forceps recorded revenue of RMB122.6 million in 2023, which accounted for approximately 13.2% of the Group's total revenue in 2023 as compared to 12.0% in 2022.

Disposable electrocoagulation forceps continued to experience growth in demand and recorded high sales growth of 30.1% for the Reporting Period. This can be mainly attributed to a lower market penetration and the Group's focused effort to drive sales. We consider that disposable electrocoagulation forceps are still exposed to better sales growth potential.

Sales of the Group's newer disposable products such as ultrasonic scalpels were boosted by the effort in increasing market penetration and seizing the demand from import substitution. During the Reporting Period, sales of ultrasonic scalpels amounted to RMB38.0 million, representing an increase of 109.3% as compared to RMB18.2 million in 2022.

Reusable Products

Reusable products recorded revenue of RMB121.1 million for the year ended December 31, 2023, representing an increase of 24.5% as compared with RMB97.2 million for the year ended December 31, 2022. Such increase was mainly due to the increase in sales of 4K endoscopic camera systems and reusable forceps. Sales of 4K endoscopic camera systems amounted to RMB32.4 million in 2023, representing an increase of 57.4% as compared to RMB20.6 million in 2022.

於報告期內，高分子結紮夾錄得收入人民幣227.3百萬元，較2022年的人民幣192.5百萬元增加18.1%。於報告期內，高分子結紮夾佔本集團總收入約24.5%。高分子結紮夾的銷售呈現強勁同比增長，受惠於市場份額增加以及集中帶量採購的刺激。於報告期內，高分子結紮夾於目前四省聯盟集中帶量採購旗下的山東、河南、河北及山西省的銷售錄得強勁增長。於2023年，一次性電凝鉗錄得收入人民幣122.6百萬元，佔2023年本集團總收入約13.2%，而2022年則為12.0%。

於報告期內，對一次性電凝鉗的需求持續增長並錄得高銷售增幅30.1%。其主要歸因於市場滲透率較低及本集團專注於推動銷售。我們認為一次性電凝鉗仍具有較高銷售增長潛力。

本集團加強市場滲透力度，把握進口替代需求，帶動超聲切割止血刀等新型一次性產品銷售成增長。於報告期內，超聲切割止血刀的銷售額為人民幣38.0百萬元，較2022年的人民幣18.2百萬元增加109.3%。

重複性產品

截至2023年12月31日止年度，重複性產品錄得收入人民幣121.1百萬元，較截至2022年12月31日止年度的人民幣97.2百萬元增加24.5%。有關增加乃主要由於4K內窺鏡攝像系統及重複性鉗類銷售增加所致。於2023年，4K內窺鏡攝像系統的銷售額為人民幣32.4百萬元，較2022年的人民幣20.6百萬元增加57.4%。

Management Discussion and Analysis

管理層討論與分析

Sales Channel

Revenue from domestic market increased by 17.5% as compared to that of 2022. The Group's business models in domestic market include distributor model and non-distributor model (logistics partners + academic promotion), which is mainly used in the VBP provinces of trocars.

For overseas markets, the Group's customers mainly include overseas ODM customers and overseas distributors. Revenue from overseas markets was approximately RMB86.0 million for the year ended December 31, 2023, representing an increase of 20.6% from the previous year. Growth of export sales was strong during the Reporting Period due to the ongoing effort to expand overseas channels from 47 to 58 countries/regions in 2023 and increase product category registrations in overseas markets. Revenue from overseas markets accounted for 9.3% of the Group's total revenue for the year of 2023 as compared to 9.1% in the previous year.

The following table sets forth the Group's revenue by geographic market and sales channel for the periods indicated:

銷售渠道

與2022年相比，國內市場的收入增加17.5%。本集團在國內市場的業務模式包括經銷商模式及非經銷商模式（物流夥伴+學術推廣），後者主要在集中帶量採購套管穿刺器的省份實施。

就海外市場而言，本集團的客戶主要包括海外ODM客戶及海外經銷商。截至2023年12月31日止年度，海外市場收入約為人民幣86.0百萬元，較去年增加20.6%。於報告期內，出口銷售增長強勁，原因為本集團持續將海外渠道從47個國家／地區擴充至2023年的58個以及於海外市場增加產品種類註冊。於2023年，海外市場收入佔本集團總收入的9.3%，而去年則為9.1%。

下表載列於所示期間本集團按地域市場及銷售渠道劃分的收入：

For the year ended December 31,
截至12月31日止年度

| | | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 | Changes 變動 % |
|--|--------------------------|------------------------------------|------------------------------------|--------------------|
| Domestic | 國內 | | | |
| - Distributors | - 經銷商 | 752,480 | 651,074 | 15.6 |
| - Hospitals and other customers ⁽¹⁾ | - 醫院及其他客戶 ⁽¹⁾ | 87,586 | 64,023 | 36.8 |
| Sub-total | 小計 | 840,066 | 715,097 | 17.5 |
| Overseas | 海外 | | | |
| - ODM customers | - ODM客戶 | 68,739 | 60,978 | 12.7 |
| - Distributors | - 經銷商 | 17,218 | 10,292 | 67.3 |
| Sub-total | 小計 | 85,957 | 71,270 | 20.6 |
| Total | 總計 | 926,023 | 786,367 | 17.8 |

Notes:

(1) Other customers mainly include sales of disposable trocars under non-distributor (logistics partner + academic promotion partner) model in the VBP provinces.

附註：

(1) 其他客戶主要包括在集中帶量採購省份的非經銷商（物流夥伴+學術推廣夥伴）模式下的一次性套管穿刺器銷售。

Management Discussion and Analysis

管理層討論與分析

Cost of Sales

Cost of sales during the Reporting Period mainly consisted of raw materials, direct labor cost and manufacturing costs.

For the year ended December 31, 2023, the Group's cost of sales was RMB184.8 million, representing an increase of 22.3% as compared with RMB151.1 million for the year ended December 31, 2022. The increase in cost of sales was primarily due to the change of product mix and in line with the increase in revenue.

The following table sets forth the breakdown of the Group's cost of sales by nature for the periods indicated:

銷售成本

於報告期內，銷售成本主要包括原材料、直接人工成本及生產成本。

截至2023年12月31日止年度，本集團的銷售成本為人民幣184.8百萬元，較截至2022年12月31日止年度的人民幣151.1百萬元增加22.3%。銷售成本增加主要由於產品組合變更所致，與收入增加相符。

下表載列於所示期間本集團按性質劃分的銷售成本明細：

For the year ended December 31,
截至12月31日止年度

| | | 2023 2023年 | | 2022 2022年 | |
|--|---------------------|---------------|------------|---------------|------------|
| | | Amount | % of Total | Amount | % of Total |
| | | 金額 | 佔總額百分比 | 金額 | 佔總額百分比 |
| RMB' 000 (except percentages) 人民幣千元 (百分比除外) | | | | | |
| Raw materials | 原材料 | 94,396 | 51.1% | 77,901 | 51.5% |
| Direct labor costs | 直接人工成本 | 45,208 | 24.5% | 39,414 | 26.1% |
| Manufacturing costs ⁽¹⁾ | 生產成本 ⁽¹⁾ | 45,220 | 24.4% | 33,805 | 22.4% |
| Total | 總計 | 184,824 | 100.0% | 151,120 | 100.0% |

Note:

附註：

(1) Manufacturing costs primarily include utilities costs, overhead expenses and depreciation of manufacturing equipment.

(1) 生產成本主要包括公用設施成本、管理費用及生產設備的折舊。

Management Discussion and Analysis

管理層討論與分析

Gross Profit and Gross Margin

The Group's gross profit increased by 16.7% to RMB741.2 million for the year ended December 31, 2023 from RMB635.2 million for the year ended December 31, 2022, due to an increase in sales.

The Group's gross profit margin was 80.0% for the year ended December 31, 2023, which remained stable as compared to that of 80.8% for the year ended December 31, 2022. Specifically, the contribution from newer products such as ultrasonic scalpels and 4K endoscopic camera systems increased during the Reporting Period, whereby these products have a relatively lower gross profit margin than that of disposable products due to their product type characteristics.

The following table sets forth the breakdown of gross profit and gross profit margin by product type for the periods indicated:

毛利及毛利率

由於銷售額增加，本集團的毛利由截至2022年12月31日止年度的人民幣635.2百萬元增加16.7%至截至2023年12月31日止年度的人民幣741.2百萬元。

截至2023年12月31日止年度，本集團的毛利率為80.0%，與截至2022年12月31日止年度的80.8%相比維持穩定。具體而言，新產品（如超聲切割止血刀及4K內窺鏡攝像系統）於報告期內的貢獻有所增加，但由於此等產品類型特性，其毛利率相對於一次性產品較低。

下表載列於所示期間按產品種類劃分的毛利及毛利率明細：

For the year ended December 31,
截至12月31日止年度

| | | 2023 2023年 | | 2022 2022年 | |
|--|-------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| | | Gross Profit 毛利 | Gross Profit Margin 毛利率 | Gross Profit 毛利 | Gross Profit Margin 毛利率 |
| RMB' 000 (except percentages) 人民幣千元 (百分比除外) | | | | | |
| Disposable products | 一次性產品 | 671,710 | 83.4% | 580,187 | 84.2% |
| Reusable products | 重複性產品 | 69,489 | 57.4% | 55,060 | 56.6% |
| Total | 總計 | 741,199 | 80.0% | 635,247 | 80.8% |

Other Income and Gains

Other income and gains for the year ended December 31, 2023 was RMB155.4 million, while for the year ended December 31, 2022, it was RMB146.7 million. The increase was primarily due to an increase in the amount of RMB21.8 million in interest income arising from bank deposits and partly offset by a decrease in fair value gains on financial assets at fair value through profit or loss.

其他收入及收益

截至2023年12月31日止年度，其他收入及收益為人民幣155.4百萬元，而截至2022年12月31日止年度為人民幣146.7百萬元。有關增加主要是由於銀行存款利息收入增加人民幣21.8百萬元，惟部分被以公允價值計量且其變動計入當期損益的金融資產的公允價值收益減少所抵銷。

Management Discussion and Analysis

管理層討論與分析

Selling and Distribution Expenses

Selling and distribution expenses were RMB69.8 million for the year ended December 31, 2023, representing an increase of 30.9% as compared with RMB53.4 million for the year ended December 31, 2022. The increase was primarily due to (i) the increase in staff costs for sales personnel along with the expansion of sales and marketing team; and (ii) the increase in marketing-related expenses as compared to last year, as advertising and academic promotion activities resumed to normal due to the COVID-19 travel restrictions were lifted during the Reporting Period.

Administrative Expenses

Administrative expenses amounted to RMB100.3 million for the year ended December 31, 2023, representing an increase of 40.7% as compared with RMB71.3 million for the year ended December 31, 2022. The increase was mainly due to (i) the increase in staff personnel costs, (ii) travelling and business development activities had resumed to normal level following the relaxation of COVID-19 restrictions; and (iii) enhancement of the Group's environmental landscape at its headquarters ahead of the forthcoming 20th anniversary of the Group's establishment.

Research and Development Expenses

Research and development expenses for the year ended December 31, 2023 was RMB127.6 million, representing an increase of 93.2% as compared with RMB66.0 million for the year ended December 31, 2022, which was mainly due to (i) the increased R&D expense in the amount of RMB46.8 million by Weijing Medical on a year-on-year basis from RMB24.7 million in 2022 to RMB71.5 million for the Reporting Period, and (ii) the increased R&D projects and activities with respect to other innovative products and the upgrading of existing products.

Other Expenses

Other expenses primarily consist of donation, foreign exchange loss and investment loss from financial assets at fair value through profit or loss. During the Reporting Period, the Group's other expenses was RMB6.8 million, which was primarily attributable to foreign exchange loss and donations made during the period.

銷售及經銷開支

截至2023年12月31日止年度，銷售及經銷開支為人民幣69.8百萬元，較截至2022年12月31日止年度的人民幣53.4百萬元增加30.9%。有關增加乃主要由於(i)隨著銷售及營銷團隊擴大，銷售人員的人員成本增加；及(ii)由於COVID-19外遊限制於報告期內解除，廣告及學術推廣活動恢復正常，營銷相關開支與去年相比有所增加所致。

行政開支

截至2023年12月31日止年度，行政開支為人民幣100.3百萬元，較截至2022年12月31日止年度的人民幣71.3百萬元增加40.7%。有關增加乃主要由於(i)人員成本增加；(ii)隨著COVID-19防疫限制放寬，差旅及商業拓展活動已恢復正常水平；及(iii)在本集團成立20週年之際，對本集團總部的環境景觀進行提升所致。

研發開支

截至2023年12月31日止年度，研發開支為人民幣127.6百萬元，較截至2022年12月31日止年度的人民幣66.0百萬元增加93.2%，有關增加乃主要由於(i)唯精醫療研發開支由2022年的人民幣24.7百萬元同比增加人民幣46.8百萬元至報告期內的人民幣71.5百萬元；及(ii)其他創新產品研發項目及活動增加及現有產品升級所致。

其他開支

其他開支主要包括捐款、匯兌虧損及以公允價值計量且其變動計入當期損益的金融資產的投資虧損。於報告期內，本集團的其他開支為人民幣6.8百萬元，此乃主要由於期內產生的匯兌虧損及捐款所致。

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管理層討論與分析

Income Tax Expenses

Income tax expenses were RMB136.5 million for the year ended December 31, 2023, representing an increase of 33.8% as compared with RMB102.0 million for the year ended December 31, 2022. The increase in income tax expenses was primarily due to (i) the increase in taxable profit of the Group's operating entities in China during the Reporting Period; and (ii) the increase in withholding taxes associated with the distributed profits of the subsidiaries in China, where such profits will be repatriated for the proposed 2023 Final Dividend and 2023 Special Dividend as disclosed in the section headed "Final Dividend and Special Dividend" under the "Report of the Directors".

Non-HKFRS Measures

To supplement the Group's audited consolidated statement of profit or loss and other comprehensive income which is presented in accordance with HKFRS, we also use adjusted net profit and adjusted earnings per share as non-HKFRS measures, which are not required by, or presented in accordance with, HKFRS. We believe that the presentation of non-HKFRS measures when shown in conjunction with the corresponding HKFRS measures provides useful information to investors and management in facilitating a comparison of the Group's ongoing operating performance from period to period by eliminating potential impacts of certain non-operational or one-off expenses, including fair value gains on financial assets at fair value through profit or loss, foreign exchange difference, share-based payment expenses, investment income/loss from short-term financial products and PRC withholding tax associated with special dividend. Such non-HKFRS measures allow investors to consider metrics used by management in evaluating the Group's performance.

所得稅開支

截至2023年12月31日止年度，所得稅開支為人民幣136.5百萬元，較截至2022年12月31日止年度的人民幣102.0百萬元增加33.8%。所得稅開支增加主要由於(i)報告期內本集團中國營運實體的應課稅利潤增加；及(ii)與中國附屬公司的已分派利潤有關的預扣稅增加所致，如「董事會報告」項下「末期股息及特別股息」一節所披露，有關利潤將被匯出，以用於派付擬派發的2023年末期股息及2023年特別股息。

非《香港財務報告準則》計量

為補充本集團根據《香港財務報告準則》呈列的經審核綜合損益及其他全面收益表，我們亦使用並非《香港財務報告準則》規定或並非按《香港財務報告準則》呈列的經調整純利及經調整每股盈利作為非《香港財務報告準則》計量。我們認為，連同相應《香港財務報告準則》計量一併呈列非《香港財務報告準則》計量，可通過排除若干非經營或一次性開支（包括以公允價值計量且其變動計入當期損益的金融資產的公允價值收益、匯兌差額、以股份為基礎的付款開支、短期金融產品的投資收益／虧損以及特別股息相關的中國預扣稅）的潛在影響，為投資者及管理層提供有用資料，協助比較本集團於各期間的持續經營表現。該等非《香港財務報告準則》計量允許投資者考慮管理層於評估本集團的表現時所採用的標準。

Management Discussion and Analysis

管理層討論與分析

The following table shows the Group's adjusted net profit for the Reporting Period and its reconciliation to profit for the years indicated:

下表載列本集團於報告期內的經調整純利及其與所示年內利潤的對賬：

| | | For the year ended December 31, 截至12月31日止年度 | |
|--|-----------------------------------|--|-----------------------|
| | | 2023 2023年 | 2022 2022年 |
| | | RMB' 000 人民幣千元 | |
| Profit for the year attributable to owners of parent | 母公司擁有人應佔年內利潤 | 504,021 | 478,735 |
| Add/(Less): | 加／(減)： | | |
| Fair value gains on financial assets at fair assets through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產的公允價值收益 | (5,560) | (22,705) |
| Foreign exchange difference | 匯兌差額 | 3,095 | 8,246 |
| Investment (income)/loss from short-term financial products | 短期金融產品的投資(收益)／虧損 | (58) | 23,469 |
| Share-based payment expenses | 以股份為基礎的付款開支 | 8,623 | 10,966 |
| PRC withholding tax associated with special dividend | 特別股息相關的中國預扣稅 | 28,062 | - |
| Non-HKFRS adjusted net profit for the year attributable to owners of parent | 母公司擁有人應佔非《香港財務報告準則》經調整年內純利 | 538,183 | 498,711 |
| Non-HKFRS adjusted earnings per share | 非《香港財務報告準則》經調整每股盈利 | | |
| – Basic (RMB) | – 基本(人民幣) | 46.00 cents 46.00分 | 41.28 cents 41.28分 |
| – Diluted (RMB) | – 攤薄(人民幣) | 45.90 cents 45.90分 | 41.28 cents 41.28分 |

Notes:

附註：

(1) Fair value gains on financial assets at fair value through profit or loss is non-operational in nature which mainly arises from the change in fair value of the Group's investment in Shenzhen Edge Medical Co., Ltd.* (深圳市精鋒醫療科技股份有限公司) for the periods, the amount of which may not directly correlate with the underlying performance of the Group's business operations.

(1) 以公允價值計量且其變動計入當期損益的金融資產的公允價值收益為非經營性質，主要是由於有關期間內本集團於深圳市精鋒醫療科技股份有限公司的投資公允價值變動所致，其金額可能與本集團的業務運營的基本表現無直接關係。

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- (2) Foreign exchange difference is non-operational in nature which mainly arises from the currency fluctuation of USD against RMB for the periods, the amount of which may not directly correlate with the underlying performance of the Group's business operations. The Group's net exchange loss of RMB3,095,000 (2022: exchange loss of RMB3,197,000) in the Reporting Period comprises the exchange loss of RMB3,095,000 (2022: exchange loss of RMB8,246,000) attributable to owners of the parent and the exchange loss of nil (2022: exchange gain of RMB5,049,000) attributable to non-controlling interests.
- (2) 匯兌差額為非經營性質，主要是由於有關期間內美元兌人民幣的匯率波動所致，其金額可能與本集團的業務運營的基本表現無直接關係。於報告期內，本集團的匯兌虧損淨額人民幣3,095,000元（2022年：匯兌虧損人民幣3,197,000元）包括母公司擁有人應佔匯兌虧損人民幣3,095,000元（2022年：匯兌虧損人民幣8,246,000元），並無非控股權益應佔匯兌虧損（2022年：匯兌收益人民幣5,049,000元）。
- (3) Investment income/loss from short-term financial products purchased mainly for hedging foreign currency fluctuations is non-operational in nature which is affected by the currency fluctuation of USD against RMB for the periods, the amount of which may not directly correlate with the underlying performance of the Group's business operations.
- (3) 所購買主要用於對沖匯兌波幅的短期金融產品的投資收入／虧損為非經營性質，受有關期間內美元兌人民幣的匯率波動所影響，其金額可能與本集團的業務運營的基本表現無直接關係。
- (4) Share-based payment expenses are non-operational expenses arising from granting RSUs and pre-IPO share options to selected management members, the amount of which may not directly correlate with the underlying performance of the Group's business operations, and is also affected by non-operating performance related factors that are not closely or directly related to the Group's business activities.
- (4) 以股份為基礎的付款開支乃因授予選定管理層成員受限制股份單位及首次公開發售前購股權而產生的非經營開支，其金額可能與本集團的業務經營相關表現無直接關係，且亦受與本集團的業務活動並無緊密或直接關係的非經營表現有關因素所影響。
- (5) PRC withholding tax associated with special dividend is an one-off expense in relation to the 2023 Special Dividend to be paid in celebration of the 20th anniversary of the Group's establishment and in recognition of the Shareholders' long-term support.
- (5) 特別股息相關的中國預扣稅乃為慶祝本集團成立20週年並為回報股東長期支持而派發的2023年特別股息的一次性開支。

The use of the non-HKFRS measures has limitations as an analytical tool, and it should not be considered in isolation from, or as a substitute for or superior to analysis of, the Group's results of operations or financial condition as reported under HKFRS. In addition, the non-HKFRS financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

使用非《香港財務報告準則》計量作為分析工具具有局限性，其不應被視為獨立於或可代替或優於本集團根據《香港財務報告準則》報告作出的經營業績或財務狀況的分析。此外，非《香港財務報告準則》財務計量的定義可能與其他公司使用的類似術語不同，因此未必與其他公司呈列的類似計量可資比較。

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Turnover Period

The Group's inventory turnover days remained stable at 217 days in the Reporting Period as compared to that of 216 days for the year of 2022.

The Group's trade receivable turnover days increased to 80 days in the Reporting Period as compared to that of 58 days for the year of 2022 due to the increase in short-term trade receivables at the year end of 2023 arising from a higher proportion of sales contributed in the second half of 2023.

The Group's trade payable turnover days increased to 54 days in the Reporting Period as compared to 47 days for the year of 2022 due to the increase in trade payables at the year end of 2023 arising from the procurement of more raw materials for increased production and sales.

Liquidity and Capital Resources

During the Reporting Period, the Group financed its operations and other capital expenditure requirements primarily through cash generated from operations and proceeds from the Company's initial public offering on the Stock Exchange on June 29, 2020.

As of December 31, 2023, the Group had cash and cash equivalents of RMB2,973.5 million (including RMB296.9 million recorded in assets classified as held for sale in the consolidated statement of financial position), as compared with RMB2,818.4 million as of December 31, 2022. During the Reporting Period, the increase in cash and cash equivalents of RMB155.1 million was primarily due to the net cash generated from operations, the effect of which was partly offset by the net cash used in financing activities mainly attributable to dividends paid to Shareholders and Share repurchases.

As at December 31, 2023, most of the Group's cash and cash equivalents were denominated in RMB, USD and HKD.

Net Current Assets

The Group had net current assets of RMB3,189.9 million as of December 31, 2023, representing an increase of RMB219.8 million as compared with RMB2,970.1 million as of December 31, 2022. The increase in net current assets was primarily due to the increase in cash generated from operations.

周轉期

本集團於報告期內的存貨周轉日數保持穩定在217日，而於2022年為216日。

本集團於報告期內的貿易應收款項周轉日數增加至80日，而於2022年為58日，此乃由於在2023年下半年更高比例的銷售貢獻導致短期貿易應收款項於2023年底增加所致。

本集團於報告期內的貿易應付款項周轉日數增加至54日，而於2022年為47日，此乃由於為提高產量和銷量而採購更多原材料，致使2023年底貿易應付款項增加。

流動資金及資本資源

於報告期內，本集團主要通過其經營所得現金及本公司於2020年6月29日在聯交所首次公開發售所得款項為運營及其他資本開支需求提供資金。

截至2023年12月31日，本集團的現金及現金等價物為人民幣2,973.5百萬元（其中人民幣296.9百萬元計入綜合財務狀況表的持作待售資產），而截至2022年12月31日為人民幣2,818.4百萬元。於報告期內，現金及現金等價物增加人民幣155.1百萬元乃主要由於經營所得現金淨額所致，惟部分被融資活動所用的現金淨額所抵銷，主要是由於向股東派付股息及股份購回。

於2023年12月31日，本集團大部分現金及現金等價物以人民幣、美元及港元計值。

流動資產淨值

截至2023年12月31日，本集團的流動資產淨值為人民幣3,189.9百萬元，較截至2022年12月31日的人民幣2,970.1百萬元增加人民幣219.8百萬元。流動資產淨值增加乃主要由於經營所得現金增加所致。

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管理層討論與分析

Foreign Exchange Exposure

During the Reporting Period, the Group's operations were primarily based in China. Assets, liabilities and transactions in the PRC are mainly denominated in RMB, while overseas assets and transactions are mainly denominated in USD. The Group is exposed to foreign currency risks, primarily including account receivables, account payables and cash balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of respective subsidiaries. For the year ended December 31, 2023, the Group recorded an exchange loss of RMB3.1 million, as compared to an exchange loss of RMB3.2 million for the year ended December 31, 2022, primarily attributable to the currency fluctuation of USD against RMB during the Reporting Period.

Capital Expenditure

For the year ended December 31, 2023, the Group's total capital expenditure amounted to approximately RMB82.5 million, which was primarily used in purchasing machinery and equipment and construction of buildings. The Group's capital expenditure for the year ended December 31, 2022 was approximately RMB134.5 million.

The following table sets forth the Group's net capital expenditures for the periods indicated:

外匯風險

於報告期內，本集團主要於中國運營。中國的資產、負債及交易主要以人民幣計值，而海外資產及交易則主要以美元計值。本集團面臨外匯風險，主要包括以外幣（即各附屬公司的功能貨幣以外的貨幣）計值的應收賬款、應付賬款及現金結餘。截至2023年12月31日止年度，本集團錄得匯兌虧損人民幣3.1百萬元，而截至2022年12月31日止年度的匯兌虧損為人民幣3.2百萬元，主要原因為於報告期內美元兌人民幣的匯率波動所致。

資本開支

截至2023年12月31日止年度，本集團的總資本開支為約人民幣82.5百萬元，其主要用於購買機器及設備以及建設樓宇。截至2022年12月31日止年度，本集團的資本開支為約人民幣134.5百萬元。

下表載列本集團於所示期間的資本開支淨額：

| | | For the year ended December 31, 截至12月31日止年度 | |
|--------------------------|--------|--|---------------|
| | | 2023 2023年 | 2022 2022年 |
| | | RMB' 000 人民幣千元 | |
| Plant and machinery | 機器及設備 | 8,250 | 31,532 |
| Construction in progress | 在建工程 | 50,505 | 44,731 |
| Furniture and fixtures | 傢俬和裝置 | 3,348 | 7,307 |
| Motor vehicles | 機動車 | 1,312 | 5,024 |
| Buildings | 樓宇 | 15,825 | 63 |
| Leasehold improvements | 租賃物業裝修 | 2,141 | 6,426 |
| Intangible assets | 無形資產 | 241 | 1,534 |
| Land use rights | 土地使用權 | 854 | 37,890 |
| Total | 總計 | 82,476 | 134,507 |

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管理層討論與分析

Charge of Assets/Pledge of Assets

As of December 31, 2023, the Group did not have any charge of assets or pledge of assets.

Borrowings

As of December 31, 2023, the Group did not have any outstanding bank loans and other borrowings. We monitor capital using a gearing ratio, which is debt divided by total assets. Debt includes trade payables, other payables and accruals, and lease liabilities. As of December 31, 2023, the gearing ratio of the Group was 3.8% (as of December 31, 2022: 3.8%).

Contingent Liabilities

As of December 31, 2023, the Group did not have any outstanding contingent liabilities.

Major Investments, Acquisition and Disposal

Save as disclosed in the section headed “Events after the Reporting Period” under the “Report of the Directors”, the Group did not hold any major investments in the form of equity interest of any other companies, or have any other major acquisition or disposal.

Future Plans for Material Investments and Capital Assets

The Group intends to utilize the net proceeds raised from the Global Offering to pursue strategic investment and to fund acquisition of capital assets for the Group’s expansion in the manner set out in the Prospectus and further explained in section headed “Use of Proceeds from the Global Offering” under the “Report of the Directors”. Save as disclosed in this annual report, the Group did not have any plan for material investments and capital assets.

資產抵押／資產質押

截至2023年12月31日，本集團並無抵押或質押任何資產。

借款

截至2023年12月31日，本集團並無任何未償還銀行貸款及其他借款。我們使用資本負債比率（債務除以資產總值）監控資金。債務包括貿易應付款項、其他應付款項及預提項目以及租賃負債。截至2023年12月31日，本集團資本負債比率為3.8%（截至2022年12月31日：3.8%）。

或然負債

截至2023年12月31日，本集團並無任何未償還或然負債。

重大投資、收購及出售

除「董事會報告」下「報告期後事項」一節所披露者外，本集團並無以任何其他公司股本權益形式持有重大投資，亦無進行任何其他重大收購或出售。

未來重大投資及資本資產計劃

本集團擬動用全球發售所籌集的所得款項淨額進行戰略投資，並按招股章程所載及「董事會報告」下「全球發售所得款項用途」一節中進一步解釋的方式為本集團收購資本資產以進行擴張提供資金。除本年報所披露者外，本集團並無有關重大投資及資本資產的任何計劃。

Management Discussion and Analysis

管理層討論與分析

Employee and Remuneration Policy

As of December 31, 2023, the Group had 1,003 employees (December 31, 2022: 885 employees). Total staff remuneration expenses including remuneration of the Directors and share-based payment expenses for the year ended December 31, 2023 amounted to RMB163.1 million (for the year ended December 31, 2022: RMB127.8 million).

The Remuneration Committee of the Company is responsible for reviewing the Company's emolument policy and structure for all remuneration of the Directors and senior management of the Company. The remuneration of Directors and senior management is determined with reference to the salaries of comparable companies and their experience, duties and performance. The remuneration of other employees is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

In recognition of the contributions of the Directors, senior management and employees and to incentivize them to further promote the Group's development, the Company adopted the pre-IPO share option plan and the RSU plan on May 6, 2020. During the Reporting Period, no RSU under the RSU plan were granted to senior management and employees. As of December 31, 2023, a total of 26,810,000 RSUs had been granted under the RSU plan.

僱員及薪酬政策

截至2023年12月31日，本集團擁有1,003名僱員（2022年12月31日：885名僱員）。截至2023年12月31日止年度，員工薪酬開支總額（包括董事薪酬及以股份為基礎的付款開支）為人民幣163.1百萬元（截至2022年12月31日止年度：人民幣127.8百萬元）。

本公司薪酬委員會負責審核本公司所有董事及高級管理人員薪酬的薪酬政策及架構。董事及高級管理層薪酬參照可比公司薪金以及董事及高級管理層的經驗、職能及表現釐定。其他僱員的薪酬乃參考有關員工的表現、技術、資歷及經驗，並根據現時行業慣例釐定。

為表彰董事、高級管理層及僱員的貢獻，並激勵彼等進一步促進本集團的發展，本公司於2020年5月6日採納首次公開發售前購股權計劃及受限制股份單位計劃。於報告期內，受限制股份單位計劃項下並無受限制股份單位已授予高級管理層及僱員。截至2023年12月31日，受限制股份單位計劃項下合共26,810,000份受限制股份單位已授出。

Directors and Senior Management

董事及高級管理層

DIRECTORS

Executive Directors

Mr. ZHONG Ming (鍾鳴), aged 48, is one of the founders of the Group. He was appointed as a Director on February 12, 2020 and was re-designated as an executive Director on March 7, 2020. Mr. Zhong has also served as the Chairman of the Board and the chief executive officer of the Company. Mr. Zhong is mainly responsible for overall management of the business, strategy and corporate development of the Group.

Mr. Zhong has been working in the Group for almost 20 years. Since he founded the Group together with Ms. Shentu in August 2004, he has held the positions of the general manager and the chairman of the board at Hangzhou Kangji. Mr. Zhong also serves as an executive director of Hangzhou Kangyin Investment Ltd.* (“**Kangyin Investment**”, 杭州康銀投資管理有限公司) since June 2015. Mr. Zhong has served as a vice president at Surgery Medical Equipment Branch of China Association of Medical Equipment (中國醫學裝備協會外科醫學裝備分會) since July 2016 a limited partner at Hangzhou Huiding Enterprise Management Consulting Partnership (Limited Partnership) (杭州惠鼎企業管理諮詢合夥企業(有限合夥)) since May 2021; and a director at Hangzhou Gongjian Intellectual Property Service Center Co., Ltd. (杭州公健知識產權服務中心有限公司) since November 2021; and a director at Weijing Medical since March 2024.

Prior to establishing Hangzhou Kangji with Ms. Shentu, Mr. Zhong was primarily engaged in selling and distribution of MISIA produced by other manufacturers. In December 2001, Mr. Zhong established a company called Tonglu Kangpu Medical Device Co., Ltd. (“**Tonglu Kangpu**”, 桐廬康普醫療器械有限公司) in the PRC, the principal business of which was to sell and distribute MISIA. Tonglu Kangpu was held by Mr. Zhong and Mr. Shentu Shaojian (申屠紹建, father of Ms. Shentu) as to 60% and 40%, respectively, and was voluntarily dissolved in November 2004 shortly after establishment of Hangzhou Kangji.

董事

執行董事

鍾鳴先生，48歲，為本集團創始人之一。彼於2020年2月12日獲委任為董事，並於2020年3月7日獲重新任命為執行董事。鍾先生亦擔任本公司董事長兼首席執行官。鍾先生主要負責全面管理本集團業務、戰略及企業發展。

鍾先生已在本集團任職接近20年。自2004年8月與申屠女士共同創立本集團以來，彼擔任杭州康基總經理兼董事長。自2015年6月起，鍾先生亦擔任杭州康銀投資管理有限公司（「**康銀投資**」）執行董事。自2016年7月起，鍾先生擔任中國醫學裝備協會外科醫學裝備分會副會長；自2021年5月起為杭州惠鼎企業管理諮詢合夥企業（有限合夥）的有限合夥人；及自2021年11月起為杭州公健知識產權服務中心有限公司董事及於2024年3月起擔任唯精醫療董事。

在與申屠女士成立杭州康基之前，鍾先生主要從事銷售及經銷其他製造商生產的MISIA。於2001年12月，鍾先生在中國成立桐廬康普醫療器械有限公司（「**桐廬康普**」），該公司主要業務為銷售及經銷MISIA。桐廬康普由鍾先生及申屠紹建先生（申屠女士的父親）分別持有60%及40%的股權，並在杭州康基成立後不久，於2004年11月自願解散。

Directors and Senior Management

董事及高級管理層

Mr. Zhong received his bachelor's degree in business administration (part-time) from China University of Geosciences (中國地質大學) in the PRC in January 2006 and executive master's degree in business administration from Cheung Kong Graduate School of Business (長江商學院) in October 2022. Mr. Zhong was awarded Outstanding T-Merchants (傑出桐商) by Conference of T-Merchants (桐商大會) held by The People's Government of Tonglu County (桐廬縣人民政府) in 2016, the Outstanding Hangzhou Entrepreneur (傑出杭商) by World Hangzhou Entrepreneur Convention (世界杭商大會) held by The People's Government of Hangzhou City (杭州市人民政府) in 2018, and Model Worker of Hangzhou City (杭州市勞動模範) jointly by Hangzhou Municipal Committee of the Communist Party of China (中國共產黨杭州市委員會) and The People's Government of Hangzhou City (杭州市人民政府) in April 2022.

Mr. Zhong is the spouse of Ms. Shentu, the executive Director.

Ms. SHENTU Yinguang (申屠銀光), aged 44, is one of the founders of the Group. She was appointed as an executive Director on March 7, 2020. Ms. Shentu has also served as the vice general manager of the Company. Ms. Shentu is mainly responsible for overall management of the business, strategy and corporate development of the Group.

Ms. Shentu has been working in the Group for almost 20 years. Since the inception of the Group in August 2004, Ms. Shentu has held the positions of the vice general manager and the vice chairman of the board at Hangzhou Kangji. Ms. Shentu also serves as a supervisor of Kangyin Investment since June 2015. Ms. Shentu received her college degree in accounting (part-time) from China University of Geosciences (中國地質大學) in the PRC in August 2005. Ms. Shentu was awarded the Top Ten Innovation Women in Zhejiang (浙江十大創新女傑) by Zhejiang High-tech Enterprise Association (浙江省高新技術企業協會), Zhejiang Women Entrepreneur Association (浙江省女企業家協會), Zhejiang Scientific and Technological Innovation Entrepreneur Promotion Association (浙江省科技新浙商促進會), Zhejiang Technological and Innovative Enterprise Association (浙江省科技創新企業協會) and Sci-tech and Finance Times (科技金融時報) in 2019, the Tonglu Entrepreneur of the Year (年度桐廬企業家) by The People's Government of Tonglu County (桐廬縣人民政府) in December 2019, and the Outstanding Hangzhou Entrepreneur Award (風雲杭商獎) by Hangzhou Internationalization Innovation Forum (杭州國際化創新論壇) jointly held by Hang Zhou Culture Radio Television Group (杭州文廣集團), Hangzhou Federation of industry and Commerce (杭州市工商業聯合會), Hangzhou Municipal Bureau of Commerce (杭州市商務局) and several other governmental entities in January 2020. Ms. Shentu has also been a member of Chinese People's Political Consultative Conference of Tonglu County (桐廬縣政協) since January 2007.

Ms. Shentu is the spouse of Mr. Zhong, the executive Director, Chairman of the Board and the chief executive officer of the Company.

鍾先生於2006年1月於中國自中國地質大學取得工商管理專業學士學位(兼讀制)及於2022年10月自長江商學院取得工商管理專業碩士學位。鍾先生於2016年在由桐廬縣人民政府舉辦的桐商大會上獲授予傑出桐商稱號、於2018年在由杭州市人民政府舉辦的世界杭商大會上獲授予傑出杭商稱號以及於2022年4月獲中國共產黨杭州市委員會及杭州市人民政府聯合授予杭州市勞動模範稱號。

鍾先生為執行董事申屠女士之配偶。

申屠銀光女士，44歲，為本集團創始人之一。彼於2020年3月7日獲委任為執行董事。申屠女士亦擔任本公司副總經理。申屠女士主要負責全面管理本集團業務、戰略及企業發展。

申屠女士已在本集團任職接近20年。自本集團於2004年8月成立以來，申屠女士擔任杭州康基副總經理兼副董事長。自2015年6月起，申屠女士亦擔任康銀投資監事。申屠女士於2005年8月自位於中國的中國地質大學取得會計學專業大專學歷(兼讀制)。申屠女士於2019年獲浙江省高新技術企業協會、浙江省女企業家協會、浙江省科技新浙商促進會、浙江省科技創新企業協會及科技金融時報授予浙江十大創新女傑稱號，於2019年12月獲桐廬縣人民政府授予年度桐廬企業家稱號，並於2020年1月在由杭州文廣集團、杭州市工商業聯合會、杭州市商務局及數家其他政府機構聯合舉辦的杭州國際化創新論壇上獲授予風雲杭商獎。自2007年1月起，申屠女士亦為桐廬縣政協委員。

申屠女士為執行董事、董事長兼本公司首席執行官鍾先生的配偶。

Directors and Senior Management

董事及高級管理層

Mr. YIN Zixin (尹自鑫), aged 38, was appointed as an executive Director on April 28, 2022. Mr. Yin has also served as a vice general manager at Hangzhou Kangji. He was one of the Company's joint company secretaries for the period from March 7, 2020 to May 3, 2022. Mr. Yin joined the Group in September 2016 as a general manager assistant and has acted as the secretary to the board at Hangzhou Kangji since November 2016. Mr. Yin has been a director at Hangzhou Kangji since August 2020. He was a director at Weijing Medical from February 2022 to March 2024. Mr. Yin is mainly responsible for investor relationships, investment and corporate governance matters of the Group.

Before joining the Group, from July 2008 to October 2010, Mr. Yin served as a department manager at Hangzhou Yingce Enterprise Management and Consultation Co., Ltd. (杭州英策企業管理諮詢有限公司), where he was primarily responsible for product and business development. From November 2010 to August 2016, Mr. Yin worked as an investment manager and assistant to the chairman of the board at Wanma United Holding Group Co., Ltd. (萬馬聯合控股集團有限公司), where he was primarily responsible for investment and M&A.

Mr. Yin received his bachelor's degree in economics and management from Zhejiang University of Finance & Economics (浙江財經大學) in the PRC in June 2008.

Non-Executive Director

Ms. CAI Li (蔡俐), aged 40, was appointed as a non-executive Director of the Company on March 13, 2020. Ms. Cai is primarily responsible for participating in decision making of important matters of the Group.

From 2007 through 2008, Ms. Cai worked as a research analyst at Credit Suisse AG (New York), where she was responsible for equity research for large cap of medical supplies and devices companies. From March 2009 to July 2011, Ms. Cai worked as an investment associate at HAO Capital (Haotian Jinsheng Investment Management (Beijing) Limited), focusing on growth stage healthcare investments. Ms. Cai joined TPG Capital, a leading global alternative asset firm, in August 2011 and with her latest position being a managing director where she was responsible for healthcare investments of TPG Capital in greater China region.

尹自鑫先生，38歲，於2022年4月28日獲委任為執行董事。尹先生亦於杭州康基擔任副總經理。彼於2020年3月7日至2022年5月3日期間為本公司聯席公司秘書之一。尹先生於2016年9月加入本集團並擔任總經理助理，且自2016年11月起於杭州康基擔任董事會秘書。尹先生自2020年8月起於杭州康基擔任董事及於2022年2月至2024年3月期間出任唯精醫療董事。尹先生主要負責本集團的投資者關係、投資及企業管治事宜。

加入本集團之前，自2008年7月至2010年10月，尹先生於杭州英策企業管理諮詢有限公司擔任部門經理，其主要負責產品及業務開發。自2010年11月至2016年8月，尹先生於萬馬聯合控股集團有限公司擔任投資經理兼董事長助理，其主要負責投資及併購。

於2008年6月，尹先生獲中國浙江財經大學頒授經濟管理學學士學位。

非執行董事

蔡俐女士，40歲，於2020年3月13日獲委任為非執行董事。蔡女士主要負責參與本集團重要事項的決策。

自2007年至2008年，蔡女士擔任瑞士信貸銀行股份有限公司(紐約)研究分析師，負責大型醫療耗材及器械公司的股權研究。自2009年3月至2011年7月，蔡女士擔任浩然資本(浩天金聲投資管理顧問(北京)有限公司)投資經理，專注於處於成長階段的醫療投資。蔡女士於2011年8月加入TPG Capital(一家全球領先的另類資產公司)，其最新職位為董事總經理，負責TPG Capital於大中華地區的醫療投資。

Directors and Senior Management

董事及高級管理層

From December 2015 to November 2021, Ms. Cai served as a director at Zhejiang Choison Tea Development Co., Ltd. (浙江久晟油茶科技股份有限公司), whose shares were once traded on the NEEQ (stock code: 837518). From September 2020 to November 2022, Ms. Cai served as a non-executive director at Shanghai Bio-heart Biological Technology Co., Ltd. (上海百心安生物技術股份有限公司), whose shares are listed on the Stock Exchange (stock code: 02185). From October 2020 to November 2023, Ms. Cai served as a non-executive director at Zhaoke Ophthalmology Limited whose shares are listed on the Stock Exchange (stock code: 06622).

Ms. Cai also concurrently holds the following positions outside the Group:

- a supervisor at Shanghai Deyu Deqi Enterprise Management Consulting Co., Ltd. (上海德虞得起企業管理諮詢有限公司) since November 2016;
- a non-executive director at Novotech Health Holdings Pte. Ltd. (諾威健康科技控股有限公司) since May 2021 and a director of member companies of Novotech Health Holdings Pte. Ltd. invested by TPG Capital, including a director at PPC Holding Company since August 2017, PPC Intermediate Holding Company since August 2017, PPC K.K. (Japan) since September 2017, Apluscro Pte. Ltd (Singapore) since August 2017, PPC Korea since August 2017, PPC China Corporation Limited (上海百利佳生醫藥科技有限公司) since November 2017, PPC China Clinical Research Corporation Limited (上海立興佳生醫藥科技有限公司) since February 2018, Jiasheng (Shanghai) Pharmaceutical Consulting Co., Ltd. (佳生(上海)醫藥諮詢有限公司) since September 2017, APLUS Pharmaceutical Consulting (Shanghai) Co., Ltd. (佳永醫藥諮詢(上海)有限公司) since August 2017, Bailixing (Xiamen) Equity Investment Co., Ltd. (百立興(廈門)股權投資有限公司) since August 2017, Acrostar Pharmservices Corporation (徐州立順康達醫藥科技有限公司) since August 2017, Acrostar Site Management Co., Ltd. (南京立順康達醫藥科技有限公司) since January 2019, Biosuntek Laboratory Co., Ltd. since December 2019, respectively; and
- a non-executive director at Dingdang Health Technology Group Ltd. (叮噹健康科技集團有限公司) since May 2021 whose shares are listed on the Stock Exchange (stock code: 09886).

Ms. Cai received her bachelor's degree in biomedical engineering and economics from Yale University in the U.S. in May 2007.

自2015年12月至2021年11月，蔡女士擔任浙江久晟油茶科技股份有限公司董事，該公司股份曾於全國中小企業股份轉讓系統買賣(證券代碼：837518)。自2020年9月至2022年11月，蔡女士擔任上海百心安生物技術股份有限公司非執行董事，該公司股份於聯交所上市(股份代號：02185)。自2020年10月至2023年11月，蔡女士擔任兆科眼科有限公司(其股份於聯交所上市(股份代號：06622))非執行董事。

蔡女士在本集團以外亦兼任以下職位：

- 自2016年11月起擔任上海德虞得起企業管理諮詢有限公司監事；
- 自2021年5月起擔任諾威健康科技控股有限公司非執行董事及由TPG Capital投資的諾威健康科技控股有限公司成員公司董事，包括分別自2017年8月起擔任PPC Holding Company董事，自2017年8月起擔任PPC Intermediate Holding Company董事，自2017年9月起擔任PPC K.K. (Japan)董事，自2017年8月起擔任Apluscro Pte. Ltd (Singapore)董事，自2017年8月起擔任PPC Korea董事，自2017年11月起擔任上海百利佳生醫藥科技有限公司董事，自2018年2月起擔任上海立興佳生醫藥科技有限公司董事，自2017年9月起擔任佳生(上海)醫藥諮詢有限公司董事，自2017年8月起擔任佳永醫藥諮詢(上海)有限公司董事，自2017年8月起擔任百立興(廈門)股權投資有限公司董事，自2017年8月起擔任徐州立順康達醫藥科技有限公司董事，自2019年1月起擔任南京立順康達醫藥科技有限公司董事，自2019年12月起擔任Biosuntek Laboratory Co., Ltd.董事；及
- 自2021年5月起擔任叮噹健康科技集團有限公司(其股份於聯交所上市(股份代號：09886))非執行董事。

蔡女士於2007年5月取得美國耶魯大學生物醫學工程及經濟學專業學士學位。

Directors and Senior Management

董事及高級管理層

Independent Non-Executive Directors

Mr. JIANG Feng (姜峰), aged 61, was appointed as an independent non-executive Director on March 7, 2020 with effect from June 4, 2020. Mr. Jiang is primarily responsible for supervising and providing independent judgement to the Board.

Mr. Jiang has almost 40 years of experience in medical and medical device industry. From 1985 to 2010, Mr. Jiang successively worked as a clinician and served managerial positions at several Hospitals and pharmaceutical companies. From December 2010 to August 2016, Mr. Jiang served as an independent director at Dirui Industrial Co., Ltd. (迪瑞醫療科技股份有限公司, formerly known as 長春迪瑞醫療科技股份有限公司), a medical technology company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300396). From May 2014 to September 2017, Mr. Jiang served as an independent director at Guanhao Biotech Co., Ltd. (冠昊生物科技股份有限公司), a biotech company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300238). From July 2005 to March 2017, Mr. Jiang also served as the head of China Medical Device Information Magazine 《中國醫療器械信息》雜誌社). From June 2015 to February 2017, Mr. Jiang worked as a non-executive director at Kaisa Health Group Holdings Limited (佳兆業健康集團控股有限公司, formerly known as 美加醫學科技有限公司), a company specialized in dental medical products with its shares being listed on the Stock Exchange (stock code: 0876). From March 2016 to April 2019, Mr. Jiang served as an independent director at Zhongzhu Healthcare Holding Co., Ltd. (中珠醫療控股股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 600568). Mr. Jiang also served as an independent director at a medical consumables company, Guangdong Baihe Medical Technology Co., Ltd. (廣東百合醫療科技股份有限公司) until March 2016.

Mr. Jiang is concurrently serving positions in the following entities outside the Group:

- an independent director since January 2022 at Eyebright Medical Technology (Beijing) Inc. (愛博諾德(北京)醫療科技股份有限公司), an ophthalmic medical device company whose shares are listed on the Shanghai Stock Exchange (stock code: 688050);
- a non-executive director since April 2014 at Lifetech Scientific (Shenzhen) Co., Ltd. (先健科技(深圳)有限公司), a medical device company whose shares are listed on the Stock Exchange (stock code: 01302);

獨立非執行董事

姜峰先生, 61歲, 於2020年3月7日獲委任為獨立非執行董事, 自2020年6月4日起生效。姜先生主要負責監督董事會並向其提供獨立判斷。

姜先生在醫療及醫療器械行業擁有接近40年經驗。自1985年至2010年, 姜先生先後在多家醫院及醫藥公司擔任臨床醫師及管理職位。自2010年12月至2016年8月, 姜先生擔任迪瑞醫療科技股份有限公司(前稱長春迪瑞醫療科技股份有限公司)(一家醫療科技公司, 其股份於深圳證券交易所上市, 證券代碼: 300396)獨立董事。自2014年5月至2017年9月, 姜先生擔任冠昊生物科技股份有限公司(一家生物科技公司, 其股份於深圳證券交易所上市, 證券代碼: 300238)獨立董事。姜先生亦於2005年7月至2017年3月擔任《中國醫療器械信息》雜誌社社長。於2015年6月至2017年2月, 姜先生擔任佳兆業健康集團控股有限公司(前稱美加醫學科技有限公司)(一家專業的牙科醫療產品公司, 其股份於聯交所上市, 股份代號: 0876)非執行董事。自2016年3月至2019年4月, 姜先生在中珠醫療控股股份有限公司(其股份於上海證券交易所上市, 證券代碼: 600568)擔任獨立董事。直至2016年3月, 姜先生亦在廣東百合醫療科技股份有限公司(一家醫用耗材公司)擔任獨立董事。

除本集團外, 姜先生現於下列實體兼任職務:

- 自2022年1月起擔任愛博諾德(北京)醫療科技股份有限公司(一家眼科醫療器械公司, 其股份於上海證券交易所上市, 證券代碼: 688050)獨立董事;
- 自2014年4月起於先健科技(深圳)有限公司(一家醫療器械公司, 其股份於聯交所上市, 股份代號: 01302)擔任非執行董事;

Directors and Senior Management

董事及高級管理層

- an executive director since November 2010 at Yixu Investment Management (Beijing) Co., Ltd. (醫旭投資管理(北京)有限公司), a company primarily engaged in investment and asset management;
- an executive director since January 2012 at Beijing Yimingxin Venture Capital Management Co., Ltd. (北京醫銘新創投資管理有限公司), a company primarily engaged in investment and asset management;
- an executive director since July 2020 at Frontier (Suzhou) Medical Technology Innovation Service Co., Ltd. (前沿(蘇州)醫學技術創新服務有限公司);
- an executive director since December 2017 at Suzhou Innomd Medical Technology Service Co., Ltd. (蘇州英諾邁醫學科技服務有限公司), a company primarily engaged in provision of integrated solutions in respect of medical devices;
- a director since October 2017 at Xian Glodmag Nano Biotechnology Co., Ltd. (西安金磁納米生物技術有限公司), a company primarily engaged in development of nanomedicine; and
- a director since December 2017 at Diabesen (Beijing) Technology Co., Ltd. (戴雅貝森(北京)科技有限公司).
- 自2010年11月起於醫旭投資管理(北京)有限公司(一家主要從事投資及資產管理的公司)擔任執行董事;
- 自2012年1月起於北京醫銘新創投資管理有限公司(一家主要從事投資及資產管理的公司)擔任執行董事;
- 自2020年7月起於前沿(蘇州)醫學技術創新服務有限公司擔任執行董事;
- 自2017年12月起於蘇州英諾邁醫學科技服務有限公司(一家主要從事提供醫療器械綜合解決方案的公司)擔任執行董事;
- 自2017年10月起於西安金磁納米生物技術有限公司(一家主要從事開發納米醫學的公司)擔任董事;及
- 自2017年12月起於戴雅貝森(北京)科技有限公司擔任董事。

Mr. Jiang also served as the president from March 2003 to January 2010 and later an executive vice president at China Association for Medical Devices Industry (中國醫療器械行業協會), the president since June 2009 at China Strategic Alliance of Medical Device Industry (中國醫療器械產業技術創新戰略聯盟), a deputy director of Biomedical Engineering Education Steering Committee of the Ministry of Education (教育部生物醫學工程專業教學指導委員會) since March 2018, and a director of Chinese Society of Biomedical Engineering (中國生物醫學工程學會) since December 2012.

Mr. Jiang received his master's degree in respiratory medicine in July 1992 and doctor's degree in cardiothoracic surgery in July 1995 from Air Force Medical University (空軍軍醫大學, formerly known as 第四軍醫大學) in the PRC. Mr. Jiang also obtained his second master's degree in business administration in Tsinghua University (清華大學) in the PRC in July 2006.

姜先生亦曾於2003年3月至2010年1月擔任中國醫療器械行業協會會長及隨後擔任常務副會長,自2009年6月起擔任中國醫療器械產業技術創新戰略聯盟理事長,自2018年3月起擔任教育部生物醫學工程專業教學指導委員會副主任,自2012年12月起擔任中國生物醫學工程學會理事。

姜先生於1992年7月自位於中國的空軍軍醫大學(前稱第四軍醫大學)獲得呼吸系統醫學碩士學位,及於1995年7月獲得心胸外科博士學位。姜先生亦於2006年7月自位於中國的清華大學獲得工商管理第二碩士學位。

Directors and Senior Management

董事及高級管理層

Mr. GUO Jian (郭建), aged 68, was appointed as an independent non-executive Director on March 7, 2020 with effect from June 4, 2020. Mr. Guo is primarily responsible for supervising and providing independent judgement to the Board.

From 1985 to 2021, Mr. Guo had been employed as a teaching faculty by Law School of Fudan University (復旦大學), and was a professor of Law School of Fudan University before Mr. Guo retired in 2021. From September 2017 to September 2020, Mr. Guo worked as an independent director at Zhejiang Changsheng Sliding Bearing Co. Ltd. (浙江長盛滑動軸承股份有限公司), a sliding bearings manufacturing company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300718). Since April 2016, Mr. Guo has been working as an independent director at Ailex Technology Group Co., Ltd (藍怡科技集團股份有限公司, formerly known as Shanghai Ailex Technology Co., Ltd.), a medical technology company whose shares were listed on the NEEQ (stock code: 834099).

Mr. Guo received his bachelor's degree in history from East China Normal University (華東師範大學) in the PRC in January 1982 and master's degree in history of law from Fudan University (復旦大學) in the PRC in September 1985.

Mr. CHEN Weibo (陳衛波), aged 50, was appointed as an independent non-executive Director on March 7, 2020 with effect from June 4, 2020. Mr. Chen is primarily responsible for supervising and providing independent judgement to the Board.

Mr. Chen has almost 30 years of experience in accounting and financial management. From September 1995 to May 2006, Mr. Chen served as an accountant at overseas department of Zhejiang Construction Investment Group Company Limited (浙江省建設投資集團有限公司). Mr. Chen was employed by Sanchuan Holding Group Limited (三川控股集團有限公司, formerly known as 三川控股有限公司 or 浙江中大三川水電發展有限公司) and served as a manager of audit department from July 2006 to June 2007 and the chief financial officer from July 2007 to August 2009. From September 2009 to June 2016, Mr. Chen served as a teacher at Hangzhou Wanxiang Polyteaching College (杭州萬向職業技術學院) and later re-joined the overseas division of Zhejiang Construction Investment Group Company Limited (浙江省建設投資集團有限公司) as a deputy manager of overseas finance department. From April 2019 to November 2021, Mr. Chen served as a joint secretary to the board at Sunlight Technology Holdings Limited (深藍科技控股有限公司), a material technology company whose shares are listed on the Stock Exchange (stock code: 1950). Mr. Chen has been serving a secretary to the board at Zhejiang Sunlight Material Technology Co., Ltd. (浙江深藍新材料科技有限公司) since July 2016.

郭建先生, 68歲, 於2020年3月7日獲委任為獨立非執行董事, 於2020年6月4日起生效。郭先生主要負責監督董事會並向其提供獨立判斷。

自1985年至2021年, 郭先生曾於復旦大學法學院任教職人員, 郭先生於2021年退休前為復旦大學法學院教授。自2017年9月至2020年9月, 郭先生擔任浙江長盛滑動軸承股份有限公司(一家滑動軸承製造公司)且其股份於深圳證券交易所上市, 證券代碼: 300718)之獨立董事。郭先生自2016年4月起曾擔任藍怡科技集團股份有限公司(前稱上海藍怡科技股份有限公司, 一家醫療科技公司且其股份於全國中小企業股份轉讓系統上市, 證券代碼: 834099)獨立董事。

郭先生於1982年1月自位於中國的華東師範大學獲得歷史學學士學位, 於1985年9月自位於中國的復旦大學獲得法律史碩士學位。

陳衛波先生, 50歲, 於2020年3月7日獲委任為獨立非執行董事, 自2020年6月4日起生效。陳先生主要負責監督董事會並向其提供獨立判斷。

陳先生擁有接近30年的會計及財務管理經驗。自1995年9月至2006年5月, 陳先生於浙江省建設投資集團有限公司海外部擔任會計。陳先生曾受聘於三川控股集團有限公司(前稱三川控股有限公司或浙江中大三川水電發展有限公司), 自2006年7月至2007年6月擔任審計部經理, 自2007年7月至2009年8月擔任首席財務官。自2009年9月至2016年6月, 陳先生於杭州萬向職業技術學院任教, 其後重新加入浙江省建設投資集團有限公司海外部, 擔任海外財務部副經理。自2019年4月至2021年11月, 陳先生擔任深藍科技控股有限公司(一家材料技術公司, 其股份於聯交所上市, 股份代號: 1950)董事會聯席秘書。自2016年7月起, 陳先生擔任浙江深藍新材料科技有限公司董事會秘書。

Directors and Senior Management

董事及高級管理層

Mr. Chen received his bachelor's degree in accounting from Zhejiang University of Finance & Economics (浙江財經大學, formerly known as 浙江財經學院) in the PRC in July 1995. Mr. Chen was conferred the qualification of senior accountant by the Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳) in April 2009. Mr. Chen has also been a non-practicing member of the Zhejiang Institute of Certified Public Accountants (浙江省註冊會計師協會) since December 2009. Mr. Chen obtained his ACCA Advanced Diploma in Accounting and Business from the Association of Chartered Certified Accountants in June 2017.

SENIOR MANAGEMENT

Mr. ZHONG Ming (鍾鳴), aged 48, was appointed as the chief executive officer on August 24, 2004. Mr. Zhong is responsible for overall management of the business of the Group. See above for his biography.

Ms. SHENTU Yinguang (申屠銀光), aged 44, was appointed as a vice general manager on November 8, 2016. Ms. Shentu is responsible for human resources and administration of the Group. See above for her biography.

Mr. YIN Zixin (尹自鑫), aged 38, was appointed as a vice general manager on March 7, 2020. Mr. Yin is mainly responsible for investor relationships, investment and corporate governance matters of the Group. See above for his biography.

Ms. HU Yanyu (胡豔宇), aged 47, was appointed as the chief financial officer on September 15, 2023. Ms. Hu is primarily responsible for the management of financial affairs and investor relations of the Group.

Ms. Hu has more than 15 years of ample experience in enterprise value management, financial management and investment management. She worked at Sunny Optical Technology (Group) Company Limited (stock code: 2382), a company listed on the Stock Exchange, as the director of investors' relation from January 2008 to November 2013, and as the secretary to the board of directors and a joint company secretary from November 2010 to November 2013. Ms. Hu has been a managing director of Shenzhen Eastern Marathon Investment Management Company Limited* (深圳市東方馬拉松投資管理有限公司) from March 2017 to May 2019, and she subsequently worked in the field of private investment fund management. Ms. Hu obtained her master's degree in business administration from Shanghai University of Finance and Economics in April 2008 and a bachelor's degree in business administration from Zhejiang University in July 2003. She has also obtained the qualification of economist issued by Personnel Bureau of Hangzhou in 2008.

陳先生於1995年7月獲得中國浙江財經大學(前稱浙江財經學院)會計學學士學位。於2009年4月,陳先生獲浙江省人力資源和社會保障廳授予高級會計師資格。自2009年12月起,陳先生亦為浙江省註冊會計師協會非執業會員。陳先生於2017年6月獲得特許公認會計師公會ACCA商務會計高級文憑。

高級管理層

鍾鳴先生, 48歲, 於2004年8月24日獲委任為首席執行官。鍾先生負責本集團業務的整體管理。有關其履歷, 請參閱上文。

申屠銀光女士, 44歲, 於2016年11月8日獲委任為副總經理。申屠女士負責本集團人力資源及行政。有關其履歷, 請參閱上文。

尹自鑫先生, 38歲, 於2020年3月7日獲委任為副總經理。尹先生主要負責本集團的投資者關係、投資及企業管治事宜。有關其履歷, 請參閱上文。

胡豔宇女士, 47歲, 於2023年9月15日獲委任為首席財務官。胡女士主要負責管理本集團的財務事宜及投資者關係。

胡女士擁有超過15年的企業價值管理、財務管理及投資管理的豐富經驗。胡女士於2008年1月至2013年11月在聯交所上市公司舜宇光學科技(集團)有限公司(股份代號: 2382)出任投資人關係管理部部門長, 並於2010年11月至2013年11月出任董事會秘書兼聯席公司秘書。胡女士於2017年3月至2019年5月出任深圳市東方馬拉松投資管理有限公司董事總經理一職, 其後從事私募基金的管理工作。胡女士於2008年4月取得上海財經大學工商管理碩士學位, 並於2003年7月取得浙江大學工商管理學士學位。她亦於2008年取得杭州人事局頒發經濟師資格。

Directors and Senior Management

董事及高級管理層

Mr. CHENG Da (程達), aged 46, was appointed as a vice general manager on March 1, 2011. Mr. Cheng joined the Group in March 2011 and has worked as a vice general manager at Hangzhou Kangji. Mr. Cheng is primarily responsible for product registration and international business of the Group.

Before joining the Group, Mr. Cheng served as a department head at Terumo Medical Products (Hangzhou) Co., Ltd. (泰爾茂醫療產品(杭州)有限公司) from July 2001 to February 2006, where he was mainly responsible for technology management and product development. From March 2006 to February 2011, Mr. Cheng served as a vice general manager at Hangzhou Fushan Medical Appliances Co., Ltd. (杭州富善醫療器械有限公司), where he was primarily responsible for establishing and maintaining company quality control system and managing technology and quality department.

Mr. Cheng received his bachelor's degree in chemistry from Nankai University (南開大學) in the PRC in June 2001.

Mr. YUE Jiqiang (岳計強), aged 44, was appointed as a vice general manager on May 16, 2009. Mr. Yue joined the Group in May 2009 and has worked as a vice general manager at Hangzhou Kangji. Mr. Yue is mainly responsible for research and development of the Group.

From September 2002 to February 2004, Mr. Yue served as a manager at Hangzhou Kangyou Medical Equipment Co., Ltd. (杭州康友醫療設備有限公司), where he was primarily responsible for research and development. From December 2004 to April 2009, Mr. Yue served as a manager at Hangzhou Optcla Medical Instrument Co., Ltd. (杭州光典醫療器械有限公司), where he was primarily responsible for research and development.

Mr. Yue received his college degree in machine manufacturing from Huabei Mechanical and Electrical Secondary School (華北機電學校) in the PRC in June 2001.

程達先生，46歲，於2011年3月1日獲委任為副總經理。程先生於2011年3月加入本集團並擔任杭州康基的副總經理。程先生主要負責本集團的產品註冊和國際業務。

加入本集團之前，自2001年7月至2006年2月，程先生於泰爾茂醫療產品(杭州)有限公司擔任部門主管，其主要負責技術管理及產品開發。自2006年3月至2011年2月，程先生於杭州富善醫療器械有限公司擔任副總經理，其主要負責建立並維護公司質量管理體系及管理技術及質量部門。

於2001年6月，程先生獲中國南開大學頒授化學學士學位。

岳計強先生，44歲，於2009年5月16日獲委任為副總經理。岳先生於2009年5月加入本集團並擔任杭州康基副總經理。岳先生主要負責本集團研發。

自2002年9月至2004年2月，岳先生於杭州康友醫療設備有限公司擔任經理，其主要負責研發。自2004年12月至2009年4月，岳先生於杭州光典醫療器械有限公司擔任經理，其主要負責研發。

於2001年6月，岳先生自中國華北機電學校取得機械製造學大專學歷。

Directors and Senior Management

董事及高級管理層

Mr. TANG Wenpeng (唐文鵬), aged 49, was appointed as a vice general manager on March 5, 2018. Mr. Tang joined the Group in March 2017 and has worked as a vice general manager and manager of quality control department at Hangzhou Kangji. Mr. Tang is mainly responsible for production and quality control of the Group.

Mr. Tang served as a department head at Terumo Medical Product (Hangzhou) Co., Ltd. (泰爾茂醫療產品(杭州)有限公司), where he was primarily responsible for quality control, from April 2000 to September 2009. From October 2009 to March 2017, Mr. Tang served as a vice general manager at Jiangxi Fenglin Medical Device Co., Ltd. (江西豐臨醫用器械有限公司), where he was mainly responsible for production and quality control.

Mr. Tang received his bachelor's degree in polymer materials from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 1996.

Mr. JU Jianyong (睢建勇), aged 48, joined the Group on January 1, 2021 as head of domestic sales and marketing. Mr. Ju began his career as a clinician in pediatrics, and then moved to work in sales in the medical industry. Mr. Ju has extensive expertise in academic promotions across multiple specialties such as obstetrics and gynaecology, Urology, Oncology, and Pediatrics. Prior to joining the Group, Mr. Ju worked in Nanjing Dongyuan Pharmaceutical Co., Ltd. (南京東元製藥有限公司), Beecham Group, Hainan Zambon Pharmaceutical Co., Ltd (海南贊邦製藥有限公司), Beijing Biote Pharmaceutical Co., Ltd (北京博恩特藥業有限公司) and served a series of sales positions, including sales representative, district sales manager, regional manager, sales director and head of sales and marketing, mainly responsible for leading sales team and product promotion and marketing work.

Mr. Ju graduated from Anhui Medical University (安徽醫科大學) with a bachelor's degree in clinical medicine in 1998.

唐文鵬先生，49歲，於2018年3月5日獲委任為副總經理。唐先生於2017年3月加入本集團並擔任杭州康基的副總經理兼質量控制部經理。唐先生主要負責本集團生產與質量控制。

自2000年4月至2009年9月，唐先生於泰爾茂醫療產品(杭州)有限公司擔任部門主管，其主要負責質量控制。自2009年10月至2017年3月，唐先生於江西豐臨醫用器械有限公司擔任副總經理，其主要負責生產及質量控制。

於1996年7月，唐先生獲中國上海交通大學頒授高分子材料學學士學位。

睢建勇先生，48歲，於2021年1月1日加入本集團擔任國內營銷總監。睢先生從兒科臨床醫生開始他的職業生涯，隨後轉到醫療行業從事銷售工作。睢先生於婦產科、泌尿外科、腫瘤科及兒科等多個專業領域擁有豐富的學術推廣經驗。加入本集團前，睢先生曾就職於南京東元製藥有限公司、Beecham Group、海南贊邦製藥有限公司及北京博恩特藥業有限公司，並擔任一系列銷售職務，包括銷售代表、區域銷售經理、區域經理、銷售經理及營銷總監等，主要負責帶領銷售團隊以及產品推廣及營銷工作。

睢先生於1998年自安徽醫科大學畢業，獲得臨床醫學學士學位。

Directors and Senior Management

董事及高級管理層

COMPANY SECRETARY

Mr. WAN Siu Keung (溫兆強), aged 40, was appointed as the company secretary of the Company on May 3, 2022. He joined the Group in September 2020 as a senior finance manager and he has been subsequently appointed as a director and the company secretary of Kangji Medical (Hong Kong) Limited, a wholly-owned subsidiary of the Company, in January 2022 and December 2020 respectively.

Mr. Wan has over 16 years of experience in the fields of auditing, financial management and corporate secretary. Mr. Wan worked in Deloitte Touche Tohmatsu from 2006 to 2014 and his last position was an audit manager. From April 2014 to October 2016, Mr. Wan worked in the finance department of Jiayuan International Group Limited (stock code: 2768) and its predecessor, in which he had also acted as its company secretary from July 2015 to October 2016. From October 2016 to May 2020, Mr. Wan served as the financial controller of Synertone Communication Corporation (stock code: 1613).

Mr. Wan obtained his bachelor's degree in accounting and finance from the Hong Kong University of Science and Technology in May 2006. He is a member of the Hong Kong Institute of Certified Public Accountants and a chartered financial analyst ("CFA") of the CFA Institute.

公司秘書

溫兆強先生，40歲，於2022年5月3日獲委任為本公司秘書。彼於2020年9月加入本集團，出任高級財務經理，其後彼分別於2022年1月及2020年12月獲委任為康基醫療（香港）有限公司（本公司之全資附屬公司）之董事及公司秘書。

溫先生於審計、金融管理及公司秘書方面擁有逾16年經驗。溫先生於2006年至2014年任職於德勤•關黃陳方會計師行，彼之最後職位為審計經理。於2014年4月至2016年10月期間，溫先生任職於佳源國際控股有限公司（股份代號：2768）及其前身之財務部，彼亦於2015年7月至2016年10月期間出任其公司秘書。於2016年10月至2020年5月，溫先生擔任協同通信集團有限公司（股份代號：1613）之財務總監。

於2006年5月，溫先生獲香港科技大學頒授會計及金融學學士學位。彼為香港會計師公會會員及特許金融分析師協會之特許金融分析師（「特許金融分析師」）。

Report of the Directors

董事會報告

The Board is pleased to present this Directors' Report together with the consolidated financial statements of the Group for the year ended December 31, 2023.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on February 12, 2020, as an exempted company with limited liability under the Cayman Companies Act. With the approval from the Registrar of Companies in Hong Kong on April 3, 2020, the Company started to operate business under the name of "Kangji Medical Holdings Limited 康基医疗控股有限公司" in Hong Kong.

The Company was listed on the Main Board of the Stock Exchange on June 29, 2020 with stock code 9997.

A list of principal subsidiaries of the Company, together with the details of their places of incorporation and business, principal activities and issued shares or registered share capital, is set out in note 1 to the consolidated financial statements.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to design, develop, manufacture and sell a comprehensive suite of MISIA that are focused on the surgical specialties of OBGYN, urology, general surgery and thoracic surgery. There were no significant changes in the nature of the Company's principal activities during the Reporting Period.

BUSINESS REVIEW AND RESULTS

A review of the business of the Group during the Reporting Period is provided in the section headed "Business Review" under "Management Discussion and Analysis" of this annual report. An analysis of the Group's performance during the Reporting Period is provided in the section headed "Financial Review" under "Management Discussion and Analysis" of this annual report.

The results of the Group for the Reporting Period are set out in the consolidated financial statements of this annual report.

董事會欣然提呈本董事會報告，連同本集團截至2023年12月31日止年度的綜合財務報表。

一般資料

本公司於2020年2月12日根據開曼群島《公司法》在開曼群島註冊成立為獲豁免有限公司。經香港公司註冊處處長於2020年4月3日批准，本公司開始以「Kangji Medical Holdings Limited 康基医疗控股有限公司」的名稱在香港經營業務。

本公司於2020年6月29日在聯交所主板上市，股份代號為9997。

本公司主要附屬公司名單連同其註冊成立及業務地點、主要業務及已發行股份或註冊股本的詳情載於綜合財務報表附註1。

主要業務

本公司的主要業務為設計、開發、製造和銷售一整套MISIA，這些器械主要用於婦產科、泌尿外科、普外科以及胸外科等外科手術專科領域。於報告期內，本公司主要業務的性質並無重大改變。

業務回顧及業績

本集團於報告期內的業務回顧載列於本年報「管理層討論與分析」項下「業務回顧」一節。本集團於報告期內的表現分析載列於本年報「管理層討論與分析」項下「財務回顧」一節。

本集團於報告期內的業績載列於本年報的綜合財務報表。

Report of the Directors

董事會報告

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

Market Risks

In recent years, the healthcare regulatory framework in China has undergone significant changes, including, with respect to quality control, supply, pricing and tender process for medical devices. The medical device's centralized procurement or volume based process and execution of other regulatory policies at national or regional level may put pressure on the end market prices of our products and adversely affect our business, financial condition and results of operations. There have been and may continue to be proposals or legislative or administrative reforms in order to control healthcare costs by limiting the scope of reimbursement schemes and/or the amount of reimbursement for medical devices. If such policies affect our products, we will analyze each situation based on key factors such as potential decline in retail price, ex-factory price, market share, distributor network and coverage of the local markets, in order to decide on the best sales course of action for the Company to take advantage of opportunities and mitigate potential impact on our business.

Any potential outbreak of pandemic in China or elsewhere in the world may adversely affect our business as patients may delay their elective surgical appointments or plans; and there may be disruption or delay to the supply chain of the Group including the procurement of raw materials and shipment of finished products.

Financial Risks

The Group's principal business operations are exposed to a variety of financial risks including but not limited to credit risk, currency risk, interest rate risk, and liquidity risks. The Group's financial risk management objectives and policies are set out in note 36 to the consolidated financial statements.

本集團面對的主要風險及不確定因素

市場風險

近年來，中國醫療監管框架歷經重大變化，包括醫療器械的質控、供應、定價及招標流程等方面。醫療器械集中採購或基於數量的流程以及國家或地區層面的其他監管政策的實施可能會對我們產品的終端市場價格造成壓力，並對我們的業務、財務狀況及經營業績產生不利影響。為通過限制報銷制度範圍及／或醫療器械的報銷金額以控制醫療保健成本，建議或立法或行政改革已獲提出並可能繼續獲提出。倘若該等政策對我們的產品造成影響，我們將根據零售價的潛在下降、出廠價格、市場份額、經銷商網絡及當地市場的覆蓋範圍等主要因素分析各類情況，以決定本公司採取的最佳銷售行動方案，進而抓住機遇並減輕對我們業務的潛在影響。

任何可能在中國或世界其他地方爆發的疫情均可能會對我們的業務造成不利影響，因為患者可能會推遲其擇期手術預約或計劃；可能會對本集團的供應鏈造成干擾或延誤，包括原材料的採購及成品的運輸。

金融風險

本集團的主要業務運營面臨諸多財務風險，包括但不限於信貸風險、貨幣風險、利率風險及流動性風險。本集團的金融風險管理目標及政策載列於綜合財務報表附註36。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period,

- (i) the Group's largest supplier accounted for 10.1% (2022: 12.9%) of its total purchases, and the five largest suppliers accounted for 25.9% of its total purchases (2022: 31.0%); and
- (ii) the Group's largest customer accounted for 13.3% (2022: 11.8%) of its total sales, and the five largest customers accounted for 22.2% of its total sales (2022: 28.2%).

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

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 26 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to the Shareholders of the Company as at December 31, 2023 amounted to RMB3,220.4 million (2022: RMB2,947.7 million)

BANK AND OTHER BORROWINGS

As of December 31, 2023, the Group did not record any bank and other interest-bearing borrowings.

主要客戶及供應商

報告期內，

- (i) 本集團的最大供應商佔本集團採購總額的10.1%（2022年：12.9%），而五大供應商佔本集團採購總額的25.9%（2022年：31.0%）；及
- (ii) 本集團的最大客戶佔本集團銷售總額的13.3%（2022年：11.8%），而五大客戶佔本集團銷售總額的22.2%（2022年：28.2%）。

董事或彼等任何緊密聯繫人或任何股東（據董事所深知擁有本公司5%以上已發行股本）概無於本集團五大客戶及供應商中擁有任何權益。

物業、廠房及設備

於報告期內，本集團物業、廠房及設備變動的詳情載於綜合財務報表附註13。

股本

於報告期內，本公司股本變動的詳情載於綜合財務報表附註26。

可分派儲備

於2023年12月31日，本公司可供分派予本公司股東的儲備為人民幣3,220.4百萬元（2022年：人民幣2,947.7百萬元）。

銀行及其他借款

截至2023年12月31日，本集團並無錄得任何銀行及其他計息借款。

Report of the Directors

董事會報告

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed “Pre-IPO Share Option Plan and RSU Plan” below, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

DIRECTORS

The Directors during the Reporting Period and up to the date of this Directors’ Report were:

Executive Directors

Mr. ZHONG Ming (*Chairman of the Board*)
Ms. SHENTU Yinguang
Ms. Frances Fang CHOVANEC (*resigned on September 15, 2023*)

Mr. YIN Zixin

Non-executive Director

Ms. CAI Li

Independent Non-executive Directors

Mr. JIANG Feng
Mr. GUO Jian
Mr. CHEN Weibo

DIRECTORS’ BIOGRAPHICAL DETAILS

Details of Directors are set out in “Directors and Senior Management” of this annual report. Save as disclosed in that section, up to the date of this annual report, there were no changes to information which are required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

股票掛鈎協議

除下文「首次公開發售前購股權計劃及受限制股份單位計劃」一節所披露者外，本公司概無於報告期內訂立或擁有於報告期末續存的股票掛鈎協議，而將會或可能導致本公司發行股份，或要求本公司訂立任何將會或可能導致本公司發行股份的協議。

董事

於報告期及直至本董事會報告日期之董事為：

執行董事

鍾鳴先生 (*董事會主席*)
申屠銀光女士
Frances Fang CHOVANEC (陳芳) 女士
(*於2023年9月15日辭任*)
尹自鑫先生

非執行董事

蔡俐女士

獨立非執行董事

姜峰先生
郭建先生
陳衛波先生

董事履歷詳情

董事詳情載列於本年報「董事及高級管理層」。除該節所披露者外，直至本年報日期，根據《上市規則》第13.51(2)條(a)至(e)及(g)段所規定須由董事披露的資料概無變動。

Report of the Directors

董事會報告

DIRECTORS' SERVICE CONTRACTS

Except for Mr. YIN Zixin, each of the executive Directors has entered into a three-year service contract with the Company and effective from their respective appointment dates and subject to retirement by rotation and re-election at annual general meetings of the Company. The appointment of Mr. YIN Zixin was effective from his appointment date to the date of the first general meeting of the Company after his appointment, and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company. Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company which commenced from their respective appointment dates for an initial term of three years.

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

COMPETING INTEREST AND OTHER INTEREST

Save for their respective interests in the Group, none of the Directors, and the Controlling Shareholders were interested in any business which competes or is likely to compete with the businesses of the Group during the Reporting Period.

During the Reporting Period, no Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries was a party.

During the Reporting Period, the Group has not entered into any other contract of significance with the Controlling Shareholders or any of their respective subsidiaries (other than the service contracts of Directors and senior management).

董事服務合約

除尹自鑫先生外，各執行董事已與本公司訂立為期三年的服務合約，自彼等各自委任日期起生效，並須在本公司股東週年大會上輪值退任及膺選連任。尹自鑫先生之委任自其委任日期起至獲委任後本公司第一次股東大會日期期間生效，且其後可於本公司股東週年大會上輪值退任及膺選連任。各非執行董事及獨立非執行董事已與本公司訂立委任函，初始期限自彼等各自的委任日期起計為期三年。

擬於應屆股東週年大會上膺選連任的董事概無與本公司或本集團任何成員公司訂立不可由僱主於一年內予以終止而無須支付賠償（法定賠償除外）的服務合約。

競爭權益及其他權益

除彼等各自於本集團的權益外，於報告期內，概無董事及控股股東於任何與本集團業務存在競爭或可能存在競爭之業務中擁有權益。

於報告期內，概無董事於本公司或其任何附屬公司所參與訂立而與本集團業務有重大關係的任何交易、安排或合約中直接或間接擁有重大權益。

於報告期內，本集團概無與控股股東或其任何附屬公司訂立任何其他重大合約（董事及高級管理層的服務合約除外）。

Report of the Directors

董事會報告

CONNECTED TRANSACTIONS

Details of related party transactions for the year ended December 31, 2023 are set out in note 31 to the consolidated financial statements. None of such related party transactions constitute connected transaction nor continuing connected transaction of the Group which has to be disclosed in accordance with the Chapter 14A of the Listing Rules, and the Company has complied with the requirements in the Chapter 14A of the Listing Rules during the Reporting Period.

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 Reporting Period.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in notes 8 and 9 to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors or other individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

EMPLOYEES AND REMUNERATION POLICIES

A review of the employees and remuneration policies of the Group during the year ended December 31, 2023 are set out in the section headed "Management Discussion and Analysis" on page 25 of this annual report.

關連交易

有關截至2023年12月31日止年度之關聯方交易詳情載於綜合財務報表附註31。本集團於報告期內概無有關關聯方交易構成根據《上市規則》第十四A章須予披露的關連交易或持續關連交易，並且本公司已遵守《上市規則》第十四A章中的規定。

管理合約

於報告期內，概無訂立或存在有關管理及經營本公司全部或任何重大部分業務的合約。

董事及五名最高薪酬人士的薪酬

董事及五名最高薪酬人士的薪酬詳情載列於綜合財務報表附註8及9。

概無董事放棄或同意放棄任何薪酬，且本集團並無向任何董事或其他任何個人支付任何酬金作為加入本集團或加入本集團時的獎勵或作為離職補償。

僱員及薪酬政策

本集團於截至2023年12月31日止年度的僱員及薪酬政策概覽載於本年報第25頁的「管理層討論與分析」一節。

Report of the Directors

董事會報告

ENVIRONMENTAL POLICIES AND PERFORMANCE

It is the Group's corporate and social responsibility in promoting a sustainable and environmental-friendly environment. The Group strive to minimize its environmental impact and to build the corporation in a sustainable way.

The Group is subject to environmental protection and occupational health and safety laws and regulations in China. In 2023, the Group complied with the relevant environmental and occupational health and safety laws and regulations in China and the Group did not have any incidents or complaints, which had a material and adverse effect on the Group's business, financial condition or results of operations.

The ESG report of the Company prepared in accordance with Appendix C2 of the Listing Rules is set out on pages 84 to 163 of this annual report.

THE GROUP'S FACILITIES

The corporate headquarters of the Group are located in Tonglu, Zhejiang province. All of the Group's manufacturing facilities during the Reporting Period are located in Zhejiang province in the PRC.

The Group has solid manufacturing capabilities supported by an experienced production team, automated manufacturing processes and a cost-effective supply chain. As of December 31, 2023, the total gross floor area of the Group's manufacturing facilities amounted to 43,189.04 square meters ("sq.m.").

As of December 31, 2023, the Group owned the land use right of five parcels of land with a total site area of approximately 90,166 sq.m. and nine buildings with a total gross floor area of approximately 63,559.56 sq.m. The Group's buildings are primarily used as office buildings, R&D and manufacturing facilities.

As of December 31, 2023, the Group leased properties at various locations including Beijing, Shanghai, Hangzhou and Hong Kong with a total gross floor area of approximately 17,401.05 sq.m., which have been used as office premises.

環境政策及表現

本集團肩負促成可持續發展及環境友好型環境的企業及社會責任。本集團致力於將環境影響降至最低，助企業實現可持續發展。

本集團受中國環境保護及職業健康與安全法律法規的約束。於2023年，本集團遵守中國相關環境及職業健康與安全法律法規，且本集團並無遭遇任何對本集團的業務、財務狀況或經營業績產生重大不利影響的事故或投訴。

本公司的ESG報告乃根據《上市規則》附錄C2編製，載於本年報第84至163頁。

本集團的設施

本集團公司總部位於浙江省桐廬。於報告期內，本集團全部生產設施均位於中國浙江省。

本集團擁有由一支經驗豐富的生產團隊、自動化生產流程及具成本效益的供應鏈提供支撐的強大製造能力。截至2023年12月31日，本集團生產設施的總建築面積為43,189.04平方米（「平方米」）。

截至2023年12月31日，本集團擁有總佔地面積約為90,166平方米的五塊土地的土地使用權，以及總建築面積約63,559.56平方米的九棟樓宇。本集團的樓宇主要用作辦公樓、研發和生產設施。

截至2023年12月31日，本集團在不同地點（包括北京、上海、杭州及香港）租賃總建築面積約為17,401.05平方米的多處物業，該等物業已用作辦公場所。

Report of the Directors

董事會報告

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

As of date of this report, to the best knowledge of the Directors, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interest in the Company

董事及最高行政人員於股份、相關股份及債權證中擁有的權益及淡倉

截至本報告日期，據董事所深知，董事及本公司最高行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份或債權證中擁有的(a)根據《證券及期貨條例》第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據《證券及期貨條例》相關規定當作或視作擁有的權益及淡倉）；或(b)根據《證券及期貨條例》第352條規定須登記於該條例所述登記冊的權益及淡倉；或(c)根據《標準守則》須知會本公司及聯交所的權益及淡倉如下：

於本公司的權益

| Name of Director/Chief Executive | Capacity/Nature of interest | Number of ordinary shares | Approximate percentage of shareholding in the total issued share capital (%) 於已發行股本總額的持股概約百分比 (%) |
|----------------------------------|--|---------------------------|--|
| 董事／最高行政人員姓名 | 身份／權益性質 | 普通股數目 | 概約百分比 (%) |
| Mr. ZHONG Ming 鍾鳴先生 | Beneficiary of a trust (Note 2) 信託受益人 (附註2) | 408,500,000 (L) | 33.63 (L) |
| | Interest of spouse (Note 4) 配偶權益 (附註4) | 231,500,000 (L) | 19.06 (L) |
| Ms. SHENTU Yinguang 申屠銀光女士 | Beneficiary of a trust (Note 3) 信託受益人 (附註3) | 231,500,000 (L) | 19.06 (L) |
| | Interest of spouse (Note 4) 配偶權益 (附註4) | 408,500,000 (L) | 33.63 (L) |
| Mr. YIN Zixin 尹自鑫先生 | Beneficial owner (Note 5) 實益擁有人 (附註5) | 4,125,000 (L) | 0.34 (L) |

Report of the Directors

董事會報告

Notes:

- (1) The letter “L” denotes the directors’ long position in the Shares.
- (2) Fortune Spring ZM B Limited is owned by Fortune Spring ZM AA Limited and Fortune Spring ZM A Limited as to 99.9% and 0.1%, respectively. Fortune Spring ZM AA Limited is wholly owned by the Fortune Spring ZM Trust, for which Butterfield Trust (Asia) Limited serves as the trustee and Mr. Zhong Ming acts as the settlor and protector.
- (3) Fortune Spring YG B Limited is owned by YG AA Limited and Fortune Spring YG A Limited as to 99.8% and 0.2%, respectively. YG AA Limited is wholly owned by The YG Trust, for which BOS Trustee Limited serves as the trustee, and Ms. Shentu Yinguang acts as the settlor and Mr. Zhong acts as the protector.
- (4) Mr. Zhong Ming and Ms. Shentu Yinguang are spouses, and therefore are deemed to be interested in the Shares held by each other under the SFO.
- (5) Mr. Yin is interested in the RSUs in respect of 4,125,000 underlying Shares granted to him in accordance with the RSU Plan.

Save as disclosed above, as of date of this report, none of the Directors or chief executive of the Company has or is deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which will be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

附註：

- (1) 字母「L」指董事於股份中的好倉。
- (2) Fortune Spring ZM B Limited由Fortune Spring ZM AA Limited及Fortune Spring ZM A Limited分別擁有99.9%及0.1%的權益。Fortune Spring ZM AA Limited由Fortune Spring ZM Trust全資擁有，據此，Butterfield Trust (Asia) Limited為受託人，鍾鳴先生作為委託人及保護人。
- (3) Fortune Spring YG B Limited由YG AA Limited及Fortune Spring YG A Limited分別擁有99.8%及0.2%的權益。YG AA Limited由The YG Trust全資擁有，據此，BOS Trustee Limited為受託人，申屠銀光女士作為委託人及鍾先生作為保護人。
- (4) 鍾鳴先生及申屠銀光女士為夫妻，故根據《證券及期貨條例》彼等被視為於互相持有的股份中擁有權益。
- (5) 尹先生於根據受限制股份單位計劃向彼授出涉及4,125,000股相關股份的受限制股份單位中擁有權益。

除上文所披露者外，截至本報告日期，概無本公司董事或最高行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份或債權證中擁有或被視為擁有任何根據《證券及期貨條例》第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據《證券及期貨條例》相關規定當作或視作擁有的權益及淡倉）；或須登記於本公司根據《證券及期貨條例》第352條存置的登記冊的權益或淡倉；或根據《標準守則》須知會本公司及聯交所的權益或淡倉。

Report of the Directors

董事會報告

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

As of date of this report, to the best knowledge of the Directors, the followings are the persons, other than the Directors or chief executive of the Company, who had interests or short positions in the Shares and underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

主要股東於股份及相關股份中的權益及淡倉

截至本報告日期，據董事所深知，下列人士（本公司董事或最高行政人員除外）於股份及相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部規定須知會本公司及聯交所的權益或淡倉；或擁有記錄於本公司根據《證券及期貨條例》第XV部第336條須予存置的權益登記冊的權益或淡倉：

| Name of shareholder 股東名稱 | Capacity/Nature of interest 身份／權益性質 | Total number of Shares 股份總數 | Approximate percentage of shareholding (%) 持股概約百分比 (%) |
|-----------------------------|---|--------------------------------|---|
| Credit Suisse Trust Limited | Trustee of a trust ^(Notes 2) 信託受託人 ^(附註2) | 408,500,000 (L) | 33.63 (L) |
| BOS Trustee Limited | Trustee of a trust ^(Notes 3) 信託受託人 ^(附註3) | 231,500,000 (L) | 19.06 (L) |
| Fortune Spring ZM B Limited | Beneficial owner ^(Notes 2) 實益擁有人 ^(附註2) | 408,500,000 (L) | 33.63 (L) |
| Fortune Spring YG B Limited | Beneficial owner ^(Notes 3) 實益擁有人 ^(附註3) | 231,500,000 (L) | 19.06 (L) |
| Keyhole Holding Limited | Beneficial owner ^(Notes 4) 實益擁有人 ^(附註4) | 216,190,500 (L) | 17.80 (L) |

Notes:

- (1) The letter "L" denotes long position in the Shares.
- (2) Fortune Spring ZM B Limited is owned by Fortune Spring ZM AA Limited and Fortune Spring ZM A Limited as to 99.9% and 0.1%, respectively. Fortune Spring ZM AA Limited is wholly owned by the Fortune Spring ZM Trust, for which Butterfield Trust (Asia) Limited serves as the trustee and Mr. Zhong Ming acts as the settlor and protector.
- (3) Fortune Spring YG B Limited is owned by YG AA Limited and Fortune Spring YG A Limited as to 99.8% and 0.2%, respectively. YG AA Limited is wholly owned by The YG Trust, for which BOS Trustee Limited serves as the trustee, and Ms. Shentu Yinguang acts as the settlor and Mr. Zhong acts as the protector.

附註：

- (1) 字母「L」指於股份中的好倉。
- (2) Fortune Spring ZM B Limited由Fortune Spring ZM AA Limited及Fortune Spring ZM A Limited分別擁有99.9%及0.1%的權益。Fortune Spring ZM AA Limited由Fortune Spring ZM Trust全資擁有，據此，Butterfield Trust (Asia) Limited為受託人，鍾鳴先生作為委託人及保護人。
- (3) Fortune Spring YG B Limited由YG AA Limited及Fortune Spring YG A Limited分別擁有99.8%及0.2%的權益。YG AA Limited由The YG Trust全資擁有，據此，BOS Trustee Limited為受託人，申屠銀光女士作為委託人及鍾先生作為保護人。

Report of the Directors

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(4) Each of TPG Keyhole, L.P. (as sole shareholder of Keyhole Holding Limited), TPG Asia GenPar VII, L.P. (as a general partner of TPG Keyhole, L.P.), TPG Asia GenPar VII Advisors, Inc. (as a general partner of TPG Asia GenPar VII, L.P.), TPG Holdings III, L.P. (as the sole shareholder of TPG Asia GenPar VII Advisors, Inc.), TPG Holdings III-A, L.P. (as a general partner of TPG Holdings III, L.P.), TPG Holdings III-A, Inc. (as a general partner of TPG Holdings III-A, L.P.), TPG Group Holdings (SBS), L.P. (as the sole shareholder of TPG Holdings III-A, Inc.), TPG Group Holdings (SBS) Advisors, LLC (as a general partner of TPG Group Holdings (SBS), L.P.) and TPG Group Holdings (SBS) Advisors, Inc. (as the sole member of TPG Group Holdings (SBS) Advisors, LLC) is deemed to be interested in the Shares held by Keyhole Holding Limited under the SFO. TPG Group Holdings (SBS) Advisors, Inc. is controlled by Mr. David Bonderman and Mr. James G. Coulter, who disclaim beneficial ownership of the Shares held by Keyhole Holding Limited except to the extent of their pecuniary interest therein.

(4) TPG Keyhole, L.P. (作為Keyhole Holding Limited的唯一股東)、TPG Asia GenPar VII, L.P. (作為TPG Keyhole, L.P.的普通合夥人)、TPG Asia GenPar VII Advisors, Inc. (作為TPG Asia GenPar VII, L.P.的普通合夥人)、TPG Holdings III, L.P. (作為TPG Asia GenPar VII Advisors, Inc.的唯一股東)、TPG Holdings III-A, L.P. (作為TPG Holdings III, L.P.的普通合夥人)、TPG Holdings III-A, Inc. (作為TPG Holdings III-A, L.P.的普通合夥人)、TPG Group Holdings (SBS), L.P. (作為TPG Holdings III-A, Inc.的唯一股東)、TPG Group Holdings (SBS) Advisors, LLC (作為TPG Group Holdings (SBS), L.P.的普通合夥人)及TPG Group Holdings (SBS) Advisors, Inc. (作為TPG Group Holdings (SBS) Advisors, LLC的唯一股東)根據《證券及期貨條例》均視作於Keyhole Holding Limited持有的股份中擁有權益。TPG Group Holdings (SBS) Advisors, Inc.由David Bonderman先生和James G. Coulter先生控制，彼等放棄Keyhole Holding Limited所持股份的實益擁有權，惟彼等於其中的金錢利益除外。

Save as disclosed above, as of date of this report, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the year ended December 31, 2023 was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of the Shares in, or debentures of the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

除上文所披露者外，截至本報告日期，本公司董事及最高行政人員並不知悉有任何其他人士（本公司董事或最高行政人員除外）於股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部的規定須知會本公司及聯交所的權益或淡倉，或須登記於本公司根據《證券及期貨條例》第352條存置的登記冊的權益或淡倉。

董事收購股份或債權證的權利

除上文「董事及最高行政人員於股份、相關股份及債權證中擁有的權益及淡倉」一節所披露者外，於截至2023年12月31日止年度期間，本公司或其任何附屬公司概無訂立任何安排，使董事可藉收購本公司或任何其他法人團體的股份或債權證獲得利益，且概無董事或任何彼等的配偶或未滿18歲子女獲授任何權利以認購本公司或任何其他法人團體的權益或債務證券或已行使任何該等權利。

Report of the Directors

董事會報告

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company repurchased a total of 2,261,000 Shares on the Stock Exchange at an aggregate consideration of approximately HK\$18.8 million (excluding brokerage fees and taxes) during the year ended December 31, 2023 (2022: approximately HK\$188.2 million) at price ranging from HK\$6.34 to HK\$9.25. 1,780,500 Shares were cancelled during the year ended December 31, 2023 and the remaining 480,500 Shares were subsequently cancelled in January 2024. The Directors believe that the share repurchases were in the best interests of the Company and its shareholders and would lead to an enhancement of the net assets value per share and/or earnings per share of the Company. The particulars of the share repurchase are as follows:

| Date | 日期 | Number of shares repurchased 已購回 股份數目 | Highest purchase price per share 最高每股股份 購買價 (HK\$) (港元) | Lowest purchase price per share 最低每股股份 購買價 (HK\$) (港元) | Aggregate amount of purchase price 購買價總額 (HK\$) (港元) |
|-------------------|-------------|---|---|--|---|
| January 3, 2023 | 2023年1月3日 | 180,000 | 8.49 | 8.18 | 1,516,896.00 |
| January 5, 2023 | 2023年1月5日 | 154,000 | 8.72 | 8.59 | 1,333,501.40 |
| January 6, 2023 | 2023年1月6日 | 260,500 | 8.69 | 8.41 | 2,216,542.40 |
| January 9, 2023 | 2023年1月9日 | 195,500 | 8.76 | 8.56 | 1,695,473.75 |
| January 10, 2023 | 2023年1月10日 | 212,500 | 8.94 | 8.66 | 1,878,351.25 |
| January 11, 2023 | 2023年1月11日 | 356,000 | 9.14 | 8.85 | 3,217,528.00 |
| January 12, 2023 | 2023年1月12日 | 292,500 | 9.19 | 8.75 | 2,615,973.75 |
| January 13, 2023 | 2023年1月13日 | 129,500 | 9.25 | 8.98 | 1,185,973.95 |
| December 22, 2023 | 2023年12月22日 | 91,000 | 6.47 | 6.35 | 584,119.90 |
| December 27, 2023 | 2023年12月27日 | 77,000 | 6.49 | 6.34 | 496,334.30 |
| December 28, 2023 | 2023年12月28日 | 300,000 | 6.67 | 6.58 | 1,987,710.00 |
| December 29, 2023 | 2023年12月29日 | 12,500 | 6.83 | 6.79 | 85,190.00 |
| Total | 總計 | 2,261,000 | | | 18,813,594.70 |

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed interest in any of the Company's listed Shares during the year ended December 31, 2023.

購買、出售或贖回本公司上市證券

截至2023年12月31日止年度，本公司於聯交所購回合共2,261,000股股份，總代價為約18.8百萬港元(不包括經紀費用及不含稅)(2022年：約188.2百萬港元)，價格介乎6.34港元至9.25港元。1,780,500股股份於截至2023年12月31日止年度已註銷，而餘下480,500股股份隨後於2024年1月註銷。董事認為，股份購回符合本公司及其股東的最佳利益及將使本公司的每股資產淨值及／或每股盈利提高。股份購回詳情如下：

除上文所披露者外，截至2023年12月31日止年度，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市股份中的權益。

PRE-IPO SHARE OPTION PLAN AND RSU PLAN

On May 6, 2020, the Company adopted the Pre-IPO Share Option Plan and the RSU Plan, pursuant to which the Company may grant options to subscribe for the Shares and issue certain units of Shares with restrictive rights to eligible participants subject to the terms and conditions stipulated therein.

The terms of the Pre-IPO Share Option Plan are not subject to the provisions of Chapter 17 of the Listing Rules, whereas the RSU Plan constitutes a share scheme involving existing Shares under Chapter 17 of the Listing Rules with effect from January 1, 2023. The Pre-IPO Share Option Plan and the RSU Plan were adopted to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors and consultants and to promote the success of the Company's business by offering these individuals an opportunity to acquire a proprietary interest in the Company.

(a) Pre-IPO Share Option Plan

The following is a summary of the principal terms of the Pre-IPO Share Option Plan approved and adopted pursuant to the written resolutions of Shareholders of the Company dated May 6, 2020. The terms of the Pre-IPO Share Option Plan are not subject to the provisions of Chapter 17 of the Listing Rules.

(i) Purpose of the Pre-IPO Share Option Plan

The purpose of the Pre-IPO Share Option Plan is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors and consultants and to promote the success of the Company's business by offering these individuals an opportunity to acquire a proprietary interest in the Company or to increase this interest, by granting them options to purchase Shares (the "Options", and each of them, an "Option").

(ii) Who May Join

The participants of the Pre-IPO Share Option Plan (the "Participants") are the employees, Directors and consultants of the Company and/or any of its subsidiaries as selected by the administrator (the "Administrator") at its discretion.

首次公開發售前購股權計劃及受限制股份單位計劃

於2020年5月6日，本公司採納首次公開發售前購股權計劃及受限制股份單位計劃，據此，本公司可授出認購股份的購股權，並根據其中所載條款及條件向合資格參與者發行帶有限制權利的若干股份單位。

首次公開發售前購股權計劃的條款不受《上市規則》第十七章條文規限，然而，根據《上市規則》第十七章，受限制股份單位計劃自2023年1月1日起構成一項涉及現有股份的股份計劃。採納首次公開發售前購股權計劃及受限制股份單位計劃旨在吸引及保留擔任重要職位的最優人才，向選定僱員、董事及顧問提供額外獎勵，以及透過向該等個人提供機會來獲得本公司專有權益以促進本公司取得業務成功。

(a) 首次公開發售前購股權計劃

下文為根據日期為2020年5月6日的本公司股東書面決議案批准及採納的首次公開發售前購股權計劃的主要條款概要。首次公開發售前購股權計劃的條款不受《上市規則》第十七章條文規限。

(i) 首次公開發售前購股權計劃的目的

首次公開發售前購股權計劃旨在吸引及保留擔任重要職位的最優人才，向選定僱員、董事及顧問提供額外獎勵，以及透過向該等個人提供機會來獲得本公司專有權益或向彼等授予購買股份的權利（「購股權」）增加此類權益，以促進本公司取得業務成功。

(ii) 參與者

首次公開發售前購股權計劃參與者（「參與者」）為管理者（「管理者」）酌情選定的本公司及／或其任何附屬公司僱員、董事及顧問。

Report of the Directors

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(iii) *Maximum Number of Shares*

The maximum number of underlying Shares that may be granted and sold under the Pre-IPO Share Option Plan is 4,120,000 with a par value of US\$0.00001 each. The number of Shares that are subject to Options outstanding under the Pre-IPO Share Option Plan at any time shall not exceed the aggregate number of Shares that then remain available for issuance under the Pre-IPO Share Option Plan.

(iv) *Term of the Pre-IPO Share Option Plan and the Options*

The Pre-IPO Share Option Plan will expire on, and no Option may be granted pursuant to the Pre-IPO Share Option Plan thereafter, the sixth anniversary of the date that the Pre-IPO Share Option Plan is adopted and approved by the Shareholders of the Company and the remaining life of the Pre-IPO Share Option Plan is around two years. In addition, the term of any Option granted under the Pre-IPO Share Option Plan shall not exceed six years. All the granted but unexercised Options shall expire on the sixth anniversary of the grant date.

(v) *Exercise Price and Payment*

The exercise price per Option shall be determined by the Administrator and set forth in the Option Agreement and subject to the rules or requirements of any applicable securities exchange (if any) which may be a fixed or variable price related to the fair market value of the Shares.

The Administrator shall determine the methods of payments by any Participant with respect to the exercise price of any Option granted under the Pre-IPO Share Option Plan, including without limitation: (i) cash, check or cash equivalent; (ii) at the discretion of the Administrator and to the extent permitted by applicable laws, consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Pre-IPO Share Option Plan; (iii) wire transfer; or (iv) other form of legal consideration acceptable to the Administrator.

(iii) *最高股份數目*

可根據首次公開發售前購股權計劃授出及出售的相關股份之最高數目為每股面值0.00001美元的4,120,000股股份。於任何時候首次公開發售前購股權計劃項下未行使購股權所涉及的股份數目不得超過當時根據首次公開發售前購股權計劃可供發行的股份總數。

(iv) *首次公開發售前購股權計劃及購股權的期限*

首次公開發售前購股權計劃將於該計劃獲本公司股東採納及批准之日的第六週年日屆滿，此後不得根據首次公開發售前購股權計劃授出購股權，因此首次公開發售前購股權計劃的剩餘期限尚有約兩年。此外，根據首次公開發售前購股權計劃授出的購股權期限不得超過六年。所有已授出但未行使的購股權須於授出日期的第六週年日屆滿。

(v) *行使價及付款*

每份購股權的行使價須由管理者決定，載列於購股權協議中，並受任何適用證券交易所（如有）的規則或規定所規限，該價格可能是與股份公平市值相關的固定或可變價格。

管理者須確定任何參與者支付就根據首次公開發售前購股權計劃授出的任何購股權之行使價的方法，包括但不限於：(i)現金、支票或現金等價物；(ii)經管理者酌情決定且在適用法律允許的範圍內，本公司根據其就首次公開發售前購股權計劃採納的正式無現金行使計劃收取的代價；(iii)電匯；或(iv)管理者可接受的其他合法形式的對價。

Report of the Directors

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(vi) Exercise of Options

Options granted under the Pre-IPO Share Option Plan shall only be exercisable at such time and upon such terms and conditions as may be determined by the Option Agreement. An exercisable Option may be exercised in whole or in part. However, an Option shall not be exercisable with respect to fractional shares and the Administrator may require that, by the terms of the Option Agreement, a partial exercise must be with respect to a minimum number of Shares.

All or a portion of exercisable Options shall be deemed exercised upon delivery of all of the notice, representations, foreign exchange registration files (if applicable) and certificate of payments, etc. as set out in the Pre-IPO Share Option Plan, to the secretary of the Company, or such other person or entity designated by the Board, or his, her or its office, as applicable.

During the year ended December 31, 2023, the Company had cancelled the share options in respect of 4,120,000 underlying Shares granted and vested to Ms. Frances Fang Chovanec in accordance with the Pre-IPO Share Option Plan as part of the employment termination agreement effective on September 15, 2023. As of December 31, 2023, the number of Shares in respect of which options had been granted under the Pre-IPO Share Option Plan was nil.

Details of the options granted under the Pre-IPO Share Option Plan during the Reporting Period are set out below:

| Name of grantee | Position | Date of grant | Number of underlying Shares subject to the Options | Vesting schedule | Exercise price of the Options granted | Outstanding as at January 1, 2023 | Granted during the Reporting Period | Exercised during the Reporting Period | Cancelled or lapsed during the Reporting Period | Outstanding as at December 31, 2023 |
|-------------------------------|--|---------------|--|---|---------------------------------------|-----------------------------------|-------------------------------------|---------------------------------------|---|-------------------------------------|
| 受讓人姓名 | 職位 | 授出日期 | 購股權所涉及的相關股份數目 | 歸屬時間表 | 所授購股權的行使價 | 於2023年1月1日尚未行使 | 於報告期內授出 | 於報告期內行使 | 於報告期內註銷或失效 | 於2023年12月31日尚未行使 |
| Ms. Frances Fang Chovanec | Former Executive Director and chief financial officer (resigned on September 15, 2023) | May 6, 2020 | 4,120,000 | 580,000 Shares upon Listing; 1,180,000 Shares on the first year anniversary of the vesting commencement date; 1,180,000 Shares on second year anniversary of the vesting commencement date; 1,180,000 Shares on the third year anniversary of the vesting commencement date | RMB6.787 per Share | 4,120,000 | Nil | Nil | 4,120,000 | Nil |
| Frances Fang Chovanec (陳芳) 女士 | 前執行董事兼首席財務官 (於2023年9月15日辭任) | 2020年5月6日 | 4,120,000 | 上市後580,000股股份；歸屬起始日的第一個週年日1,180,000股股份；歸屬起始日的第二個週年日1,180,000股股份；歸屬起始日的第三個週年日1,180,000股股份 | 每股股份人民幣6.787元 | 4,120,000 | 無 | 無 | 4,120,000 | 無 |

(vi) 行使購股權

根據首次公開發售前購股權計劃授出的購股權僅可在購股權協議可決定的時間以及條款及條件下行使。可行使購股權可全部或部分行使。然而，購股權不得就零碎股份予以行使，且管理者可要求，根據購股權協議之條款，必須就最低股份數目進行部分行使。

向本公司秘書或董事會指定的其他人士或實體或其辦公室（如適用）遞交首次公開發售前購股權計劃所載的所有通知、聲明、外匯登記檔案（如適用）及付款證明等後，全部或部分的可行使購股權須被視作已獲行使。

截至2023年12月31日止年度，本公司已按照於2023年9月15日生效的僱傭終止協議，註銷根據首次公開發售前購股權計劃授予及歸屬於Frances Fang Chovanec (陳芳) 女士的4,120,000股相關股份的購股權。截至2023年12月31日，根據首次公開發售前購股權計劃已授予購股權的股份數量為零。

報告期內根據首次公開發售前購股權計劃授出的購股權的詳情載列如下：

Report of the Directors

董事會報告

(b) RSU Plan

The following is a summary of the principal terms of the RSU Plan approved and adopted pursuant to the written resolutions of Shareholders of the Company dated May 6, 2020. The RSU Plan constitutes a share scheme involving existing Shares under Chapter 17 of the Listing Rules with effect from January 1, 2023.

(i) Purpose of the RSU Plan

The purpose of the RSU Plan is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors and consultants and to promote the success of the Company's business by offering these individuals an opportunity to acquire a proprietary interest in the Company or to increase this interest, by issuing them certain units of Shares with restrictive rights (the "RSUs", and each of them, an "RSU").

(ii) Who May Join

The participants of the RSU Scheme (the "Participants") are the employees, directors and consultants of the Company and/or any of its subsidiaries as selected by the administrator (the "Administrator") at its discretion.

(iii) Maximum Number of Underlying Shares pursuant to the RSU Plan

The underlying Shares of the RSU Plan are ordinary Shares held by ESOP BVI. The maximum number of RSUs that may be granted under the RSU Plan in aggregate shall be such number of Shares held or to be held by the ESOP BVI from time to time.

The maximum entitlement of each Participant under the RSU Plan shall not exceed any limits that may be imposed under the Listing Rules or other applicable laws and regulations from time to time as amended and in force.

(b) 受限制股份單位計劃

下文為根據日期為2020年5月6日的本公司股東書面決議案批准及採納的受限制股份單位計劃的主要條款概要。根據《上市規則》第十七章，受限制股份單位計劃自2023年1月1日起構成一項涉及現有股份的股份計劃。

(i) 受限制股份單位計劃的目的

受限制股份單位計劃旨在吸引及保留擔任重要職位的最優人才，向選定僱員、董事及顧問提供額外獎勵，以及透過向該等個人提供獲得本公司專有權益的機會或向彼等發行帶有限制權利的若干股份單位（「受限制股份單位」）增加此類權益，以促進本公司取得業務成功。

(ii) 參與者

受限制股份單位計劃的參與者（「參與者」）為管理者（「管理者」）酌情選定的本公司及／或其任何附屬公司僱員、董事及顧問。

(iii) 受限制股份單位計劃項下的最高相關股份數目

受限制股份單位計劃的相關股份為ESOP BVI持有的普通股。受限制股份單位計劃項下合共可授出的受限制股份單位最高數目須為ESOP BVI不時持有或將要持有的股份數目。

受限制股份單位計劃下每位參與者的最高配額不得超出根據《上市規則》或不時經修訂及生效的其他適用法律及法規可能施加的任何限額。

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(iv) *Term of the RSU Plan and the RSUs*

The RSU Plan will expire on, and no RSU may be granted pursuant to the RSU Plan thereafter, the sixth anniversary of the date that the RSU Plan is adopted and approved by the Shareholders of the Company and the remaining life of the RSU Plan is around two years. In addition, the term of any RSU granted under the RSU Plan shall not exceed six years. All the granted but unvested RSUs shall expire on the sixth anniversary of the grant date.

(v) *Vesting and Payment*

RSUs granted under the RSU Plan shall only be vested at such time and upon such terms and conditions as determined by the RSU Plan and the RSU Agreement and/or subject to the approval of the Administrator. No Shares or cash corresponding to the granted RSUs will be issued to any Participant prior to the Global Offering, regardless of whether the purchase consideration has been paid or not.

The consideration for vesting the RSUs shall be determined by the Administrator and set forth in the RSU Agreement and subject to the rules or requirements of any applicable securities exchange on which the Shares are listed (if any) which may be a fixed or variable price related to the fair market value of the underlying Shares.

All or a portion of granted RSUs shall be deemed vested upon delivery of all of the notice, representations, foreign exchange registration files (if applicable) and certificate of payments, etc. as set out in the RSU Plan, to the Secretary of the Company, or such other person or entity designated by the Administrator, or his, her or its office, as applicable.

(iv) *受限制股份單位計劃及受限制股份單位的期限*

受限制股份單位計劃將於該計劃獲本公司股東採納及批准之日的第六週年日屆滿，此後不得根據受限制股份單位計劃授出受限制股份單位，因此受限制股份單位計劃的剩餘期限尚有約兩年。此外，根據受限制股份單位計劃授出的任何受限制股份單位期限不得超過六年。所有已授出但未歸屬的受限制股份單位須於授出日期的第六週年日屆滿。

(v) *歸屬及支付*

根據受限制股份單位計劃授出的受限制股份單位僅可根據受限制股份單位計劃及受限制股份單位協議決定及／或管理者批准的時間以及條款及條件進行歸屬。於全球發售前，無論購買對價支付與否，概無將向任何參與者發行與已授出受限制股份單位相對應的股份或現金。

歸屬受限制股份單位的對價由管理者決定，載列於受限制股份單位協議中，並受股份上市所在的任何適用證券交易所（如有）規則或規定所規限，該對價可能是與相關股份公平市值相關的固定或可變價格。

向本公司秘書或管理者指定的其他人士或實體或其辦公室（如適用）交付受限制股份單位計劃所載的全部通知、聲明、外匯登記文件（如適用）及支付憑證等後，全部或部分的已授出受限制股份單位須被視作已歸屬。

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The initial overall limit on the number of underlying Shares to be granted under the RSU Plan is 26,810,000 Shares. On May 6, 2020, 6 management team members and employees were approved by the Board to be grantees under the RSU Plan with a total of 21,190,000 underlying Shares under the RSU Plan. On March 26, 2021, 57 management team members and employees were approved by the Board to be grantees under the RSU Plan with a total of 5,620,000 underlying Shares under the RSU Plan.

On May 25, 2022, the Shareholders had approved the increase of overall limit in respect of the number of underlying Shares to be granted under the RSU Plan from 26,810,000 Shares to 46,810,000 Shares and subsequently, ESOP BVI had purchased an aggregate of 20,000,000 Shares for the purpose of the RSU Plan during the year ended December 31, 2022. During the Reporting Period, no RSU under the RSU Plan were granted to senior management and employees. As of December 31, 2023, a total of 26,810,000 underlying Shares have been granted under the RSU Plan.

根據受限制股份單位計劃將予授出的相關股份數目初始整體限額為26,810,000股。於2020年5月6日，6名管理團隊成員及僱員獲董事會批准為受限制股份單位計劃項下的受讓人，獲授受限制股份單位計劃項下合共21,190,000股相關股份。於2021年3月26日，57名管理團隊成員及僱員獲董事會批准為受限制股份單位計劃項下的受讓人，獲授受限制股份單位計劃項下合共5,620,000股相關股份。

於2022年5月25日，股東已批准將受限制股份單位計劃項下將予授出的相關股份數目整體限制由26,810,000股股份增加至46,810,000股股份。其後，ESOP BVI於截至2022年12月31日止年度就受限制股份單位計劃購買合共20,000,000股股份。於報告期內，受限制股份單位計劃項下並無受限制股份單位已授予高級管理層及僱員。截至2023年12月31日，已根據受限制股份單位計劃授出合共26,810,000股相關股份。

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Details of RSUs granted and outstanding under the RSU Plan are as follows:

根據受限制股份單位計劃授出及尚未行使的受限制股份單位的詳情載列如下：

| Grantees | Date of grant | Vesting date/period | Purchase Price | Closing price of Shares immediately before grant date | During the Reporting Period 於報告期內 | | | | | No. of RSUs outstanding as of December 31, 2023 截至2023年12月31日 尚未行使的受限制股份單位數目 |
|---|------------------------------|--|-----------------------|---|--|--------------------------------------|--|--|-------------------------------------|--|
| | | | | | No. of RSUs outstanding as of January 1, 2023 截至2023年1月1日 尚未行使的受限制股份單位數目 | No. of RSUs granted 已授出的受限制股份單位數目 | No. of RSUs exercised 已行使的受限制股份單位數目 | No. of RSUs cancelled 已註銷的受限制股份單位數目 | No. of RSUs lapsed 已失效的受限制股份單位數目 | |
| | | | | | | | | | | |
| Director 董事 | | | | | | | | | | |
| Mr. YIN Zixin 尹自鑫先生 | May 6, 2020 2020年5月6日 | May 6, 2020 2020年5月6日 | RMB6.448 人民幣6.448元 | N/A 不適用 | 4,125,000 | - | - | - | - | 4,125,000 |
| Five highest paid individuals 五名最高薪酬人士 | | | | | | | | | | |
| In aggregate 合共 | May 6, 2020 2020年5月6日 | May 6, 2020 2020年5月6日 | RMB6.448 人民幣6.448元 | N/A 不適用 | 10,720,000 | - | - | - | - | 10,720,000 |
| | March 26, 2021 2021年3月26日 | Between March 26, 2022 to March 26, 2026 2022年3月26日至2026年3月26日 | HK\$9.036 9.036港元 | HK\$10.1 10.1港元 | 3,000,000 | - | - | - | - | 3,000,000 |
| Other grantees 其他受讓人 | | | | | | | | | | |
| In aggregate 合共 | May 6, 2020 2020年5月6日 | May 6, 2020 2020年5月6日 | RMB6.448 人民幣6.448元 | N/A 不適用 | 6,345,000 | - | - | - | - | 6,345,000 |
| | March 26, 2021 2021年3月26日 | Between March 26, 2022 to March 26, 2026 2022年3月26日至2026年3月26日 | HK\$9.036 9.036港元 | HK\$10.1 10.1港元 | 2,620,000 | - | - | - | - | 2,620,000 |
| Total | 總計 | | | | 26,810,000 | - | - | - | - | 26,810,000 |

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MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Saved as disclosed in the section headed “Events after the Reporting Period” below, during the year ended December 31, 2023, the Group did not have any material acquisition and disposal of subsidiaries.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

In connection with the Company’s Global Offering, 225,397,500 Shares of US\$0.00001 each were issued at a price of HK\$13.88 per Share for a total cash consideration of approximately HK\$2,952.5 million (equivalent to RMB2,697.1 million), after deducting underwriting commissions and related fees and expenses.

Use of Proceeds from the Global Offering during the Reporting Period

The net proceeds from the global offering of the Company (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in that same manner, proportion and the expected timeframe as set out in the Prospectus under the section headed “Future Plans and Use of Proceeds”, save for the proposed change in use of proceeds as disclosed below.

As at December 31, 2023, the Company has a unutilized net proceeds of approximately RMB1,802.4 million (the “**Unutilized Net Proceeds**”). Having considered the reasons set out in the section headed “Reasons for the Change in Use of Proceeds” below, the Board has resolved to change the use of the Unutilized Net Proceeds. The table below sets out the planned applications of the net proceeds, the actual accrued usage up to, and the Unutilized Net Proceeds as at, December 31, 2023 and the revised planned applications of the Unutilized Net Proceeds, in amounts and as percentages of the total net proceeds:

重大收購及出售附屬公司

除下文「報告期後事項」一節所披露者外，截至2023年12月31日止年度，本集團並未進行任何附屬公司之重大收購及出售。

全球發售所得款項用途

就本公司的全球發售而言，已按每股股份13.88港元的價格發行225,397,500股每股面值0.00001美元的股份，經扣除包銷佣金以及相關費用及開支後，總現金代價約為2,952.5百萬港元（相當於人民幣2,697.1百萬元）。

於報告期內全球發售所得款項用途

本公司全球發售所得款項淨額（根據實際所得款項淨額按比例予以調整）已經並將按招股章程「未來計劃及所得款項用途」一節所載列的相同方式、比例及預期時間表動用，惟下文所披露的所得款項用途擬定變動除外。

於二零二三年十二月三十一日，本公司有未動用所得款項淨額約人民幣1,802.4百萬元（「**未動用所得款項淨額**」）。經考慮下文「更改所得款項用途的理由」一節所載的原因後，董事會已議決更改未動用所得款項淨額的用途。下表載列所得款項淨額計劃用途、截至2023年12月31日的累計實際用途及於2023年12月31日的未動用所得款項淨額，以及未動用所得款項淨額的經修訂計劃用途（以金額及佔所得款項總淨額的百分比列示）：

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| Use of proceeds | Planned applications | Revised application of total net proceeds ⁽¹⁾ | Utilization during the year ended December 31, 2023 | Actual usage up to December 31, 2023 | Unutilized Net Proceeds as at December 31, 2023 | Revised planned applications of the Unutilized Net Proceeds | Expected timeframe for Unutilized Net Proceeds (from the Listing Date) | |
|--|-----------------------------|--|---|--------------------------------------|---|---|--|---|
| | | | | | | | 未動用所得款項淨額 | 預期時間表 (自上市日期起) |
| | (RMB million) | (RMB million) | (RMB million) | (RMB million) | (RMB million) | (RMB million) | (%) | (%) |
| | (人民幣百萬元) | (人民幣百萬元) | (人民幣百萬元) | (人民幣百萬元) | (人民幣百萬元) | (人民幣百萬元) | (%) | (%) |
| For expanding production capacity and strengthen manufacturing capabilities, including: | 用於擴大產能及加強製造能力，包括： | | | | | | | |
| to expand production capacity of current products and further automate existing production lines | 擴大現有產品的產能並進一步使現有生產線自動化 | 249.9 | 264.3 | 15.8 | 34.1 | 230.2 | 216.3 | 12.0 within three to five years 於三至五年內 |
| to build up production capabilities for pipeline products | 增強管線產品的產能 | 260.1 | 275.1 | 47.4 | 126.4 | 148.7 | 144.2 | 8.0 within six years 於六年內 |
| For funding R&D activities, including: | 用於為研發活動提供資金，包括： | | | | | | | |
| to establish R&D centers | 建立研發中心 | 433.5 | 458.5 | 26.1 | 80.0 | 378.5 | 90.1 | 5.0 within four years 於四年內 |
| for development and expansion of product pipeline | 開發及擴展產品管線 | 204.0 | 215.8 | 48.5 | 131.1 | 84.7 | 180.3 | 10.0 within five to six years 於五至六年內 |
| For investing in sales and marketing activities, including: | 用於投資銷售及營銷活動，包括： | | | | | | | |
| to be used in domestic sales and marketing activities ⁽²⁾ | 用於國內的銷售及營銷活動 ⁽²⁾ | 382.5 | 404.5 | 32.0 | 58.1 | 346.4 | 180.3 | 10.0 within four to five years 於四至五年內 |
| to increase overseas sales | 增加海外銷售 | 127.5 | 134.9 | 2.2 | 3.4 | 131.5 | 90.1 | 5.0 within three to five years 於三至五年內 |
| For funding potential strategic investment and acquisitions | 用於為潛在戰略投資及收購提供資金 | 637.5 | 674.3 | 50.0 | 257.5 | 416.8 | 360.5 | 20.0 within five years 於五年內 |
| For working capital and general corporate purposes | 用於營運資金及一般公司用途 | 255.0 | 269.7 | 78.8 | 204.1 | 65.6 | 540.6 | 30.0 within four to six years 於四至六年內 |
| Total | 總計 | 2,550.0 | 2,697.1 | 300.8 | 894.7 | 1,802.4 | 1,802.4 | 100.0 |

Notes:

附註：

(1) By excluding the underwriting commissions and related fees and expenses, the actual net proceeds planned for applications amounted to RMB2,697.1 million. Net proceeds were received in HK\$ and translated to RMB for application planning.

(1) 經扣除包銷佣金以及相關費用及開支後，計劃應用的實際所得款項淨額為人民幣2,697.1百萬元。所得款項淨額以港元收取並換算為人民幣用於計劃用途。

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- (2) On March 25, 2021, the Board resolved to change the location of the sales and marketing center to be established from the Group's headquarters to Beijing, which is in line with the Group's latest business strategy and does not deviate from the originally planned application of the net proceeds as described in the Prospectus. Other than this minor change and the change in use of proceeds disclosed above, no amendment has been made to the disclosure in the section headed "Future Plans and Use of Proceeds" in the Prospectus.
- (2) 於2021年3月25日，董事會議決將原先計劃建立的營銷中心的地點從本集團的總部變更為北京，這符合本集團的最新業務策略且不會偏離招股章程中所述的所得款項淨額的原來計劃用途。除該微小變更及上文所披露所得款項用途變動外，概無對招股章程中「未來計劃及所得款項用途」一節所載披露作出任何修訂。
- (3) The expected timeframe to use the Unutilized Net Proceeds is prepared based on the best estimate made by the Group, which is subject to change according to the current and future development of the market condition. The Company does not expect the revised planned applications of the Unutilized Net Proceeds would lead to any change of the expected timeframe for full utilization.
- (3) 使用未動用所得款項淨額的預期時間表乃根據本集團作出的最佳估計編製，並可根據市況的當前及未來發展而作出變動。本公司預計未動用所得款項淨額的經修訂計劃用途將不會導致完全動用款項的預期時間表發生任何變化。

Reasons for the Change in Use of Proceeds

The reasons for the revised planned applications of the Unutilized Net Proceeds are as follows:

- (a) in light of China's economic environment in recent years and the practice post COVID-19, the Group spent considerably less in sales and marketing activities such as on-site exhibition, travelling and entertainment during the past few years. In addition, the Group has gradually switched towards online platforms for its academic promotion activities which became popular during the pandemic and are more efficient and cost-effective than the traditional promotion and communication channels. Therefore, the original allocation of the Unutilized Net Proceeds for investing in sales and marketing activities has been adjusted downwards to reflect the Group's latest sales and marketing approach;
- (b) since the industry has showed mixed sentiments towards investment in general, the Board has adopted a more prudent approach in identifying suitable acquisition targets and conducting feasibility studies and/or due diligence on potential acquisition targets. The Board considers that this approach would allow the Group to preserve its funding for future investment opportunities with higher strategic values when the market fully recovers in the medium to long run on another hand. Therefore, the original allocation of the Unutilized Net Proceeds for funding potential strategic investment and acquisitions has been adjusted downwards, to free up some short-term financial resources;

更改所得款項用途的理由

更改未動用所得款項淨額計劃用途的理由如下：

- (a) 鑒於近年中國經濟環境以及COVID-19後實行的措施，本集團於過去幾年在現場展覽、差旅及招待等方面的銷售及營銷活動開支大幅減少。此外，本集團的學術推廣活動亦逐漸轉向線上平台，其於疫情期間開始流行，且較傳統推廣及溝通渠道更具效率及更具成本效益。因此，用於投資銷售及營銷活動的未動用所得款項淨額的原先分配已作下調，以反映本集團最新的銷售及營銷方法；
- (b) 由於業界普遍對投資表現複雜的情緒，董事會在物色合適的收購目標以及對潛在收購目標進行可行性研究及／或盡職審查方面採取更審慎的態度。董事會認為，另一方面，此舉可使本集團在中長期市場全面復甦時保留資金用於更具戰略價值的未來投資機會。因此，用於為潛在戰略投資及收購提供資金的未動用所得款項淨額的原先分配已作下調，以釋出若干短期財務資源；

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- (c) the Group has been expanding its R&D facility at the headquarters in Tonglu, Hangzhou, and accordingly, there are no immediate needs to set up further R&D centers in other cities in China in the foreseeable future. Having said that, the Board considers it crucial to continue investing in the development and expansion of product pipeline. Therefore, the original allocation of the Unutilized Net Proceeds for the establishment of R&D centers has been adjusted downwards, while the original allocation of the Unutilized Net Proceeds for development and expansion of product pipeline has been adjusted upwards but in a lesser extent, to reflect the Group's current strategic focus for its R&D activities;
- (d) the Group has recently finished the construction of new factory buildings at the headquarters which could satisfy the need for expansion of production capacity in the next few years. Therefore, the original allocation of the Unutilized Net Proceeds for expanding production capacity and strengthen manufacturing capabilities has been adjusted marginally downwards;
- (e) the reallocation from sales and marketing activities, potential strategic investments and acquisitions, R&D activities and expansion of production capacity (as referred to in subparagraphs (a), (b), (c) and (d) above) to working capital and general corporate purposes would allow the Group to deploy more financial resources to, among other things, staff costs for retaining and attracting new talents, costs to promote ESG development, distributing dividends to reward the Shareholders and other administrative expenses; and
- (f) the revised planned applications of the Unutilized Net Proceeds are in line with the Group's business strategy, and will not result in any material adverse impact on the business and financial performance of the Group. The Board considers that the revised planned applications of the Unutilized Net Proceeds would be fair and reasonable, and therefore are in the best interest of the Company and the Shareholders as a whole.
- (c) 本集團一直在擴大位於杭州桐廬總部的研發設施，因此在可預見的未來並無在中國其他城市設立更多研發中心的即時需求。儘管如此，董事會認為繼續投資開發及擴大產品線仍是至關重要。因此，用於建立研發中心的未動用所得款項淨額的原先分配已作下調，而開發及擴展產品管線的未動用所得款項淨額的原先分配已作上調，惟調整幅度較低，以反映本集團當前研發活動的戰略重點；
- (d) 本集團總部的新廠房已於近期竣工，可滿足未來幾年產能擴張的需要。因此，用於擴大產能及加強製造能力的未動用所得款項淨額的原先分配已作小幅下調；
- (e) 由上文分段(a)、(b)、(c)及(d)所述的銷售及營銷活動、潛在戰略投資及收購、研發活動及產能擴張重新分配至營運資金及一般公司用途，可讓本集團調配更多財務資源用於(其中包括)挽留及吸引新人才的員工成本、推廣環境、社會及管治發展的成本、宣派股息以回報股東及其他行政開支；及
- (f) 未動用所得款項淨額的經修訂計劃用途符合本集團的業務策略，將不會對本集團的業務及財務表現造成任何重大不利影響。董事會認為，未動用所得款項淨額的經修訂計劃用途屬公平合理，因此符合本公司及股東的整體最佳利益。

Report of the Directors

董事會報告

LITIGATION AND COMPLIANCE

The Company is a holding company incorporated in the Cayman Islands with major operations in Mainland China and Hong Kong. To the best knowledge of the Board, during the Reporting Period, the Group has complied with all relevant laws and regulations in Mainland China, the Cayman Islands and Hong Kong in all material aspects. No litigation or claim of material importance is pending or threatened against any member of the Group.

ANNUAL GENERAL MEETING

The AGM will be held on May 27, 2024. The notice of the AGM will be sent to the Shareholders at least 21 days before the AGM.

CLOSURE OF REGISTER OF MEMBERS

- (a) For the purpose of determining the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from May 22, 2024 to May 27, 2024 both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on May 21, 2024. Shareholders whose names appear on the register of members of the Company on May 27, 2024 will be entitled to attend and vote at the AGM.
- (b) For determining the entitlement to the proposed 2023 Final Dividend and 2023 Special Dividend subject to the approval by the Shareholders at the AGM, the register of members of the Company will be closed from May 31, 2024 to June 6, 2024, both days inclusive. In order to qualify for the proposed 2023 Final Dividend and 2023 Special Dividend, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Computershare at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on May 30, 2024.

訴訟及合規

本公司為一家於開曼群島註冊成立的控股公司，主要在中國內地及香港經營業務。據董事會所深知，於報告期內，本集團已在所有重大方面遵守中國內地、開曼群島及香港相關法律法規。概無任何針對本集團任何成員公司的待決或受威脅的重大訴訟或申索。

股東週年大會

股東週年大會將於2024年5月27日舉行。股東週年大會的通知將於股東週年大會召開前至少21日寄發予股東。

暫停辦理股份過戶登記

- (a) 為確定有權在股東週年大會上出席及投票的股東，本公司將自2024年5月22日至2024年5月27日（包括首尾兩日）暫停辦理股份過戶登記手續。為取得股東週年大會上出席及投票的資格，所有轉讓文件應不遲於2024年5月21日下午四時三十分遞交至本公司香港股份過戶登記分處香港中央證券登記有限公司（地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室）進行登記。於2024年5月27日名列本公司股東名冊的股東將有權出席股東週年大會及於會上投票。
- (b) 為釐定獲派付2023年末期股息及2023年特別股息的資格（惟須待股東於股東週年大會上批准），本公司將自2024年5月31日至2024年6月6日（包括首尾兩日）暫停辦理股份過戶登記手續。為合資格獲派付擬派發的2023年末期股息及2023年特別股息，所有轉讓文件應不遲於2024年5月30日下午四時三十分遞交至本公司香港股份過戶登記分處中央證券（地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室）進行登記。

Report of the Directors

董事會報告

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board has resolved to recommend the payment of the 2023 Final Dividend of RMB41 cents per Share amounting to approximately RMB498,077,000, and the 2023 Special Dividend of RMB99 cents per Share amounting to approximately RMB1,202,673,000 in celebration of the 20th anniversary of the Group's establishment and recognition of the Shareholders' long-term support. The proposed 2023 Final Dividend is intended to be paid out of the Group's distributable profits for the year ended December 31, 2023, and the proposed 2023 Special Dividend is intended to be paid partly out of the Company's accumulated distributable profits amounting to approximately RMB534,521,000 and partly out of the Company's share premium account amounting to approximately RMB668,152,000 pursuant to the articles of association of the Company and in accordance with the Companies Act of the Cayman Islands. After taking into account a number of factors including the cash flow, financial condition and funding needs of the Group, the Board considers that it is appropriate and proposes that the 2023 Special Dividend be partly paid out of the Company's share premium account.

The proposed 2023 Final Dividend and 2023 Special Dividend will be payable on or about July 18, 2024 to the Shareholders whose names appear on the register of members of the Company on June 6, 2024, subject to the approval of the Shareholders at the AGM.

The 2023 Final Dividend and 2023 Special Dividend will be payable in cash to each Shareholder in RMB or HKD (to be converted from RMB at the exchange rate to be announced by the People's Bank of China on or about May 27, 2024). Shareholders will be given the option of electing to receive all (but not part, save in the case of HKSCC Nominees Limited, which may elect to receive part of its entitlement in RMB) of the 2023 Final Dividend and 2023 Special Dividend in RMB. The relevant dividend currency election form will be despatched to the Shareholders as soon as practicable after the record date of June 6, 2024. Further details with respect to dividend currency election will be announced in due course.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Memorandum and Articles of Association or the Cayman Companies Act which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

末期股息及特別股息

董事會已議決建議派付2023年末期股息每股股份人民幣41分，即約人民幣498,077,000元，及2023年特別股息每股股份人民幣99分，即約人民幣1,202,673,000元，以慶祝本集團成立20週年及回報股東的長期支持。擬派發的2023年末期股息擬自本集團截至2023年12月31日止年度的可分派利潤中派付，而根據本公司的組織章程細則及開曼群島公司法，擬派發的2023年特別股息則擬部分自本集團的累計可分派利潤約人民幣534,521,000元及部分自本公司的股份溢價賬約人民幣668,152,000元派付。經考慮本集團的現金流量、財務狀況及資金需求等多項因素後，董事會認為適當，並建議自本公司股份溢價賬派付部分2023年特別股息。

擬派發的2023年末期股息及2023年特別股息將於2024年7月18日或前後向於2024年6月6日名列本公司股東名冊的股東派付，惟須待股東於股東週年大會上批准後，方可作實。

2023年末期股息及2023年特別股息將以人民幣或港元（將按中國人民銀行於2024年5月27日或前後將會公佈的匯率由人民幣換算為港元）現金派付予各股東。股東將有權選擇以人民幣收取全部（非部分，惟香港中央結算（代理人）有限公司則另作別論，其可選擇以人民幣收取其部分權益）2023年末期股息及2023年特別股息。相關股息貨幣選擇表格將於記錄日期2024年6月6日後在實際可行情況下盡快寄發予股東。有關股息貨幣選擇的進一步詳情將於適當時候公佈。

優先購買權

根據組織章程大綱及章程細則或開曼群島《公司法》，當中並無載列優先購買權規條，規定本公司按比例基準向其現有股東發售新股。

Report of the Directors

董事會報告

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities. If any of the Shareholders is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, he or she is advised to consult an expert.

PERMITTED INDEMNITY PROVISION

The Company has maintained appropriate liability insurance policies for its Directors and senior management during the Reporting Period.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as of the date of this annual report, the Company has maintained the prescribed percentage of public float under the Listing Rules.

AUDITOR

The financial statements for the year ended December 31, 2023 have been audited by Ernst & Young. A resolution for the re-appointment of Ernst & Young as the auditor of the Company for the 2024 financial statements will be proposed at the AGM.

DONATION

During the year ended December 31, 2023, the Group made charitable and other donations amounting to RMB3,678,000.

EVENTS AFTER THE REPORTING PERIOD

On December 28, 2023, Hangzhou Kangji, an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreement to dispose of its entire equity interest in Hangzhou Kangji Qipu Medical Instrument Co., Ltd. ("Qipu"), a wholly-owned subsidiary of Hangzhou Kangji, to an independent third party for an aggregate consideration of approximately RMB366 million. Qipu is principally engaged in distribution, research and development of medical instruments. As at December 31, 2023, the assets and liabilities of Qipu were classified as held for sale in the Company's consolidated statement of financial position. The disposal of Qipu is expected to complete in April 2024. Please refer to the announcement of the Company dated December 28, 2023 for further information.

稅項寬減及豁免

董事並不知悉股東因持有本公司上市證券而享有的任何稅項寬減及豁免。倘任何股東不能確定購買、持有、出售、處理或行使有關股份的任何權利的稅務影響，彼等應諮詢專家。

獲准許彌償條文

於報告期內，本公司為董事及高級管理層投保恰當責任保險。

公眾持股量

基於本公司所得公開資料，截至本年報日期，董事認為，本公司一直維持《上市規則》項下所規定的公眾持股量百分比。

核數師

截至2023年12月31日止年度，財務報表已經由安永會計師事務所審核。重新委任安永會計師事務所擔任本公司2024年財務報表核數師的決議案將於股東週年大會上提呈。

捐款

截至2023年12月31日止年度，本集團作出的慈善及其他捐款人民幣3,678,000元。

報告期後事項

於2023年12月28日，本公司間接全資附屬公司杭州康基簽訂股權轉讓協議，以向一名獨立第三方出售其於杭州康基的全資附屬公司Hangzhou Kangji Qipu Medical Instrument Co., Ltd.* (「Qipu」) 的全部股權，總代價約為人民幣366百萬元。Qipu主要從事醫療器械的分銷及研發。於2023年12月31日，Qipu的資產及負債於本公司綜合財務狀況表中分類為持作待售。出售Qipu預計將於2024年4月完成。有關更多資料，請參閱本公司日期為2023年12月28日的公告。

Report of the Directors

董事會報告

On March 20, 2024, the shareholders of Weijing Medical have approved certain amendments to the articles of association and the change in board composition of Weijing Medical. Pursuant to the amended articles of association of Weijing Medical, the number of directors that Kangji Hong Kong is entitled to nominate has decreased from four to three out of seven directors on the board of directors of Weijing Medical (“**Weijing Medical Board**”). As a result, Kangji Hong Kong will cease to be able to appoint a majority of members on the Weijing Medical Board and lose control over Weijing Medical. Upon the aforementioned change in board composition becoming effective, Weijing Medical will cease to be a subsidiary of the Company and the financial results of Weijing Medical will no longer be consolidated into the consolidated financial statements of the Company, and the Company’s retained interests in Weijing Medical will be accounted for as an investment in an associate in the consolidated financial statements of the Company. This deconsolidation of Weijing Medical does not involve any change of equity interest held by the shareholders of Weijing Medical and Kangji Hong Kong remains to hold 35% equity interests in Weijing Medical. Please refer to the announcement of the Company dated March 20, 2024 for further information

Save for those specified above and therein, no significant event occurred since the end of the Reporting Period and up to the date of this report.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By order of the Board

ZHONG Ming
Chairman of the Board

Hangzhou, PRC
March 20, 2024

於2024年3月20日，唯精醫療的股東已批准唯精醫療組織章程細則的若干修訂及董事會成員組成的變動。根據唯精醫療的經修訂組織章程細則，康基香港有權提名之董事人數已由唯精醫療董事會（「**唯精醫療董事會**」）的七名董事中的四名董事減少至三名。因此，康基香港將不再能夠委任唯精醫療董事會的大多數董事會成員，並失去對唯精醫療的控制權。於上述董事會成員組成變動生效後，唯精醫療將不再為本公司的附屬公司，而唯精醫療的財務業績將不再於本公司的綜合財務報表綜合入賬，而本公司於唯精醫療的保留權益將於本公司綜合財務報表中入賬列作於一間聯營公司的投資。此取消合併並不涉及唯精醫療股東所持股本權益的任何變動，而康基香港仍持有唯精醫療的35%股本權益。有關更多資料，請參閱本公司日期為2024年3月20日的公告。

除上文及其中所述者外，自報告期末起至本報告日期，概無發生任何重大事項。

致謝

董事會謹此衷心感謝本集團股東、管理團隊、員工、業務合作夥伴及客戶對本集團的支持及貢獻。

承董事會命

鍾鳴
董事會主席

中國杭州
2024年3月20日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report contained in the Company's annual report for the year ended December 31, 2023.

CORPORATE GOVERNANCE PRACTICES

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

Save as disclosed in the section headed "Chairman and Chief Executive Officer" below, the Company has complied with all the applicable code provisions of the CG Code during the Reporting Period. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

THE BOARD

Responsibilities

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

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

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

企業管治報告

董事會欣然呈列本公司截至2023年12月31日止年度之年報所載之企業管治報告。

企業管治常規

本集團致力於維持高水平的企業管治，以保障本公司股東的權益並提升企業價值和問責性。本公司已採納《企業管治守則》作為其本身之企業管治守則。

除下文「董事長及首席執行官」一節所披露者外，本公司於報告期內已遵守《企業管治守則》的所有適用守則條文。董事會將不時審閱企業管治架構及慣例，並會在其認為適當時作出必要安排。

董事會

責任

董事會負責本集團的整體領導，並監察本集團的策略性決定以及監察業務及表現。董事會已向本集團的高級管理層授予本集團日常管理及營運的權力及責任。為監察本公司事務的特定範疇，董事會已成立四個董事會委員會，包括審核委員會（「審核委員會」）、提名委員會（「提名委員會」）、薪酬委員會（「薪酬委員會」）及環境、社會及管治委員會（「ESG委員會」）（統稱「董事會委員會」）。董事會已向該等董事會委員會授予各職權範圍所載的責任。

全體董事須確保彼等本著真誠、遵守適用法律及法規，無論何時均以符合本公司及其股東利益的方式履行職責。

本公司已就針對董事的法律訴訟所產生的責任安排適當保險，並將每年審視該保險之保障範圍。

Corporate Governance Report

企業管治報告

BOARD COMPOSITION

During the year ended December 31, 2023 and at the date of this annual report, the Board comprised the following Directors:

Executive Directors

Mr. ZHONG Ming (*Chairman*)
Ms. SHENTU Yinguang
Ms. Frances Fang CHOVANEC (*resigned on September 15, 2023*)

Mr. YIN Zixin

Non-executive Director

Ms. CAI Li

Independent Non-executive Directors

Mr. JIANG Feng
Mr. GUO Jian
Mr. CHEN Weibo

Ms. Frances Fang Chovanec (“**Ms. Chovanec**”) had resigned as an executive Director, the chief financial officer of the Company and a member of the Company’s environmental, social and governance committee, as she would like to attend to personal matters and pursue other opportunities while devoting time to her role as consultant of the Company. Ms. Chovanec had been engaged as a consultant to the Company from September 15, 2023 to December 31, 2023. Ms. Chovanec has confirmed that she has no disagreement with the Board and there are no matters in relation to her resignation or termination of appointment that need to be brought to the attention of the Shareholders and the Stock Exchange.

The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

During the Reporting Period, the Board has met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive Directors representing one-third of the Board. Each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

董事會組成

截至2023年12月31日止年度及於本年報日期，董事會由以下董事組成：

執行董事

鍾鳴先生 (*董事長*)
申屠銀光女士
Frances Fang CHOVANEC (陳芳) 女士
(於2023年9月15日辭任)
尹自鑫先生

非執行董事

蔡俐女士

獨立非執行董事

姜峰先生
郭建先生
陳衛波先生

Frances Fang Chovanec (陳芳) 女士 (「**陳芳女士**」) 因為了處理個人事務及尋求其他機會並同時投入時間出任本公司顧問一職，已辭任執行董事、本公司首席財務官及本公司環境、社會及管治委員會成員的職務。陳芳女士自2023年9月15日至2023年12月31日受聘為本公司顧問。陳芳女士已確認，彼與董事會並無意見分歧，亦無有關彼辭任或終止任命之事宜須敦請股東及聯交所垂注。

董事履歷載於本年報之「董事及高級管理層」一節。

於報告期內，董事會已遵守《上市規則》第3.10(1)及3.10(2)條有關委任至少三名獨立非執行董事 (其中至少一名獨立非執行董事須擁有適當的專業資格或會計或相關財務管理專業知識) 的規定。

本公司亦已遵守《上市規則》第3.10A條有關委任相當於董事會成員三分之一的獨立非執行董事的規定。由於各獨立非執行董事均已根據《上市規則》第3.13條確認其獨立性，故本公司認為彼等均為獨立人士。

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We have adopted the Board Diversity Policy which sets out the approach to achieve diversity on the Board in order to enhance the quality of its performance. The Board Diversity Policy provides that the Company should endeavour to ensure that the Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. The Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and monitor and report annually in the corporate governance report about the implementation of the Board Diversity Policy.

Save as disclosed in the biographies of the Directors as set out in the section headed “Directors and Senior Management” of this annual report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or any chief executive.

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

The Board recognises the importance of gender diversity in both the Board and workforce level. The Group employs staff by talents and respect its staff's personal choices, regardless of gender, age, religion, nationality etc. As at December 31, 2023, the gender ratio in the Board is male 71.4% to female 28.6%, whereas the overall gender ratio in the workforce (including senior management) is male 38.8% to female 61.2%.

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

為提高董事會表現質素，我們已採納董事會多元化政策，其中載有實現董事會多元化的方針。董事會多元化政策規定，本公司應致力確保董事會成員在支持其業務策略執行所需的技能、經驗及多元化視角方面達到適當平衡。根據董事會多元化政策，我們旨在透過考慮多項因素（包括但不限於專業經驗、技能、知識、性別、年齡、文化及教育背景、種族及服務年限）實現董事會多元化。提名委員會將不時審閱董事會多元化政策以確保其持續有效並監察及每年於企業管治報告內報告董事會多元化政策的實施情況。

除本年報之「董事及高級管理層」一節所載董事履歷中所披露者外，概無董事與任何其他董事或最高行政人員有任何個人關係（包括財務、業務、家族或其他重大／相關關係）。

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

董事會明白在董事會及員工隊伍層面上的性別多元化的重要性。本集團用人唯才，並尊重員工的個人選擇，而不論性別、年齡、宗教、國籍等因素。於2023年12月31日，董事會的性別比例為男性71.4%，女性28.6%，而員工隊伍（包括高級管理人員）的整體性別比例為男性38.8%，女性61.2%。

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

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INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

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

The Company encourages continuous professional development training for all the Directors to develop and refresh their knowledge and skills. The company secretary of the Company update and provide the Directors with written training materials in relation to their roles, functions and duties from time to time.

According to the information provided by the Directors, the training received by the Directors during the year ended December 31, 2023 is summarized as follows:

入職及持續專業發展

所有新委任的董事均獲提供必要的入職培訓及資料，以確保其對本公司的營運及業務以及其於相關法規、法例、規則及條例下對彼等的責任有適當程度的了解。本公司亦定期為董事安排研討會，以不時為彼等提供《上市規則》及其他相關法律及監管規定最新發展及變動的更新資料。董事亦定期獲提供有關本公司表現、狀況及前景的更新資料，使董事會全體及各董事得以履行彼等的職責。

本公司鼓勵全體董事進行持續專業發展，藉此發展及更新其知識及技能。本公司的公司秘書不時更新及提供有關董事角色、職能及職責的書面培訓材料。

根據董事提供的資料，截至2023年12月31日止年度，董事接受的培訓概述如下：

| Name of Directors | 董事姓名 | Nature of continuous professional development courses | 持續專業發展課程性質 |
|--|---|---|------------|
| Executive Directors | | | |
| Mr. ZHONG Ming (<i>Chairman</i>) | 鍾鳴先生 (<i>董事長</i>) | | C |
| Ms. SHENTU Yinguang | 申屠銀光女士 | | C |
| Ms. Frances Fang CHOVANEC (<i>resigned on September 15, 2023</i>) | Frances Fang CHOVANEC (<i>陳芳</i>) 女士 (<i>於2023年9月15日辭任</i>) | | A, B, C |
| Mr. YIN Zixin | 尹自鑫先生 | | C |
| Non-executive Director | | | |
| Ms. CAI Li | 蔡俐女士 | | C |
| Independent Non-executive Directors | | | |
| Mr. JIANG Feng | 姜峰先生 | | C |
| Mr. GUO Jian | 郭建先生 | | C |
| Mr. CHEN Weibo | 陳衛波先生 | | C |

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Notes:

- A: attending seminars or conferences
- B: attending training provided by lawyers or training related to the Company's business
- C: reading materials on various topics, including corporate governance, responsibilities of directors, the Listing Rules and other related regulations

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The chairman and chief executive officer of the Company are held by Mr. ZHONG Ming who is one of the founders of the Group and has been operating and managing the Group since its establishment.

The Board considers that vesting the roles of chairman and chief executive officer in the same person is more efficient in the direction and management of the Company and does not impair the balance of power and authority of the Board and the management of the business of the Company. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

附註：

- A: 參加研討會或會議
- B: 參加律師所提供的培訓或與本公司業務有關的培訓
- C: 閱讀多種類別議題的材料，議題包括企業管治、董事職責、《上市規則》及其他相關法例

董事長及首席執行官

守則條文第C.2.1條規定，董事長與首席執行官的角色應予區分，且不應由同一人士擔任。

本公司的董事長及首席執行官均由鍾鳴先生擔任，其為本集團創始人之一，自成立起一直經營和管理本集團。

董事會認為董事長及首席執行官的職務由同一人兼任，會更為有效地處理本公司的方針和管理事宜，且不會損害董事會與本公司業務管理層之間的權力及權限平衡。董事會將不時檢討企業管治架構及慣例，並在董事會認為適當時作出必要安排。

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企業管治報告

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors, except for Mr. YIN Zixin, has entered into a three year service contract with the Company and effective from their respective appointment dates and subject to retirement by rotation and re-election at annual general meetings of the Company. Mr. YIN Zixin has entered into a service contract with the Company for his appointment as an executive Director for an initial term from his date of appointment until the first general meeting of the Company after his appointment, and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company. Each of the service contracts will continue until terminated by not less than three months' notice in writing served by either party on the other.

Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company which commenced from their respective appointment dates for an initial term of three years and thereafter (subject to re-election as and when required under the Articles of Association), and are subject to termination in accordance with the terms and conditions of the appointment letters.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting, but shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation at such meeting.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

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

董事的委任及重選連任

各執行董事(尹自鑫先生除外)已與本公司訂立服務合約,為期三年,自相應委任日期起生效且可於本公司股東週年大會上輪值退任及重選連任。尹自鑫先生已就其獲委任為執行董事與本公司訂立服務合約,初始期限自其委任日期起至獲委任後本公司第一次股東大會日期為止,且其後可於本公司股東週年大會上輪值退任及重選連任。各服務合約將持續直至其中一方向另一方發出不少於三個月的書面通知予以終止為止。

各非執行董事及獨立非執行董事已與本公司訂立委任函,初始期限自彼等各自的委任日期起為期三年,其後(惟須按章程細則所規定應選連任)須根據委任函的條款及條件予以終止。

董事有權隨時及不時委任任何人士出任董事,以填補臨時空缺或出任新增的董事職位。按上述方式委任的任何董事,任期將於本公司下屆股東大會舉行時屆滿,屆時可於會上重選連任,惟在釐定董事人數及在有關大會上輪值退任的董事時不予考慮。

於本公司每年的股東週年大會上,三分之一的在任董事(或倘若董事數目並非三或三的倍數,則以最接近但不少於三分之一的董事)須輪席告退,惟每名董事(包括按特定任期獲委任的董事)均須最少每三年輪席告退一次。任滿告退的董事的任期將有效直至大會結束時為止(其於該大會上退任並合資格再競選連任)。本公司於有任何董事任滿告退的任何股東週年大會上,可再重選類似數目的人士出任董事以填補空缺。

董事的委任、重選連任及罷免程序及過程載於章程細則。提名委員會負責檢討董事會的組成方式,並就董事的委任、重選連任及接任計劃向董事會提供推薦建議。

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BOARD MEETINGS

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

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

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

董事會會議

本公司將採納定期舉行董事會會議之慣例，每年召開至少四次董事會會議，大約每季一次。全體董事將獲發不少於十四天之通知以召開定期董事會會議，令全體董事均獲機會出席定期會議並討論議程事項。

就其他董事會及董事會委員會會議而言，本公司會發出合理通知。會議通知中已包括會議議程及相關董事會文件，並至少在舉行董事會或董事會委員會會議日期的三天前送出，以確保董事有充足時間審閱有關文件及充分準備出席會議。倘董事或委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會主席有關彼等的意見。聯席公司秘書應備存會議紀錄，並提供該等會議紀錄副本予所有董事作其參閱及紀錄之用。

董事會會議及董事會委員會會議的會議紀錄會詳盡記錄董事會及董事會委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及董事會委員會會議的會議紀錄草擬本會／將會於會議舉行後的合理時間內寄送至各董事，以供彼等考慮。董事會會議的會議紀錄公開供所有董事查閱。

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During the Reporting Period, one general meeting was held and 4 Board meetings were held and the attendance of individual Director at the Board meetings and the general meeting are set out in the table below:

於報告期內，董事會曾舉行1次股東大會及4次董事會會議，個別董事出席董事會會議及股東大會的情況載於下表：

| Directors | 董事 | Number of Actual Attendance at Board Meetings/ Number of Required Attendance at Board Meetings 已出席董事會會議次數／應出席董事會會議次數 | Number of Actual Attendance at General Meeting/ Number of Required Attendance at General Meeting 已出席股東大會次數／應出席股東大會次數 |
|---|---|---|---|
| Mr. ZHONG Ming | 鍾鳴先生 | 4/4 | 1/1 |
| Ms. SHENTU Yinguang | 申屠銀光女士 | 4/4 | 1/1 |
| Ms. Frances Fang CHOVANEC (resigned on September 15, 2023) | Frances Fang CHOVANEC (陳芳) 女士 (於2023年9月15日辭任) | 2/2 | 1/1 |
| Mr. YIN Zixin | 尹自鑫先生 | 4/4 | 1/1 |
| Ms. CAI Li | 蔡俐女士 | 4/4 | 1/1 |
| Mr. JIANG Feng | 姜峰先生 | 4/4 | 1/1 |
| Mr. GUO Jian | 郭建先生 | 4/4 | 1/1 |
| Mr. CHEN Weibo | 陳衛波先生 | 4/4 | 1/1 |

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code and the Written Guidelines during the year ended December 31, 2023. No incident of non-compliance of the Written Guidelines by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

遵守《標準守則》

本公司已採納《上市規則》附錄C3所載《上市發行人董事進行證券交易的標準守則》(「《標準守則》」)作為有關董事進行證券交易的操守守則。經作出具體問詢後，全體董事確認彼等於截至2023年12月31日止年度均遵守《標準守則》及書面指引。本公司並無發現可能掌握本公司內幕消息的僱員存在不遵守書面指引的情況。

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DELEGATION BY THE BOARD

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense. Directors are encouraged to access and to consult with the Company's senior management independently and separately from the Board, but will not rely purely on information provided voluntarily by the Company's senior management and will make further enquiries when necessary.

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

CORPORATE GOVERNANCE FUNCTIONS

The Board confirmed that corporate governance should be the collective responsibility of the Directors, which includes:

- (a) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to develop, review and monitor the codes of conduct and compliance manuals applicable to employees and the Directors;
- (d) to develop and review the Company's corporate governance policies and practices, make recommendations and report on related issues to the Board; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

董事會的授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監督一切政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能牽涉利益衝突者）、財務資料、委任董事及其他主要財務及營運事宜。董事於履行彼等職責時可尋求獨立專業意見，費用由本公司承擔。董事亦獲鼓勵向本公司高級管理層進行個別及獨立於董事會的諮詢，惟彼等將不會純粹依賴本公司高級管理層自願提供的資料，並將在必要時進行進一步查詢。

本集團的日常管理、行政及營運交予高級管理層負責。董事會定期檢討所授權職能及職責。管理層訂立任何重大交易前須取得董事會批准。

企業管治職能

董事會確認，企業管治應屬董事的共同責任，彼等的企業管治職能包括：

- (a) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (b) 檢討及監察董事及高級管理層之培訓及持續專業發展；
- (c) 制定、檢討及監察適用於僱員及董事之操守守則及合規手冊；
- (d) 制定及檢討本公司之企業管治政策及常規，並向董事會推薦其意見及匯報相關事宜；及
- (e) 檢討本公司對《企業管治守則》之遵守情況及在企業管治報告之披露。

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企業管治報告

BOARD COMMITTEES

The Company has established four committees under the Board pursuant to the corporate governance practice requirements under the Listing Rules, including the Audit Committee, Remuneration Committee, Nomination Committee and ESG Committee.

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive Directors Mr. CHEN Weibo and Mr. JIANG Feng and one non-executive Director Ms. CAI Li. Mr. CHEN Weibo, being the chairman of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company. The Audit Committee's major duties and powers include:

1. make recommendations to the Board on the appointment, re-appointment, and/or removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor, and consider any questions of resignation or dismissal of that auditor;
2. monitor the integrity of financial statements, annual reports and accounts, interim reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them;
3. oversee the Company's financial reporting system, risk management and internal control procedures; and
4. perform the Company's corporate governance functions, including reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and the training and continuous professional development of Directors and senior management.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended December 31, 2023. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

董事會委員會

根據《上市規則》項下企業管治常規規定，本公司董事會下設四個委員會，包括審核委員會、薪酬委員會、提名委員會及ESG委員會。

審核委員會

審核委員會包括兩名獨立非執行董事陳衛波先生及姜峰先生，及一名非執行董事蔡俐女士。陳衛波先生為審核委員會主席，具備《上市規則》第3.10(2)及3.21條規定的合適資格。

審核委員會之職權範圍可於聯交所及本公司網站查閱。審核委員會的主要責任及權力包括：

1. 就外聘核數師之委任、重新委任及／或罷免向董事會提供建議、批准外聘核數師之薪酬及聘用條款，及處理任何有關該外聘核數師辭任或辭退該外聘核數師之問題；
2. 監察財務報表、年度報告及賬目、中期報告及（如編製以供刊發）季度報告的完整性，並檢討當中所載的重大財務報告判斷；
3. 監督本公司的財務報告制度、風險管理及內部監控程序；及
4. 履行本公司的企業管治職能，包括檢討及監察本公司在遵守法律及監管規定方面的政策及常規，以及董事及高級管理層的培訓及持續專業發展。

審核委員會連同管理層審核了本集團採納的會計原則及政策以及截至2023年12月31日止年度的綜合財務報表。審核委員會認為年度業績符合適用會計準則、法律及法規，且本公司已就此進行了恰當的披露。

Corporate Governance Report

企業管治報告

During the Reporting Period, the Audit Committee held 3 meetings to mainly discuss and consider the following: review the audited financial statements for the year ended December 31, 2022 and the related disclosures included in the annual report; review the interim financial statements and the interim report for the six months ended June 30, 2023; make recommendation to the Board on the reappointment and approve the remuneration of the external auditor; review the Company's financial reporting process, risk management, internal control system and internal audit function.

The attendance of these meetings by the Audit Committee members is set out in the table below:

於報告期內，審核委員會曾舉行3次會議以主要討論及考慮以下內容：審閱截至2022年12月31日止年度的經審核財務報表以及年度報告所載的相關披露資料；審閱截至2023年6月30日止六個月的中期財務報表及中期報告；就重新委任外部核數師及批准其薪酬向董事會提出建議；審閱本公司財務報告程序、風險管理、內部控制制度及內部審計職能。

各審核委員會成員出席該等會議的情況載於下表：

| Name of Directors | 董事姓名 | Number of attendance/ required attendance | 已出席次數／應出席次數 |
|-------------------|-------|--|-------------|
| Mr. CHEN Weibo | 陳衛波先生 | | 3/3 |
| Mr. JIANG Feng | 姜峰先生 | | 3/3 |
| Ms. CAI Li | 蔡俐女士 | | 3/3 |

NOMINATION COMMITTEE

The Nomination Committee comprises one executive Director Mr. ZHONG Ming and two independent non-executive Directors Mr. JIANG Feng and Mr. GUO Jian. Mr. ZHONG Ming is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company. The Nomination Committee has the following duties and powers:

1. review the structure, number and composition (including the skills, knowledge, experience and diversity) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's strategy;
2. identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. assess the independence of independent non-executive Directors;
4. make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer;

提名委員會

提名委員會包括一名執行董事鍾鳴先生，及兩名獨立非執行董事姜峰先生及郭建先生。鍾鳴先生為提名委員會主席。

提名委員會之職權範圍可於聯交所及本公司網站查閱。提名委員會具有下列責任及權力：

1. 至少每年檢討董事會的架構、人數及組成（包括技能、知識、經驗及多元化方面）並就任何為配合本公司的策略而擬對董事會作出的變動提出建議；
2. 物色具備合適資格可擔任董事的人士，並挑選提名人士出任董事或就此向董事會提供意見；
3. 評核獨立非執行董事的獨立性；
4. 就董事委任或重新委任以及董事（尤其是主席及首席執行官）繼任計劃向董事會提出建議；

Corporate Governance Report

企業管治報告

- | | |
|---|---|
| <p>5. review the Board Diversity Policy and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and</p> <p>6. where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, the reasons why the Board believe he/she should be elected and the reasons why the Board consider the individual to be independent should be set out in the circular to Shareholders and/or an explanatory statement accompanying the notice of the relevant general meeting.</p> | <p>5. 檢討董事會多元化政策及董事會不時地為實施董事會多元化政策而制定的可計量目標和達標程度；及</p> <p>6. 若董事會擬於股東大會上提呈決議案選任某人士為獨立非執行董事，董事會認為其獲選舉的理由及董事會認為該名人士為獨立人士的理由應載於派發予股東的通函及／或相關股東大會通告附帶的說明函件。</p> |
|---|---|

The Nomination Committee assesses, selects, and recommends candidates for directors to the Board on criteria such as credibility, success, and experience in the Company's industry, time available to be invested, benefits of sectors represented by the candidates, and the diversity the candidates will bring to the Board. The recommendations of the Nomination Committee will then be put to the Board for decision.

提名委員會會按於本公司所處行業的誠信、成就及經驗、可供投入之時間及候選人所代表行業的利益及候選人將為董事會帶來的多元化等標準評估、挑選並向董事會建議董事候選人。提名委員會之建議將於其後提交董事會以作決定。

During the Reporting Period, the Nomination Committee held 1 meeting to discuss and consider the following: make recommendations to the Board on the reappointment of Directors; assess the independence of independent non-executive Directors; and review the Board Diversity Policy.

於報告期內，提名委員會曾舉行1次會議以討論及考慮以下內容：就重新委任董事向董事會提出建議；評估獨立非執行董事的獨立性；及審閱董事會多元化政策。

The attendance of the meeting by the Nomination Committee members is set out in the table below:

各提名委員會成員出席該會議的情況載於下表：

| Name of Directors | 出席董事姓名 | Number of attendance/ required attendance |
|-------------------|--------|--|
| | | 已出席次數／應出席次數 |
| Mr. ZHONG Ming | 鍾鳴先生 | 1/1 |
| Mr. JIANG Feng | 姜峰先生 | 1/1 |
| Mr. GUO Jian | 郭建先生 | 1/1 |

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee comprises two independent non-executive Directors, namely Mr. CHEN Weibo and Mr. GUO Jian, and one executive Director, namely Ms. SHENTU Yinguang. Mr. CHEN Weibo is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company. The Remuneration Committee shall have the following duties and powers:

1. make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. determine, with delegated responsibility from the Board, the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
4. make recommendations to the Board on the remuneration of non-executive Directors;
5. consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group, assess performance of executive Directors, approve the terms of executive Directors and service contracts;
6. review and approve the compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
7. review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
8. ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration.

薪酬委員會

薪酬委員會包括兩名獨立非執行董事陳衛波先生及郭建先生，及一名執行董事申屠銀光女士。陳衛波先生為薪酬委員會主席。

薪酬委員會之職權範圍可於聯交所及本公司網站查閱。薪酬委員會具有下列責任及權力：

1. 就本公司之董事及高級管理人員之全體薪酬政策及架構，及就設立正規而具透明度之程序制訂薪酬政策，向董事會提出建議；
2. 因應董事會所制訂的企業方針及目標，檢討及批准管理層之薪酬建議；
3. 獲董事會轉授責任釐定個別執行董事及高級管理人員的薪酬待遇；而這包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任之任何賠償）；
4. 就非執行董事之薪酬向董事會提出建議；
5. 考慮同類公司支付之薪酬、須付出之時間及職責、本集團內其他職位之僱用條件、評估執行董事表現以及批准執行董事任期及服務合約等；
6. 檢討及批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付之賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，則賠償亦須公平合理，不致過多；
7. 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及之賠償安排，以確保該等安排與合約條款一致；倘未能與合約條款一致，則有關賠償亦須合理適當；及
8. 確保任何董事或其任何聯繫人士（定義見《上市規則》）不得參與釐定其自身的薪酬。

Corporate Governance Report

企業管治報告

During the Reporting Period, the Remuneration Committee held 1 meeting to discuss and consider the following: review and approve the remuneration payable to the Directors and senior management for the year ended December 31, 2022; and make recommendations to the Board on the remuneration of Directors and senior management for the year ended December 31, 2023.

Attendance of the members of the Remuneration Committee at the meeting is set out in the table below:

於報告期內，薪酬委員會曾舉行1次會議以討論及考慮以下內容：審閱及批准截至2022年12月31日止年度應付董事及高級管理層的薪酬；及就截至2023年12月31日止年度的董事及高級管理層的薪酬向董事會提供建議。

各薪酬委員會成員出席該會議的情況載於下表：

| Name of Directors | 出席董事姓名 | Number of attendance/ required attendance 已出席次數／應出席次數 |
|---------------------|--------|---|
| Mr. CHEN Weibo | 陳衛波先生 | 1/1 |
| Ms. SHENTU Yinguang | 申屠銀光女士 | 1/1 |
| Mr. GUO Jian | 郭建先生 | 1/1 |

ESG COMMITTEE

The Company has established the ESG Committee under the Board in December 2021. The ESG Committee comprises three executive Directors, namely Mr. ZHONG Ming, Ms. SHENTU Yinguang, Ms. Frances Fang CHOVANEC (resigned on September 15, 2023) and Mr. YIN Zixin (with effect from September 15, 2023). Mr. ZHONG Ming is the chairman of the ESG Committee.

The ESG Committee has the following duties and powers:

1. guide and supervise the Company's ESG related management direction, strategies, key issues and ESG policy targets;
2. ensure the establishment of effective and appropriate ESG risk management and internal control systems, and evaluate ESG related risks and opportunities;
3. supervise the management of ESG related matters by management of the Company and regularly evaluate the Company's achievement of ESG related targets; and
4. approve the ESG reports of the Company and other ESG related disclosures, and regularly report to and make recommendations to the Board.

ESG委員會

ESG本公司於2021年12月設立董事會ESG委員會。ESG委員會包括三名執行董事鍾鳴先生、申屠銀光女士、Frances Fang CHOVANEC (陳芳) 女士 (於2023年9月15日辭任) 及尹自鑫先生 (自2023年9月15日起生效)。鍾鳴先生為ESG委員會主席。

ESG委員會具有下列責任及權力：

1. 指導和監督本公司的ESG管理方針、戰略、重要性議題及目標；
2. 確保設有適當和有效的ESG風險管理制度及內控監控系統，並評估及確定本公司ESG相關的風險及機遇；
3. 監督公司管理層對ESG事宜的管理情況，就ESG相關目標定期檢討本公司的表現；及
4. 審核本公司ESG報告等相關資料，定期向董事會報告並提供建議。

Corporate Governance Report

企業管治報告

During the Reporting Period, the ESG Committee held 1 meeting to discuss and consider the following: discuss and determine the Group's ESG risks and opportunities, and make decisions on important ESG management work for the year; identify the risks and opportunities brought by climate change to the Group's future business operations, assess the possibility and impact of relevant risks and opportunities, and formulate targeted response plans and measures, and approve the ESG report of the Company for the year ended December 31, 2022.

於報告期內，ESG委員會召開1次會議以討論及考慮以下內容：討論並確定本集團在ESG方面的風險與機遇，對年度重要ESG管理工作進行決策；識別氣候變化對本集團未來業務營運帶來的風險與機遇，評估相關風險機遇的可能性及影響程度，並有針對性地制定應對計劃與措施，以及批准截至2022年12月31日止年度的本公司ESG報告。

Attendance of the members of the ESG Committee at the meeting is set out in the table below:

ESG委員會成員出席會議的情況載於下表：

| Name of Directors | 出席董事姓名 | Number of attendance/ required attendance |
|---|--|--|
| | | 已出席次數／應出席次數 |
| Mr. ZHONG Ming | 鍾鳴先生 | 1/1 |
| Ms. SHENTU Yinguang | 申屠銀光女士 | 1/1 |
| Ms. Frances Fang CHOVANEC (resigned on September 15, 2023) | Frances Fang CHOVANEC (陳芳) 女士 (於2023年9月15日辭任) | 1/1 |
| Mr. YIN Zixin (with effect from September 15, 2023) | 尹自鑫先生 (自2023年9月15日起生效) | 0/0 |

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的薪酬

The remuneration of the Directors of the Company during the year ended December 31, 2023 is set out in note 8 to the consolidated financial statements.

本公司董事於截至2023年12月31日止年度期間的薪酬詳情載於綜合財務報表附註8。

The remuneration of senior management of the Company (their biographies are set out on pages 26 to 36 of this annual report) for the year ended December 31, 2023 falls under the following bands:

截至2023年12月31日止年度，本公司的高級管理層（彼等之履歷載於本年報第26至36頁）的酬金等級載列如下：

| Band of remuneration | 酬金等級 | Number of individuals |
|--------------------------------|-------------------------|-----------------------|
| | | 人數 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 4 |
| HK\$2,000,001 to HK\$2,500,000 | 2,000,001港元至2,500,000港元 | 1 |
| HK\$2,500,001 to HK\$3,000,000 | 2,500,001港元至3,000,000港元 | 3 |

Corporate Governance Report

企業管治報告

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibilities for the preparation of the financial statements for the year ended December 31, 2023 which give a true and fair view of the state of affairs of the Company and the Group and of the Group's results and cash flows.

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

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

The statement by the auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 169 to 171 of this annual report.

DIVIDEND POLICY

The Company does not have a specific dividend policy or a predetermined dividend payout ratio. The determination to pay dividends in the future would be made at the discretion of the Board and would be based on the Group's profits, cash flows, financial condition, capital requirements and other conditions that the Board deems relevant. The payment of dividends may be limited by other legal restrictions and agreements that the Group may enter into in the future.

董事有關財務申報的責任

董事明白彼等須編製本公司截至2023年12月31日止年度的財務報表的職責，以真實公平地反映本公司及本集團的狀況以及本集團的業績及現金流量。

管理層已向董事會提供必要的闡釋及資料，使董事會能對提呈予董事會批准的本公司財務報表進行知情的評估。

董事並不知悉與可能對本公司持續經營構成重大疑問的事件或狀況有關的任何重大不確定因素。

核數師就彼等有關本公司綜合財務報表的申報責任作出的聲明載於本年報第169至171頁的獨立核數師報告。

股息政策

我們並無特定的股息政策或預定的股息支付比率。未來派付股息的決定將由董事會酌情作出，並將基於本集團的利潤、現金流量、財務狀況、資本要求及董事會認為相關的其他條件。股息的派付可能受到其他法律限制和本集團將來可能簽訂的協議的約束。

Corporate Governance Report

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges that it is the responsibility of the Board for maintaining an adequate internal control system to safeguard Shareholders' investments and the Group's assets and reviewing the effectiveness of such system on an annual basis. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance that there will be no material misrepresentation or losses.

The Board takes responsibilities for the risk management and internal control systems and is responsible for reviewing the effectiveness of such systems. The Audit Committee, as delegated by the Board, has reviewed the effectiveness of the internal control systems of the Group for the Reporting Period, which covered all material controls, including financial, operational and compliance controls and risk management functions.

During the Reporting Period, the Group has newly established an internal audit department with increased professional team members to perform the internal audit function, which is responsible for the improvement of the risk management policies and the implementation of risk management practices, and regularly report the relevant work to the Board and the Audit Committee. In order to standardize the risk management across the Group and establish standards of transparency and risk management performance, the internal audit department is responsible to (i) collect data on risks related to their operation and work; (ii) conduct risk assessment, including the identification, categorization, measurement and prioritization of all major risks which may have potential impacts on achieving their objectives; (iii) regularly report to management on the implementation of risk management and internal control policies; (iv) continuously monitor major risks related to the Company's operations; (v) implement appropriate risk response measures where necessary; and (vi) formulate and implement appropriate mechanisms to facilitate the application of the risk management framework.

The Group has developed and adopted internal control process with defined rights and responsibilities for each key business and function department, including sales and collection management, procurement and payment management, production and inventory management, R&D management, fixed assets management, human resources and remuneration management, capital management, contract management and information system management. The internal audit department is responsible for conducting independent reviews on the effectiveness of the design and implementation of the Group's internal control system, inspecting major matters related with accounting practices and all material controls, and providing the auditee with its findings and suggestions for improvement, and regularly reporting to the Audit Committee.

內部監控及風險管理

董事會明白，董事會須負責維持充分的內部監控制度，以保障股東的投資及本集團的資產，並每年檢討該制度的有效性。該等系統旨在管理而非消除未能達成業務目標的風險，而且僅能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

董事會負責風險管理及內部控制系統，並負責檢討該等系統的有效性。董事會授權審核委員會已檢討本集團於報告期內的內部控制系統的有效性，涵蓋所有重大控制，包括財務、營運及合規控制以及風險管理職能。

報告期內，本集團新設立內審部並增加專業團隊成員來執行內審職能，負責完善風險管理政策及執行風險管理常規工作，並定期向董事會及審核委員會匯報相關工作。為規範本集團上下的風險管理並設定透明度及風險管理表現標準，內審部負責(i)收集有關其營運及工作的風險數據；(ii)進行風險評估，包括可能對達致目標造成潛在影響的所有主要風險的識別、分類、計量及排序；(iii)向管理層定期匯報風險管理和內控政策的執行情況；(iv)持續監控與本公司營運有關的主要風險；(v)於必要情況下實施適當的風險應對措施；及(vi)為推動風險管理框架的應用制定及推行適當機制。

本集團已就各主要業務和功能部門制定及採用內部控制流程，包括銷售與收款管理、採購與付款管理、生產與存貨管理、研發管理、固定資產管理、人事與薪酬管理、資金管理、合同管理及信息系統管理等，並列明權責。內審部負責對本集團內部控制系統設計與執行之有效性進行獨立審閱，檢驗有關會計慣例及所有重大控制之主要事項，並向受審核方提供其調查結果及改進建議，定期向審核委員會報告。

Corporate Governance Report

企業管治報告

The Company has set up policies for information disclosure, providing comprehensive guidance to Directors, senior management and relevant employees of the Company on handling confidential data, overseeing data disclosure and responding to enquiries. The Company has implemented control procedures to ensure that unauthorized access to and use of inside information are strictly prohibited.

The Board has annually reviewed the effectiveness of the Group's risk management and internal control systems through the Audit Committee, including the adequacy of resources, staff qualifications and experience of the above systems and accounting and financial reporting and internal auditing functions of the Group, as well as the adequacy of training programmes and budget for the above staffs. The Board was of the view that the Group's risk management and internal control systems, including financial, operational and compliance control, were effective and adequate during the Reporting Period.

AUDITOR'S REMUNERATION

The auditor's approximate remuneration in respect of the audit and non-audit services provided to the Company for the year ended December 31, 2023 is as follows:

| Type of services | 服務類別 | Amount (RMB' 000) 金額 (人民幣千元) |
|-----------------------|--------|---------------------------------------|
| Audit services | 核數服務 | 2,750 |
| Non-audit services: | 非核數服務： | |
| – Consulting services | – 諮詢服務 | 142 |
| Total | 總計 | 2,892 |

COMPANY SECRETARY

Mr. WAN Siu Keung (“Mr. Wan”), the company secretary of the Company, is responsible for making recommendations to the Board on corporate governance matters, and ensuring compliance with the policies and procedures of the Board and applicable laws, rules and regulations.

For the year ended December 31, 2023, Mr. Wan had undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

本公司已制定信息披露政策，為本公司董事、高級管理層及相關僱員處理機密數據、監督數據披露及回應查詢提供全面指引。本公司已實施控制程序，確保嚴格禁止在未獲授權的情況下獲取及使用內幕消息。

董事會每年透過審核委員會檢討本集團風險管理及內部控制系統的效能，包括上述系統和本集團會計及財務申報、內審職能的資源、員工資歷及經驗是否足夠，以及上述員工的培訓課程及預算是否充足。董事會認為本集團於報告期的風險管理及內部控制系統(包括財務、營運及合規控制)有效及足夠。

核數師酬金

核數師於截至2023年12月31日止年度期間向本公司提供的核數及非核數服務之概約酬金載列如下：

| Amount (RMB' 000) 金額 (人民幣千元) |
|---------------------------------------|
| 2,750 |
| 142 |
| 2,892 |

公司秘書

溫兆強先生(「溫先生」)為本公司的公司秘書，負責就企業管治事宜向董事會提出建議，並確保遵循董事會的政策及程序、適用法律、規則及法規。

截至2023年12月31日止年度，溫先生已符合《上市規則》第3.29條進行不少於15小時的相關專業培訓。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONSHIP

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

The AGMs provide opportunity for Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board Committees of the Company will attend the AGMs to answer Shareholders' questions. The auditor will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies, and auditor's independence.

To promote effective communication and to build an inter-relationship and communication channel between the Company and the Shareholders, the Company adopts the Shareholders' communication policy to ensure the Shareholders are provided with equal and timely access to information about the Company and enable them to exercise their rights in an informed manner and to allow them to engage actively with the Company. The policy sets out various communication strategies, including corporate communication, corporate website, and Shareholders being provided with designed contacts, email addresses and enquiry telephone number of the Company in order to enable them to make any query.

The Company maintains a website at www.kangjimedical.com, where the up-to-date information on the Company's business operations and developments, financial information, corporate governance practices, and other information are available for public access.

SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual directors.

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

與股東的溝通及投資者關係

本公司認為，與股東的有效溝通對加強投資者關係及使投資者了解本集團的業務、表現及策略非常重要。本公司亦深信及時與非選擇性地披露本公司資料以供股東及投資者作出知情投資決策的重要性。

股東週年大會提供股東與董事直接溝通的機會。本公司董事長及本公司各董事會委員會主席將出席股東週年大會解答股東提問。核數師亦將出席股東週年大會，並解答有關審計行事、核數師報告的編製及內容、會計政策及核數師獨立性的提問。

為促進有效的溝通及建立本公司與股東的相互關係及溝通，本公司採納股東通訊政策，以確保股東可平等、及時地獲取有關本公司的資料，使彼等可行使知情權並令彼等積極融入本公司。該政策載列各種通訊策略，包括公司溝通、公司網站，以及向股東提供聯繫方式、電郵地址及查詢電話號碼，以便彼等提出任何查詢。

本公司設有網站(www.kangjimedical.com)，並會於網站刊登有關其業務營運及發展的最新資料、財務數據、企業管治常規及其他資料，以供公眾人士讀取。

股東權利

為保障股東的利益及權利，本公司會於股東大會上就各事項(包括選舉個別董事)提呈獨立決議案。

於股東大會上提呈的所有決議案將根據《上市規則》以投票方式進行表決，投票結果將於各股東大會舉行後及時於本公司及聯交所網站刊登。

Corporate Governance Report

企業管治報告

During the Reporting Period, the Company has amended its Articles of Association to bring in line with core shareholder protection standards as set out in Appendix A1 of the Listing Rules which took effect on January 1, 2022, to allow a general meeting to be held as an electronic meeting (also referred to as virtual general meeting) and to incorporate certain minor housekeeping amendments.

CONVENING AN EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS

According to the Articles of Association, the Shareholders may put forward proposals at the general meetings of the Company for consideration. Any one or more Shareholder(s) of the Company 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 joint company secretaries of the Company, to require an extraordinary general meeting to be convened by the Company for the transaction of any business specified in such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to convene such general meeting shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board may send their enquiries to the Office of the Board at the Company's headquarters through telephone at +86 571 6990 0020 and email at ir@kangji.com.

AMENDMENTS TO CONSTITUTIONAL DOCUMENT

The Company had adopted the second amended and restated Articles of Association of the Company with effect from May 25, 2023.

報告期內，本公司對章程細則進行了修訂，使其符合於2022年1月1日生效的《上市規則》附錄A1所載的核心股東保護標準，允許股東大會以電子會議（也稱為虛擬股東大會）的形式舉行，並納入了某些細微的內務修訂。

召開股東特別大會及提呈建議

根據章程細則，股東可於本公司股東大會上提供建議以供本公司考慮。本公司任何一名或多名股東，於存放請求書當日持有佔本公司實繳股本不少於十分之一並附帶權利於本公司股東大會上投票的股份，有權隨時透過向董事會或本公司聯席公司秘書發出書面要求召開本公司股東特別大會，以處理有關要求中指明的任何事項。倘遞呈後21日內董事會未有召開該大會，則請求人可自行按相同的方式召開大會，且請求人因董事會未有妥為召開相關股東大會而招致的所有合理費用，須由本公司償還請求人。

關於建議某人參選董事的事宜，可於本公司網站參閱有關程序。

向董事會提出查詢

股東如欲向董事會作出有關本公司的查詢，可透過電話或電郵向本公司總部之董事會辦公室查詢，電話為+86 571 6990 0020及電郵地址為ir@kangji.com。

章程文件的更改

本公司已採納第二份本公司經修訂和經重列的組織章程細則，自2023年5月25日起生效。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

Report Overview

This report is the fourth ESG report issued by Kangji Medical Holdings Limited (hereinafter referred to as the “Group” or “we” or “Kangji Medical”), focusing on disclosing the ESG management and performance of the Group. This report is an annual report covering the work during 2023, part of the contents of which may cover previous years or be extended to 2024 as applicable.

Preparation Basis

This report is prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide set out in Appendix C2 of the Listing Rules of the Stock Exchange of Hong Kong Limited (hereinafter referred to as “HKEX” or the “Stock Exchange”) and with reference to the recommendations of the Sustainability Standards issued by the Global Reporting Initiative (GRI). Such procedures include identifying and ranking main stakeholders, identifying and ranking material ESG-related issues, determining the scope of ESG reporting, collecting relevant materials and data, preparing the report based on the materials, and examining the information in the report.

Reporting Scope

The policy documents, statements, and data in this report cover the headquarters of the Group and its subsidiaries, unless otherwise specified. The previous data quoted in this report are the final statistics, and the financial data in this report are denominated in RMB.

Reliability Guarantees

After being confirmed by the management, this report was passed by the Board on 20 March 2024. The Group ensures that this report contains no false records, misleading statements, or significant omissions. We undertake to be responsible for the authenticity, accuracy, and completeness of this report.

關於本報告

報告概覽

本報告是康基医疗控股有限公司（以下簡稱「本集團」或「我們」或「康基醫療」）發佈的第四份ESG報告，重點披露本集團ESG方面的管理和績效表現。本報告為年度報告，涵蓋2023年度的工作，部分內容適當追溯至往年，或延伸至2024年。

編製依據

本報告遵循香港聯合交易所有限公司（以下簡稱「香港聯交所」或「聯交所」）《上市規則》附錄C2《環境、社會及管治報告指引》的要求，同時參照全球報告倡議組織(GRI)《可持續發展報告標準》的建議編製。有關程序包括：識別和排列重要的利益相關方、識別和排列ESG相關重要議題、決定ESG報告的界限、收集相關材料和數據、根據資料編製報告、對報告中的資料進行檢視等。

報告覆蓋範圍

本報告中的政策文件、聲明、數據覆蓋本集團總部及其附屬公司，特別說明除外。本報告所引用的歷年數據為最終統計數據，報告中的財務數據以人民幣為單位。

可靠性保證

本報告經管理層確認後，於2024年3月20日獲董事會通過。本集團保證報告內容不存在任何虛假記載、誤導性陳述或重大遺漏。我們承諾對報告內容的真實性、準確性及完整性負責。

Environmental, Social and Governance Report

環境、社會及管治報告

ESG Reporting Principles

Materiality principle: Engage in communication and exchange with various stakeholders in different forms to conduct benchmarking analysis on the issues disclosed in the ESG reports of companies in the industry in accordance with the ESG Reporting Guide of the Stock Exchange and other relevant regulatory requirements. By aligning these findings with the Group's actual managerial practices, we ultimately identified and selected the material ESG issues.

Balance principle: This report impartially discloses both positive and negative information to ensure a fair representation of the Company's ESG performance during the Reporting Period.

Quantitative principle: Develop a set of ESG metrics across our departments to conduct regular statistics on key quantitative disclosure indicators for all "Environmental" and "Social" categories as outlined in the ESG Reporting Guide and summarize and disclose them at the end of the year. Meanwhile, all related quantitative indicators have clear statistical calibers, detailed calculation methods and explanations (data and percentages disclosed in this report that do not add up to the sum of the values presented or any inconsistencies in the percentage calculations due to rounding).

Consistency principle: The disclosure scope of this report has not been significantly adjusted compared with the Group's annual report, and the disclosure and statistical methods remain consistent with the previous year.

Access and Response to this Report

Traditional Chinese and English versions of this report are available. The electronic version of this report can be obtained from the "Financial Statements/Environmental, Social and Governance Information" category of Kangji Medical on the Stock Exchange's website and the "Investor Relations" section of the Group's official website (<http://www.kangjimedical.com>). If you have any questions or suggestions on the content of this report, please contact us by the following means:

Tel: (+86) 571-69900020
E-mail: ir@kangji.com

ESG報告原則

重要性原則：按照聯交所《環境、社會及管治報告指引》等相關監管要求，通過與各類利益相關方不同形式的溝通與交流，對同行業公司的ESG報告披露議題進行對標分析，結合本集團的實際管理情況，最終識別並篩選出ESG重要性議題。

平衡性原則：本報告客觀披露正面及負面信息，確保內容不偏不倚的呈報本報告期內公司的ESG表現。

量化原則：制定覆蓋各個部門的ESG指標管理工具，對《環境、社會及管治報告指引》中所有「環境」範疇及「社會」範疇的量化關鍵披露指標進行定期統計，並於年末匯總披露。同時，相關量化指標均有清晰的統計口徑、詳細的計算方法及說明（報告中披露的數據和比例若出現總計數與所列數值總和不符或百分比計算不符，均為四捨五入所致）。

一致性原則：本報告的披露範圍相對於本集團年報並無重大調整，且披露統計方法較上一年度一致。

獲取及回應本報告

本報告提供繁體中文及英文版本。本報告電子版可從聯交所網站康基醫療「財務報表／環境、社會及管治資料」類別及本集團官網(<https://www.kangjimedical.com>)「投資者關係」欄目獲取。如您對本報告內容有任何疑問或建議，歡迎通過以下渠道向我們提出：

電話：(+86) 571-69900020
郵件：ir@kangji.com

Environmental, Social and Governance Report

環境、社會及管治報告

STATEMENT FROM THE BOARD

The Board attaches great importance to the sustainable development performance of the Group, insisting on providing innovative, high-quality, and affordable products and services to customers and balancing the Group's impact on the environment and society with its business objectives through the development of effective strategies. The Board has established an ESG Committee responsible for assisting the Board in reviewing the Group's ESG-related strategies and monitoring the implementation of ESG initiatives, which include determining the Group's important ESG issues, reviewing the Group's outlook, strategies, frameworks, principles, and policies on ESG issues, reviewing and monitoring ESG practices, overseeing the achievement of the Group's objectives, and ensuring that ESG issues to comply with the Group's development strategy. The ESG Committee reports on these matters to and discusses them with the Board every half year through meetings.

We also attach great importance to the expectations and demands of internal and external stakeholders, communicate closely with stakeholders through regular or irregular events, identify and assess material ESG issues, and discuss and review them at the Board meeting. Based on the external macro environment, industry development trends, and its own development strategies, the Board discusses and determines the Group's ESG risks and opportunities and makes decisions on important ESG management work for the year.

The Board pays close attention to global and local climate change developments, engaging in ongoing discussions about the risks and opportunities that climate change may pose to the Group's business operations. Based on the assessment results of the likelihood and impact of these risks and opportunities, the Board has discussed and formulated a comprehensive strategy for the Group to address climate change, aligning with the expectations of shareholders, customers and the community for the Group's low-carbon development. During the Reporting Period, we have reviewed and evaluated the progress towards our environmental targets, ensuring our corresponding measures are on track with the national goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060. For details, please refer to the section headed "Green Operations" of this report.

董事會聲明

董事會高度重視本集團可持續發展表現，堅持為客戶提供創新、高質量、可負擔的產品與服務，並通過制定有效的策略，保持集團對環境和社會的影響與業務目標實現平衡。董事會下設ESG委員會，負責協助董事會審議本集團ESG相關策略並監督ESG舉措的落實，包括確認本集團ESG重要事項，檢討本集團針對ESG事項的展望、策略、框架、原則及政策，檢討及監督ESG實踐，監督本集團目標達成情況，並確認ESG事宜符合集團發展戰略。ESG委員會每半年通過會議的形式就上述事項向董事會進行匯報與討論。

我們亦高度重視內外部利益相關方的期望和要求，通過定期或不定期舉辦各類活動與利益相關方緊密溝通，識別和評估ESG重要議題，並在董事會上討論和審核。基於外部宏觀環境、行業發展趨勢和自身發展戰略，董事會討論並確定本集團在ESG方面的風險與機遇，對年度重要ESG管理工作進行決策。

董事會積極關注海內外氣候變化相關發展趨勢，持續就氣候變化對本集團業務運營帶來的風險與機遇進行討論。基於對相關風險與機遇的可能性及影響程度評估結果，董事會討論制定了集團應對氣候變化整體策略，響應股東、客戶及社會各界對於集團低碳發展的期待。本報告期內，我們就環境相關目標的完成情況進行了審閱與檢討，確認相應措施滿足目標實現路徑，符合國家「2030碳達峰、2060碳中和」戰略，詳情請參考報告「綠色運營」章節。

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ABOUT US

Founded in 2004 and listed on the Main Board of the Hong Kong Stock Exchange in 2020, Kangji Medical is a leading enterprise in China's minimally invasive surgery sector, dedicated to providing a comprehensive solution for minimally invasive surgical operations that encompasses "equipment + instruments + consumables + surgical robots" for doctors and patients worldwide. As a high-tech enterprise integrating R&D, manufacturing and sales, Kangji Medical remains steadfast in its commitment to the product R&D ethos of "originating from clinical practice to clinical application" and "co-creation and co-construction with industry, academia and research". By cultivating a distinctive ecosystem for academic training and knowledge dissemination, we have not only propelled the advancement and widespread adoption of minimally invasive surgical techniques in China but also made our own contribution to the development of the global minimally invasive surgical instrument industry.

In the future, Kangji Medical will maintain its focus on the in-depth application of cutting-edge minimally invasive surgical technologies in the medical device manufacturing sector. We are set to promote self-driven innovation in minimally invasive surgical technology, expanding and refining our product portfolio and accelerating the iterative updates of our products to deliver all-encompassing, trustworthy and accessible product solutions to our users.

As of the end of the Reporting Period, the Group has extended its services to 127 international clients across 58 countries and regions, serving over 3,500 hospitals nationwide. Meanwhile, we have established long-term industry-academia-research collaborations with many of China's top-tier Class IIIA hospitals, pushing forward the advancement of minimally invasive surgical technologies in China and globally, benefiting patients around the world.

關於我們

康基醫療成立於2004年，於2020年在香港主板上市，是中國微創外科領域的龍頭企業，致力於為全球醫生及患者提供「設備+器械+耗材+手術機器人」微創外科手術整體解決方案。作為一家集研發、生產、銷售於一體的高新技術企業，康基醫療始終秉承與實踐「源於臨床，用於臨床」和「產學研共創共建」的產品研發理念，通過構建具有特色的學術培訓和傳播生態，不僅推動了中國微創外科技術的發展與中國微創外科手術的推廣與普及，而且為全球微創外科手術器械產業的發展貢獻了獨特力量。

未來，康基醫療將持續聚焦微創外科前沿技術在醫療器械製造領域的深入應用，推動微創外科技術自主創新，擴大及優化產品佈局，加速產品迭代更新，為用戶提供全面、可靠、可及的產品解決方案。

截至報告期末，本集團正在為全球58個國家和地區的127個國際客戶，全國3,500餘家醫院提供服務，同時與國內多家頂級三甲醫院展開長期產學研合作，助推中國乃至全球微創外科技術進步，造福世界各地的患者。

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Major Honours

In 2023, the list of honours received by the Group is as follows:

主要榮譽

2023年度，本集團所獲榮譽列表如下：

| No. 序號 | Honour 所獲榮譽 | Awarding Authority 頒發機構 | Issue Date 頒發時間 |
|-----------|--|---|---------------------------|
| 1 | Zhejiang Little Giant Enterprise of Science and Technology 浙江省科技小巨人企業 | Department of Science and Technology of Zhejiang Province 浙江省科學技術廳 | January 2023 2023/01 |
| 2 | Zhejiang Province-backed Academician and Expert Workstation 浙江省重點支持院士專家工作站 | Coordinating Group for the Construction of Zhejiang Province Academician and Expert Workstation 浙江省院士專家工作站建設協調小組 | October 2023 2023/10 |
| 3 | Hangzhou Headquarters Enterprise 杭州市總部企業 | Leadership Group for Headquarters Economic Development of Hangzhou 杭州市總部經濟發展工作領導小組 | August 2023 2023/08 |
| 4 | 2023 Leading Manufacturing Enterprises of Tonglu County 2023年度桐廬縣製造業領跑企業 | Tonglu County Committee of the Communist Party of China, People's Government of Tonglu County 中共桐廬縣委、桐廬縣人民政府 | March 2024 2024/03 |
| 5 | 2023 Top 10 Scientific and Technological Innovation Enterprises of Tonglu County 2023年度桐廬縣科技創新十強企業 | Tonglu County Committee of the Communist Party of China, People's Government of Tonglu County 中共桐廬縣委、桐廬縣人民政府 | March 2024 2024/03 |
| 6 | 2023 Leading Manufacturing Enterprises of Tonglu County in Per Mu Contribution 2023年度桐廬縣製造業畝均貢獻領跑企業 | Tonglu County Committee of the Communist Party of China, People's Government of Tonglu County 中共桐廬縣委、桐廬縣人民政府 | March 2024 2024/03 |
| 7 | Gold Medal for Carbon Neutrality and Sustainability (Healthcare) 碳中和及可持續發展金獎 (醫療保健業) | Greater Bay Area Economic and Trade Association 大灣區經貿協會 | December 2023 2023/12 |
| 8 | Hang Seng ESG Rating BBB+ 恒生ESG評級BBB+ | Hong Kong Quality Assurance Agency (HKQAA) 香港品質保證局(HKQAA) | September 2023 2023/09 |

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ESG GOVERNANCE

Kangji Medical actively takes on corporate social responsibility by integrating the concept of ESG into its daily business activities and management and incorporating ESG risks into the Group's risk management system to promote the coordinated and sustainable development of the Group and society, laying a solid foundation for the Group's long-term development.

ESG Governance Structure

Kangji Medical has established a three-tier ESG governance structure at the governance level, management level and execution level, composed of the Board, the ESG Committee and the ESG Working Group, with a clear division of responsibilities and coordination at all levels.

- The Board, as the highest responsible body in the ESG governance structure, is responsible for the review and approval of all ESG matters;
- The ESG Committee under the Board, as the core body in the ESG governance structure, is authorized by the Board to oversee the implementation of ESG policies and measures;
- The ESG Working Group, as the main coordination and execution body in the ESG governance structure, is responsible for the implementation of various ESG measures.

ESG管治

康基醫療積極承擔企業社會責任，將ESG理念融入至日常業務活動及管理中，並將ESG風險納入集團風險管理體系，以促進集團與社會的協調可持續發展，為集團長遠發展夯實基礎。

ESG管治架構

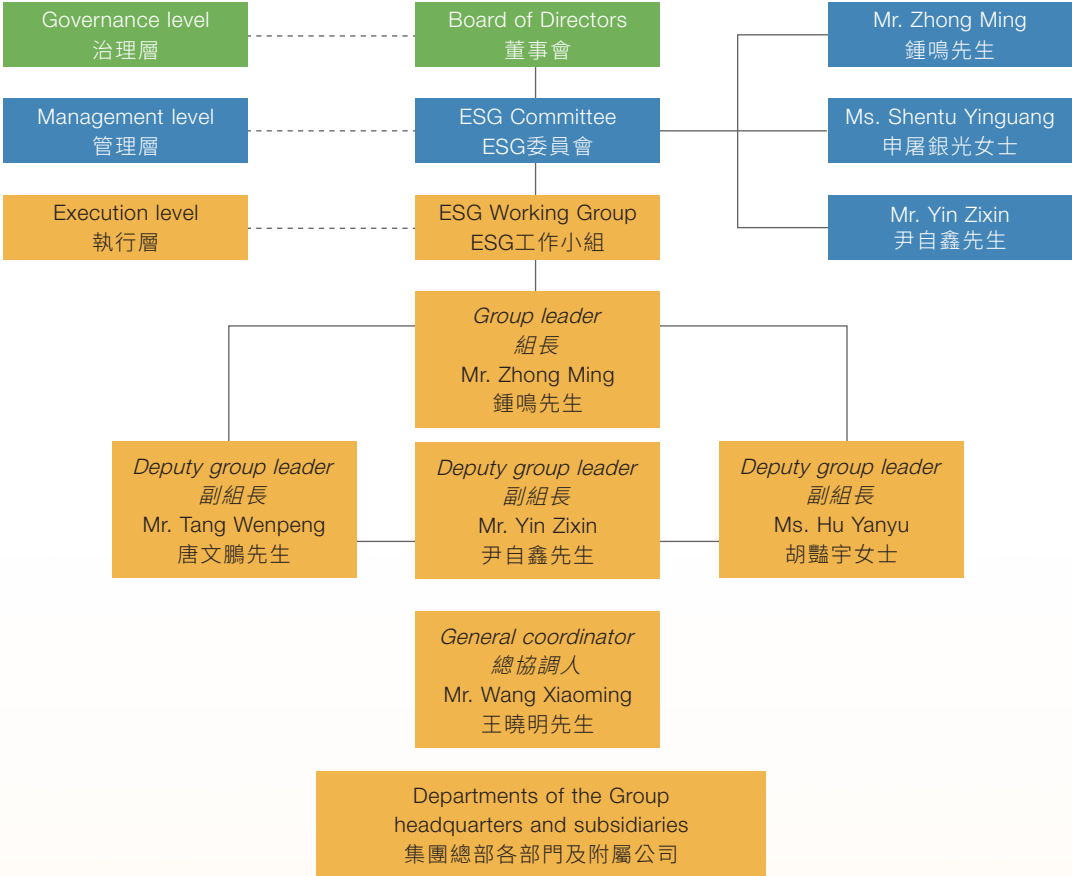
康基醫療搭建了治理層、管理層、執行層的三級ESG管治架構，由董事會、ESG委員會、ESG工作小組構成，各級職責分工明確、協調統一。

- 董事會作為ESG管治架構中的最高責任機構，負責ESG各項事宜的審議和批准；
- 董事會下設的ESG委員會作為ESG管治架構中的核心機構，經由董事會授權，負責監督ESG政策及措施的執行；
- ESG工作小組作為ESG管治架構中的主要協調和執行機構，負責ESG各項措施的落地實施。

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ESG Governance Structure of Kangji Medical
康基醫療ESG管治架構



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Stakeholder Engagement

Kangji Medical is committed to building a good cooperative relationship with stakeholders, striving to achieve mutually beneficial outcomes. To understand the expectations and demands of stakeholders promptly and comprehensively, we actively identify stakeholders who are closely related to the Group's development based on our business scope and the nature of production and operations. We expand diverse communication channels, establish immediate, effective and long-term communication mechanisms, and actively respond to stakeholders through concrete actions. During the Reporting Period, we maintained close communication with stakeholders, using various offline and online methods to encourage stakeholders' engagement in significant decision-making and other strategic planning, helping the Group to formulate more effective management decisions and continuously improve the ESG management standard.

The stakeholders that are important to the Group's business operations and the methods of communication and response are shown in the table below:

利益相關方溝通

康基醫療致力於與利益相關方共同構建良好的合作關係，努力實現互惠多贏。為及時且全面地了解利益相關方的期望和訴求，我們基於自身業務範圍與生產經營性質，積極識別與本集團發展有密切聯繫的利益相關方，拓寬多元化溝通渠道，建立實時、有效、長期的溝通機制，並以實際行動積極回應利益相關方。本報告期內，我們與利益相關方保持緊密溝通，通過線下和線上多種方式推動利益相關方參與重大決策及其他戰略制定，以幫助本集團制定更有效的管理決策並持續提升ESG管理水平。

對本集團業務運營重要的利益相關方及溝通與回應方式如下表：

| Stakeholders 利益相關方 | Main Issues of Concern 關注的主要議題 | Methods of Engagement and Response 溝通與回應方式 |
|----------------------------------|---|--|
| Shareholders/Investors 股東／投資者 | Medical inclusiveness Anti-corruption Product safety and quality Intellectual property protection 醫療普惠 反貪腐 產品安全與質量 知識產權保護 | Shareholder general meetings Regular reports and announcements Investor meetings/Phone/Video conferences Results announcements On-site visits Investor's hotline 股東大會 定期報告及公告 投資者見面會／電話／視頻會議 業績發佈會 現場參觀 投資者諮詢熱線 |
| Government/Regulators 政府／監管機構 | Product safety and quality Medical inclusiveness Intellectual property protection Climate change management 產品安全與質量 醫療普惠 知識產權保護 氣候變化管理 | On-site visits and meetings Policy implementation Official correspondence Information disclosure 現場參觀及會議 政策執行 公文往來 信息披露 |
| Suppliers 供應商 | Product safety and quality Technology and innovation Supply chain management 產品安全與質量 技術與創新 供應鏈管理 | Phone/Email/WeChat/Questionnaire Supplier meetings Investigations and visits Assessment on suppliers 電話／電郵／微信／問卷 供應商會議 調研走訪 供應商評估 |

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| Stakeholders 利益相關方 | Main Issues of Concern 關注的主要議題 | Methods of Engagement and Response 溝通與回應方式 |
|--------------------------------------|--|--|
| Customers/Distributors 客戶／經銷商 | Medical inclusiveness Responsible marketing Product safety and quality Technology and innovation 醫療普惠 負責任營銷 產品安全與質量 技術與創新 | Phone/Email/WeChat/ Questionnaires Academic promotion Distributor meetings Training 電話／電郵／微信／問卷 學術推廣 經銷商會議 培訓 |
| Partners 合作夥伴 | Product safety and quality Intellectual property protection Collaborative industry growth Anti-corruption 產品安全與質量 知識產權保護 行業共同發展 反貪腐 | Phone/Email/WeChat/ Questionnaires On-site visits and meetings 電話／電郵／微信／問卷 現場參觀及會議 |
| Doctors/Patients 醫生／患者 | Product safety and quality Responsible marketing Technology and innovation Anti-corruption 產品安全與質量 負責任營銷 技術與創新 反貪腐 | Training Industry meetings 培訓 行業會議 |
| Employees 員工 | Employee welfare and compensation Employee rights and interests protection Occupational health and safety Talent development 員工福利與薪酬 員工權益保障 職業健康和 safety 人才發展 | Phone/Email/WeChat/Questionnaires Internal meetings Employee activity Communication and engagement with employees Training 電話／電郵／微信／問卷 內部會議 員工活動 員工談話與交流 培訓 |
| Media/Social organization 媒體／社會組織 | Technology and innovation Exhaust emission management Medical inclusiveness Product safety and quality 技術與創新 廢氣排放管理 醫療普惠 產品安全與質量 | Press release/Announcements Interviews Meetings 新聞稿／公告 採訪 會議 |
| Community/Public 社區／公眾 | Exhaust emission management Wastewater/waste management Occupational health and safety Public welfare and charity 廢氣排放管理 廢水／廢棄物排放管理 職業健康和 safety 社會公益 | Community activities Volunteer services 社區活動 志願服務 |

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Analysis of Material Issues

During the Reporting Period, with reference to the Environmental, Social and Governance Reporting Guide of HKEX and the Sustainability Reporting Standards of GRI, among other disclosure guidelines, we took into account the characteristics of the minimally invasive surgery industry and the actual business situation of the Group to identify and summarize 23 ESG material issues. In 2023, we added collaborative industry growth as a material issue to reflect the stakeholders' aspirations for the Group to progress collaboratively within the industry.

Through engaging in policy research, media analysis, industry benchmarking and questionnaire surveys directed at internal and external stakeholders, we assessed the materiality of each ESG issue from two aspects, namely the importance to the Group's strategic operations and the importance to stakeholders. The assessment results were ranked and divided into three tiers of materiality: high, moderate and general. There are 5 issues of high materiality, 17 of moderate materiality, and 1 of general materiality. This report will provide a targeted disclosure of our responses to these issues, proportionate to their levels of materiality.

重要性議題分析

本報告期內，我們參考香港聯交所《環境、社會及管治報告指引》和GRI《可持續發展報告標準》等信息披露指引，結合微創外科行業特點及本集團的業務實際情況，識別並總結出23項ESG重要性議題。2023年度，我們增加了行業共同發展為重要性議題，以展示利益相關方對集團與行業協同共進的期待。

通過開展政策研究、媒體分析、行業對標，以及針對內外部利益相關方開展問卷調研，我們從對本集團戰略運營影響程度以及對利益相關方影響程度兩方面，評估各項ESG議題的重要程度並進行排序，評估結果分為高度、中度和一般三個等級。其中，高度重要性議題5項，中度重要性議題17項以及一般重要性議題1項。本報告將根據重要程度對各項議題進行有針對性的披露回應。

Analysis Process of Material Issues

重要性議題分析過程

Identification 識別

We identify ESG issues based on industry development characteristics and our own business practices.

基於行業發展特點及自身業務實際，識別ESG議題。

Assessment 評估

We conduct external policy research, peer benchmarking analysis, media survey analysis, and document reviews. We also conduct surveys and interviews with stakeholders, inviting input from both internal and external stakeholders to assess the materiality of each issue. This helps us understand the priority issues that stakeholders are concerned about, leading to the creation of an analysis matrix of materiality issues.

開展外部政策研究、行業對標分析、媒體調查分析及查閱相關文件，組織利益相關方調研訪談並邀請內外部利益相關方對各議題重要性程度進行評價，了解利益相關方關注的優先議題，形成重要性議題分析矩陣。

Review and Reporting 檢驗與報告

Aligning with our strategic planning and business policy, we review and confirm the preliminary assessment results of these issues; the material issue matrix is then presented to the management for confirmation of the identified issues' materiality and their impact; this report truthfully presents the Group's performance on relevant issues and provides targeted responses and disclosures that correspond to their level of materiality.

結合戰略規劃和經營方針，對議題的初步評估結果進行驗證和確認；將重要性議題矩陣呈交管理層，確認已識別議題的重要性及其影響；在報告中如實反映本集團在相關議題上的表現，根據議題的重要程度進行有針對性的回應和披露。

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| Issues of High Materiality (5 items) 高度重要性議題 (5項) | Issues of Moderate Materiality (17 items) 中度重要性議題 (17項) | Issues of General Materiality (1 item) 一般重要性議題 (1項) |
|--|--|--|
| Medical inclusiveness 醫療普惠 | Intellectual property protection 知識產權保護 | Talent development 人才發展 |
| Product safety and quality 產品安全與質量 | Wastewater/waste emission management 廢水/廢棄物排放管理 | Employee rights and interests protection 員工權益保障 |
| Technology and innovation 技術與創新 | Collaborative industry growth 行業共同發展 | Exhaust emission management 廢氣排放管理 |
| Responsible marketing 負責任營銷 | Anti-corruption 反貪腐 | Diversity and equality 多元化與平等 |
| Occupational health and safety 職業健康與安全 | Employee welfare and compensation 員工福利與薪酬 | Information safety and privacy protection 信息安全與隱私保護 |
| | Supply chain management 供應鏈管理 | Packaging material management 包裝材料管理 |
| | ESG governance ESG治理 | Water resources management 水資源管理 |
| | ESG risk and crisis management ESG風險及危機管理 | Energy management 能源管理 |
| | Climate change management 氣候變化管理 | |

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PURSUIT OF QUALITY

Kangji Medical is steadfast in our commitment to a quality policy that emphasizes "standardized management in line with regulatory requirements; high-quality services that meet customer needs; quality-oriented operations for continued growth; and innovative efforts dedicated to improving human health." We are constantly refining our quality management systems, consolidating our brand foundation with high-quality offerings and shaping our brand strategy around the needs of our customers. By broadening and deepening our customer service, we strive to continually enhance our customers' satisfaction with the quality of our products and services.

Product Quality Control

Kangji Medical considers product quality as its cornerstone. We are dedicated to continually enhancing product quality to offer safe and reliable products for doctors and patients and create a trustworthy product quality control system. The Company strictly adheres to the Regulation on the Supervision and Administration of Medical Devices, the Regulations of Medical Devices and the Administrative Measures on the Production of Medical Devices, the Administrative Measures for the Registration of Medical Devices, the Production Measures and the Standards on Production and Quality Management of Medical Devices and the Management for Medical Devices Trials and other management regulations. In line with international and domestic standards such as the EU Medical Device Regulation (MDR) and Medical Electrical Equipment (GB9706.1-2020) standards, we keep the Group's quality manual and quality procedures up to date in a timely manner to clarify the responsibilities and authorities of relevant quality control personnel and promptly identify and resolve any issues that arise so as to ensure that our products comply with national and industry standards.

Enhancing Quality Control System

Kangji Medical continuously optimizes the quality control system, carrying out stricter quality management and control over the entire product lifecycle, including R&D, design, raw material sourcing, manufacturing, storage and transportation and after-sales service. By continuously improving the quality control system, honing the management of our production equipment and establishing a more efficient after-sales team, the Company further elevates the caliber of our product quality management. During the Reporting Period, we passed the annual audit of the ISO13485 and ISO9001 quality management systems, sustained our CE certification and are currently engaging in the MDR/FDA registration process for export products.

追求質量

康基醫療始終堅持「規範管理，符合法規要求；優質服務，滿足顧客需求；質量為本，實現持續發展；開拓進取，致力人類健康」的質量方針，不斷優化質量管理體系，用高質量產品夯實品牌根基，以客戶的需求為導向驅動品牌建設，拓展客戶服務的廣度與深度，持續提升客戶對產品服務質量的滿意程度。

產品質量管理

康基醫療以保障產品質量為基礎，持續提升產品品質，為醫生和患者提供安全、可靠的產品，打造值得信賴的產品質量管理體系。公司嚴格遵守《醫療器械監督管理條例》《醫療器械生產企業監督管理辦法》《醫療器械註冊與備案管理辦法》《醫療器械生產質量管理規範》《醫療器械臨床試驗質量管理規範》等管理條例，並根據歐盟醫療器械法規(MDR)、《醫用電氣設備》(GB9706.1-2020)等國內外標準要求，及時對集團質量手冊、質量程序等文件進行更新，明確相關質量人員的責任與權限，及時發現和解決存在的問題，確保產品符合國家和行業標準。

優化質量管理體系

康基醫療持續優化質量管理體系，對包括研發設計、原材料採購、產品生產、倉儲運輸、售後保障的產品全生命週期開展更嚴格的質量管控，並通過持續完善質量管理制度、推動生產設備精細化管理、建立效率更高的售後團隊等方式進一步完善公司的產品質量管理。本報告期內，我們通過了ISO13485與ISO9001質量管理體系的年度審核，維持了CE認證的有效性，並正在進行出口產品的MDR/FDA註冊工作。

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Strengthening Quality Control Measures

Kangji Medical continues to enhance the quality control level across the entire product process and improve product quality through diversified quality assurance measures. We have formulated and strictly implemented control procedures such as the "Product Surveillance and Measurement Control Procedure", the "Product Release Control Procedure" and the "Non-conforming Product Control Procedure" to ensure strict oversight at every stage—from raw material acquisition to production, final inspection and product release—to prevent any substandard products from reaching the market. We also address any identified quality concerns with timely solutions and preventive measures. In 2023, the Group continued to implement the "Lean Management" initiative for the production department. We invited external quality control specialists to conduct research on the current situation of the production department and carried out corresponding training programs to help improve workshop production quality and increase the yield of good products.

加強質量管理措施

康基醫療持續提升產品全流程質量管理水平，通過多元化的質量保障措施提升產品質量。我們制定並嚴格實施《產品監視和測量控制程序》《產品放行控制程序》《不合格品控制程序》等控制程序，對來料、生產過程、成品檢驗及產品放行過程均進行了嚴格控制，避免不合格品的流出，並對發現的質量問題及時設定解決方案與預防措施。2023年度，集團針對生產部門持續推行「精益管理」計劃，邀請第三方行業質量管理專家對生產部門現狀進行調研，並開展相應培訓課程協助改進車間生產質量，提升生產良品率。



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Product Design and Development

We follow the Company's "Design and Development Control Procedures" and continuously adopt the digital Product Lifecycle Management (PLM) system to establish strict control and verification procedures throughout our product design and development process. Quality control is enforced at stages including design input, prototype design, design review and design transfer, with detailed quality records maintained at each stage to continuously improve the precision of product design quality control.

- Design Input: Set clear internal and external quality standards for products and determine specific requirements for product performance, functionality, durability, etc;
- Prototype Design: Issue a design report that outlines product standards, product inspection and testing standards, confirmation of production conditions and other content related to production processes and operational standards;
- Design Review: The Technical Committee conducts a review of our product designs to confirm compliance with our quality benchmarks;
- Design Transfer: Conduct an assessment covering aspects such as raw materials, production equipment, workshop environment, operators and inspection criteria to lay a foundation for mass production while ensuring product quality.

In instances where quality issues emerge during the design process, our project manager will promptly carry out quality analysis and modifications, followed by a subsequent round of review, to solidly safeguard the quality of our product designs.

產品設計與研發

我們根據公司《設計開發控制程序》，並持續採用產品生命週期管理 (Product Lifecycle Management, PLM) 數字化系統，對產品設計開發過程建立嚴格的控制和驗證程序，在設計輸入、樣品設計、設計評審、設計轉化等環節進行質量把控，並要求在各環節做好詳細的質量記錄，不斷提升產品設計質量管理精度。

- 設計輸入：設定清晰的產品內部和外部質量標準，確定產品的性能、功能、耐用性等方面的具體要求；
- 樣品設計：出具設計報告，明確規定產品標準、產品檢查及試驗標準、生產條件確認書等生產工藝和作業標準內容；
- 設計評審：由技術委員會開展對產品設計的評審，確保設計符合質量標準；
- 設計轉化：從原材料、生產設備、車間環境、操作人員、檢驗標準方面開展評價，在保證產品質量的同時為量產奠定基礎。

如在設計過程中發現質量問題，項目負責人將及時進行質量分析與更改並再次開展評審，切實保障產品設計質量。

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Raw Materials and Supplier Management

We adhere strictly to our internal procedural standards to standardize the review of incoming raw materials and strengthen our ongoing supplier training. During the Reporting Period, we carried out the following management practices:

- Quality assessments for supplier admission;
- Implementing operation manuals related to raw material management, specifying the inspection requirements and standards for various types of raw materials, and requiring related personnel to retain data and records of these raw material inspections. In case of any discrepancies found in raw materials, management personnel are required to promptly notify suppliers and conduct site visits to continuously track their rectification progress;
- Sustaining our efforts in supplier training programs, which help suppliers understand the context in which their products are used and the required manufacturing processes and conditions, guiding suppliers to improve supply quality.

Production Management

We place great emphasis on quality control throughout our product manufacturing processes. We continuously assemble management teams that possess the necessary operational capabilities and professional skills tailored to the unique attributes of each product. Quality inspection specialists are deployed at every critical point in the production line to ensure stringent quality checks are in place. Moreover, we continue to leverage digital management systems in our workshops to refine our product production management down to the individual performance of each machine and employee, enabling us to monitor the status of our product manufacturing in real time.

During the Reporting Period, we continued to refine our quality control measures in the production and inspection stages by adopting the Manufacturing Execution System (MES) across our workshop production processes, which has further enhanced the detailed management of production tasks, production plans, equipment and molds. When defective products occur, the MES system will collect and report data on the quantity, proportion and names of the defective products, allowing staff to promptly understand the production processes and procedures that led to the defect, thereby assisting production personnel in taking timely rectification measures.

原材料與供應商管理

我們堅持依照內部流程標準，規範原材料到貨審查，並持續加強供應商培訓，報告期內，我們開展了以下管理工作：

- 供應商准入環節的質量評審；
- 實施原材料管理相關作業指導書，明確各類原材料的檢驗要求與標準，並要求相關人員保留原材料檢驗數據與記錄。如發生原材料異常的情況，要求管理人員及時向供應商反饋並開展現場走訪，持續跟蹤其整改情況；
- 持續開展供應商培訓，協助供應商理解產品使用情景與所需的製造工藝和環境，幫助供應商提升供應質量。

生產管理

我們重視產品生產環節的質量把控，持續根據不同產品的特點配置具有相應運營能力與專業技能的管理團隊，並在各生產節點配置質量檢測專員，確保關鍵環節的質量把控。此外，我們在生產車間中持續使用數字化管理系統，將產品生產管理精細至每一台機器與每一位員工，實時監控產品生產狀態。

本報告期內，我們持續優化生產、檢測環節的質量把控措施，於車間生產過程中採用製造執行系統（MES），進一步提升對生產任務、生產計劃、設備、模具的精細化管理。在出現不合格產品時，MES系統將對不合格產品的數量、比例及項目名稱進行收集並報檢，以便員工及時了解導致問題的生產工藝與工序，協助生產人員及時採取整改措施。

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To improve the accuracy of product inspection, we have introduced high-precision automatic inspection equipment. By leveraging programming within the equipment, we can conduct rapid inspections of large batches of products and swiftly measure the dimensions of essential products. In addition, we focus on improving the efficiency of quality inspections without compromising their high-quality inspections. In 2023, we made improvements to the inspection workflows, especially those pertaining to the physical and chemical properties critical in the stages of product R&D and registration. We introduced an online inspection request module, streamlining the process for our employees to lodge inspection requests without delay, which allowed for the rational scheduling of inspections and improvement in inspection efficiency.

Warehouse Environment

Kangji Medical maintains stringent control over our product storage environment by rigorously implementing our internal systems such as the Warehouse Management Regulations and additional protocols for warehouse fire prevention, temperature and humidity and mold prevention. The Group's relevant departments conduct monthly supervisory patrols to ensure that all products are properly stored. We have carried out the following management practices in accordance with the Warehouse Management Regulations:

- Specifying the warehouse management responsibilities across relevant departments;
- Setting guidelines for the warehouse's temperature and humidity levels, equipping the space with pest control and fire safety equipment, with regular cleanings to ensure a hygienic environment;
- Specifying the management regulations for the storage and retrieval of raw materials, semi-finished products and finished products and abiding strictly by the requirements of the related management regulations;
- Establishing product storage and environmental requirements, dividing the storage area into sections for inspection, qualified products and non-qualified products and installing signage to accommodate the needs of different storage facilities;
- Specifying the minimum inventory requirements for different types of products.

為提升產品檢測準確度，我們新增高精度自動檢測設備，並通過設備編程實現批量性產品快速檢測，以及重要產品尺寸快速檢測。此外，我們在保障高質量檢測的情況下，注重提升質量檢測效率，於2023年度優化了產品研發、註冊等環節中需要進行與物理、化學等性能相關的檢測流程，添加線上送檢需求模塊，便於員工及時提出檢測需求，合理安排檢測排期，提高檢測效率。

倉儲環境

康基醫療嚴控產品倉儲環境，嚴格執行《倉庫管理規程》等內部制度以及倉庫防火、溫濕度、防黴變等管理條例，並由集團相關部門開展月度監督巡查，確保產品得到妥善存放，我們依照《倉庫管理規程》開展了以下管理工作：

- 明確相關部門倉庫管理職責；
- 規定倉庫的溫度、濕度，並配備殺蟲、消防等器材，定期清掃倉庫，保持環境衛生；
- 明確原材料、半成品、成品的入庫、出庫管理規定，嚴格執行相關管理規程要求；
- 設立產品貯存與環境要求，將貯存區域劃為待檢區、合格品區及不合格品區，並根據不同倉庫需求設立標識牌；
- 明確不同類型產品的最低庫存要求。

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After-Sales and Feedback

Kangji Medical provides standardized after-sales service for customers based on the Customer Complaint Process, Customer Feedback Control Procedures and Customer-Related Control Procedures. Customer complaints are handled according to the Control Procedures for Medical Device Notification and Recall and the Control Procedure for Adverse Event Reporting as our initiative to monitor and report defective products and batches. Customer feedback and complaints are a top priority for us. We continually collect product feedback and suggestions for improvements through proactive methods such as phone calls, emails and on-site visits. We investigate and analyze the reasons for the complaints we received and formulate corrective and preventive measures to minimize the impact of the incident and prevent similar incidents from recurring, thereby continuously improving the product experience for our users. During the Reporting Period, there has been no product recalls due to product quality, usage safety or any other concerns.

During the Reporting Period, the Group optimized and adjusted the organizational structure of the Beijing Marketing Center and established new offices in Shanghai and Guangzhou. We have also restructured our after-sales team, upgrading it to the After-Sales Service Department. Our sales regions are now served by specialized customer service staff who are responsible for conducting product skills and usage training for customers, ensuring quick resolution of any product-related issues, thereby increasing our response efficiency to customer queries. The After-Sales Service Department also actively made strides in surgical support services by providing instant resolutions to product technical and quality issues, further improving our customer service efficiency. Moreover, we have set up new after-sales spare parts warehouses in three cities, Beijing, Shanghai and Guangzhou. These warehouses are managed by our on-site after-sales service engineers, ensuring that various customer needs, whether for pipeline or terminal customers, are met with immediate availability of spare parts. This has greatly reduced the waiting times for repairs and has substantially elevated our efficiency in after-sales service and customer complaint resolution.

In 2023, we conducted satisfaction surveys with our overseas customers to better understand their concerns about various aspects of our business, including delivery timeliness, product quality, financial performance, completeness of registration documents, product R&D and sales services. We also accurately identified issues that overseas customers saw significant challenges with the timeliness of the completion of registration documents. After identifying these issues, we immediately refined the procedures for compiling and updating our international registration documents, resulting in increased efficiency in the registration process to meet customers' expectations for service enhancements.

售後與反饋

康基醫療依據《客戶投訴流程》《顧客反饋控制程序》《與顧客有關的控制程序》為客戶提供規範化的售後服務，依據《醫療器械通告和召回流程控制程序》《不良事件報告控制程序》對客戶投訴進行處理，積極對不良產品、批次進行監測、報告。我們高度重視客戶反饋與投訴，持續通過電話、電郵、實地走訪等形式主動收集產品反饋信息與改進建議，對收到的投訴情況展開調查、分析原因並制定糾正預防措施，最大程度減輕事故後果，防止同類事故再次發生，以持續提高產品使用體驗。本報告期內，我們未發生因產品質量、使用安全以及其他方面的產品召回事件。

本報告期內，集團優化調整了北京營銷中心的組織架構，新設立了上海和廣州辦事處，同時整合售後團隊資源並升級為售後服務部，按銷售地區設立專職客服人員，負責對客戶開展產品技能與使用方式等方面的培訓，並及時反饋客戶在產品使用過程中的問題，增強了對客戶問題的回復效率。售後服務部亦積極參與手術跟台服務，進行產品技術質量問題實時答疑，進一步提高客戶服務效率。此外，我們於北京、上海、廣州三地新增售後備品備件庫，並由屬地售後服務工程師進行專人管理，依據渠道、終端等客戶的不同產品需要，及時提供現貨備品備件，節省客戶維修等待時間，大幅提升售後服務與客訴處理效率。

針對海外客戶，2023年度我們通過滿意度調查問卷深入了解發貨及時性、產品質量、財務表現、註冊文件完成度、產品研發、銷售服務等方面的需求，並精準捕獲了海外客戶對註冊文件完成及時性存在較大問題的信息。識別相關問題後，我們立即優化了國際註冊文件的編製與更新流程，提升文件註冊效率，滿足客戶對服務優化的期望。

| After-sales service 售後服務 | 2023 | 2022 |
|---|-------|-------|
| Customer satisfaction – domestic (%) 客戶滿意度—國內 (%) | 97.87 | 97.54 |
| Customer satisfaction – international (%) 客戶滿意度—國際 (%) | 94.80 | 98.29 |
| Number of complaints (cases) 投訴數量 (起) | 9 | 12 |

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Advocating for a Culture of Quality

We recognize that elevating our employees' understanding of quality and their operational expertise is vital to advancing the Group's overall quality management. During the Reporting Period, we organized and carried out a series of training programs related to quality control, covering personnel from the production, quality, R&D and registration departments.

倡導質量文化

提升員工的質量意識和操作水平是全面提升集團質量管理水平的關鍵因素。本報告期內，我們組織開展了多場與質量管理相關的培訓，涵蓋了生產、質量、研發、註冊等人員。

| Training Program Name 培訓名稱 | Target Participants 針對人群 |
|--|--|
| Employee Quality Awareness Training 員工質量意識培訓 | All members of the Production Department 生產部門全員 |
| Lean Production Training 精益生產培訓 | Managers and technicians of the Production Department 生產部門管理人員與工藝員 |
| Interpretation of Usability Design and Registration and Declaration Compliance for Medical Devices 醫療器械產品可用性設計及註冊申報合規要求解析 | Staff from the Quality Department, R&D Technical Department and Registration Department 質量部、研發技術部和註冊部員工 |
| Excellence Management Skill Upgrade for Team Leaders in Medical Device Manufacturing 醫療器械生產製造卓越班組長管理技能提升 | Team leaders of the Production Department 生產部門班組長 |
| Basic Microbiology Knowledge and Microbial Control in Cleanrooms 微生物基礎知識及潔淨區微生物控制 | All members of the Quality Department 質量部全員 |
| Training on Measurement Equipment and Laboratory Management Knowledge 測量設備和實驗室管理相關知識培訓 | Personnel involved in measurement equipment management 計量設備管理相關人員 |
| Laboratory Technician Training 化驗員培訓 | Laboratory technicians 化驗員 |

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We also continue to carry out internal quality activities to enhance employee quality awareness, such as a monthly review and recognition program for quality enhancement proposals and an annual competition to test their quality knowledge. Additionally, we honoured those employees who have made significant contributions to quality control and improvement in our annual ceremony where we awarded two prestigious titles of "Quality Star" and "Improvement Expert", serving as an incentive for active participation in quality control practices.

我們亦持續開展內部質量活動以提升員工質量意識，如每月開展一次質量改進提案評獎、每年組織一次質量知識競賽等。另外，對於在質量管理與質量改善方面表現突出的員工，我們在年會盛典活動時頒發「質量之星」和「改善能手」兩項特別獎項，以鼓勵員工積極開展質量管理實踐。



CONTINUOUS INNOVATION

Kangji Medical always adheres to the core value of "innovation first", firmly believing that product R&D and innovation are the key driving forces for the Group's development. We adopt a R&D strategy that is oriented by clinical needs and characterized by active and rapid feedback, dedicated to building a minimally invasive surgery solution platform that integrates "equipment + instruments + consumables + surgical robots." We continue to promote the innovative development of the medical industry, benefiting more patients through the convenience brought by the advancement of medical technology by establishing open, inclusive and mutually beneficial partnerships. During the Reporting Period, the Group (including Weijing Medical) invested RMB127.55 million in R&D, accounting for 13.8% of sales revenue, a 93.2% increase from RMB66.02 million in 2022; the Group received approximately RMB15.43 million in government subsidies for R&D innovation, a 150.5% increase from RMB6.16 million in 2022.

持續創新

康基醫療始終堅持「創新為要」的核心價值觀，堅信產品研發與創新是驅動集團發展的關鍵推動力。我們採用以臨床需求為導向和積極快速反饋的研發策略，致力於構建集「設備+器械+耗材+手術機器人」為一體的微創手術解決方案平台。我們持續推動醫療行業的創新發展，通過建立開放、包容、互利共贏的夥伴關係，讓更多患者受益於醫療技術進步帶來的便利。本報告期內，本集團（包含唯精醫療）研發投入12,755萬元，佔銷售收入的13.8%，較2022年的6,602萬元增長93.2%；獲得政府研發創新補助約1,543萬元，較2022年的616萬元增長150.5%。

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R&D System

Kangji Medical always considers R&D efforts to be rooted in clinical needs. We engage in active dialogue with doctors and customers for their feedback on product performance during surgeries. This approach documents surgical procedures, which allows us to tailor our products to meet clinical needs, embodying our development philosophy of combining medical expertise with engineering innovation. The Group continuously executes internal R&D system processes such as the Design and Development Control Procedures, the R&D Investment Management Measures, the New Product R&D Management Policy and the Technical Confidentiality System. During the product R&D project initiation stage, we cooperate with departments such as registration, production and sales to clarify the R&D direction and ensure related departments understand their responsibilities at each stage of R&D, safeguarding the quality and progress of product development. During the Reporting Period, we reorganized our R&D personnel structure based on the same technical foundation of software and hardware, combined with our strengths in acoustics and electromechanical R&D expertise, to establish an energy equipment division to enhance the efficiency of integrating R&D resources.

As at the end of the Reporting Period, the total number of R&D personnel in the Group (including Weijing Medical) was 211, an increase of 27.1% from 166 in 2022, accounting for approximately 21% of the total number of employees, of which the proportion of those with a master's degree or above reached 20.4%.

Strengthening R&D Incentive System

Kangji Medical continues to motivate R&D personnel to carry out innovative work. We have formulated the R&D Performance Evaluation and Reward System, which integrates a project-based assessment framework. This allows us to determine performance rewards based on the effectiveness of R&D projects and the individual contributions of R&D personnel to their teams. We have also established the Patent Application Reward System, which rewards the application and granting of different types of patents, including inventions, utility models, and designs, to encourage innovativeness and enthusiasm among our R&D personnel.

研發體系

康基醫療始終將臨床需求作為研發導向，積極主動跟蹤醫生、客戶於手術過程中的產品使用反饋，跟台記錄臨床醫生手術過程，結合臨床需求改進產品，落實醫工結合的發展理念。集團持續執行《設計開發控制程序》《研發投入管理辦法》《新產品研發管理制度》《技術保密制度》等內部研發制度流程，並在產品研發立項階段與註冊、生產、銷售等部門合作以明確研發方向，確保有關部門了解研發各階段職責，保障產品研發質量與進度。本報告期內，我們對研發人員結構進行了重新劃分，基於相同的軟硬件技術基底，結合聲學與電器研發基礎，構建了能量設備事業部，以提升研發資源整合效率。

截至報告期末，本集團（包含唯精醫療）的研發人員總數為211人，較2022年的166人增長27.1%，約佔員工總數的21%，其中碩士研究生及以上學歷佔比達到20.4%。

強化研發激勵機制

康基醫療持續激勵研發人員開展創新工作。我們制定了《研發績效考評獎勵制度》，並引入項目考核機制，根據研發項目成效和研發人員個人在團隊中的貢獻確定績效獎勵。我們亦制定了《專利申報獎勵制度》，分別對發明、實用新型和外觀專利的申報和授權予以獎勵，以激勵研發人員的創新性與積極性。

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Fostering Growth Among R&D Talent

Kangji Medical places a high priority on R&D personnel training. We offer a diverse array of training programs tailored to the specific roles and positions of our R&D personnel in support of bolstering their professional expertise and operational proficiency.

- **New Employee Training:** We continuously conduct training for new employees involved in product design and development, which includes training on the Regulation on the Supervision and Administration of Medical Devices, the ISO13485 system, internal R&D standards and professional skills. The training helps new employees become familiar with the regulatory requirements related to medical device development and ensure that product development processes adhere to the compliance standards;
- **Product Familiarization Training:** We continue to carry out product training for R&D personnel to deepen their understanding of our product features, assisting them in fully taking into account product features and clinical needs during the R&D process, thereby improving R&D quality;
- **Regular Collaborative Training:** We have instituted a routine of internal team training sessions within our R&D project teams, providing multidimensional training in aspects such as project management, technical skills and communication skills, continuously refining the all-around capabilities of our R&D professionals.

促進研發人才培養

康基醫療高度重視研發人才培養，針對不同職業角色及崗位，為研發人員提供多種類型的培訓課程，助力不同崗位研發人員提高專業技能與工作能力。

- **新進員工培訓：**我們持續對產品設計開發相關職能的新員工開展有關《醫療器械監督管理條例》、ISO13485體系、內部研發標準、專業技能等方面的培訓，幫助新員工熟悉醫療器械開發相關法規要求，保障產品研發流程合規；
- **產品理解培訓：**我們持續對研發人員開展產品培訓，幫助員工了解產品特性，協助其在研發過程中充分考量產品特點和臨床需求，提升研發質量；
- **日常交流培訓：**我們常態化開展研發項目組內部培訓，從項目管理、專業能力、溝通技巧等方面開展多維度培訓，持續提升研發人員的綜合研發能力。

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R&D Achievements

Kangji Medical is steadfast in its commitment to delivering increasingly efficient comprehensive solutions for minimally invasive surgical procedures to both doctors and patients. During the Reporting Period, we obtained registration certificates for several key products. Looking forward, our product pipeline will continue to expand:

研發成果

康基醫療始終專注於向醫生和患者提供更高效的微創外科手術整體解決方案。本報告期內，我們新取得了若干項重要產品的註冊證，展望未來，我們的產品管線將不斷豐富：

| Category 類別 | New Certifications Obtained in 2023 2023年度新取證 | Certification Plans for 2024 2024年計劃取證 | Outlook for 2025 and Beyond 2025年及往後展望 |
|-------------------|--|--|---|
| Equipment 設備 | <ul style="list-style-type: none"> Pneumoperitoneum machine (with heating function) 4K smart medical endoscopic camera system Medical endoscopic laser cold light source 3D medical endoscopic camera system Electronic hysteroscopic endoscope image processor | <ul style="list-style-type: none"> Plasma energy equipment Medical endoscopic surgical power equipment 4-arm laparoscopic surgical robot system | <ul style="list-style-type: none"> Microwave ablation instrument Radiofrequency ablation instrument Ultrasound high-frequency surgical integrated equipment Smart high-frequency equipment Single-port laparoscopic surgical robot system |
| Instruments 器械 | <ul style="list-style-type: none"> 3D electronic thoracoabdominal endoscope 4K fluorescence thoracoabdominal endoscope | <ul style="list-style-type: none"> Absorbable tissue clip applier Rigid hysteroscope Rigid electrocuting and coagulating endoscope High-definition thoracoabdominal endoscope Continuous ligation clip applier | <ul style="list-style-type: none"> 3D optical laparoscope |
| Consumables 耗材 | <ul style="list-style-type: none"> Disposable absorbable ligation clips Disposable trocar with filter Disposable trocar with cleaning ring Disposable balloon trocar Disposable rotatable multi-channel single-port laparoscopic trocar | <ul style="list-style-type: none"> Absorbable knotless surgical sutures Continuous ligation clips Disposable electronic hysteroscope Disposable electronic cystoscope Disposable electronic ureteroscope Disposable shave knife heads Disposable plasma surgical electrodes | <ul style="list-style-type: none"> Disposable absorbable tissue clips Disposable microwave/radiofrequency ablation electrodes Large vessel closure device Ultrasonic scalpel head for ultrasound high-frequency surgical integrated system (ultrasonic bipolar) |
| | <ul style="list-style-type: none"> 一次性可吸收結紮夾 一次性帶過濾套管穿刺器 一次性帶清潔環套管穿刺器 一次性球囊套管穿刺器 一次性使用可旋轉多通道腹腔鏡手術單孔穿刺器 | <ul style="list-style-type: none"> 可吸收性免打結外科縫合線 連發結紮夾 一次性電子宮腔鏡 一次性電子膀胱鏡 一次性電子輸尿管鏡 一次性使用剝削刀頭 一次性使用等離子手術電極 | <ul style="list-style-type: none"> 一次性使用可吸收組織夾 一次性微波/射頻消融電極 大血管閉合器 超聲高頻外科集成系統超聲刀頭(超聲雙極) |

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We continue to explore the core technology of puncture device products. Our disposable balloon trocar and disposable rotatable single-port trocar have both been approved for registration as innovative medical devices.

持續探索穿刺器產品核心技術，一次性球囊穿刺器及一次性可旋轉單孔穿刺器通過創新醫療器械通道獲批註冊證。



We have obtained approval for our disposable absorbable ligation clips, which has strengthened the competitiveness of our minimally invasive closure products.

一次性可吸收結紮夾獲證，增強微創閉合類產品競爭力。



We have obtained approval for a variety of imaging systems and endoscope products, culminating in a product portfolio that includes high-definition, 4K, 4K fluorescence, 4K smart and 3D endoscopic camera systems applicable to various clinical scenarios, which offer complete solutions for surgical visualization.

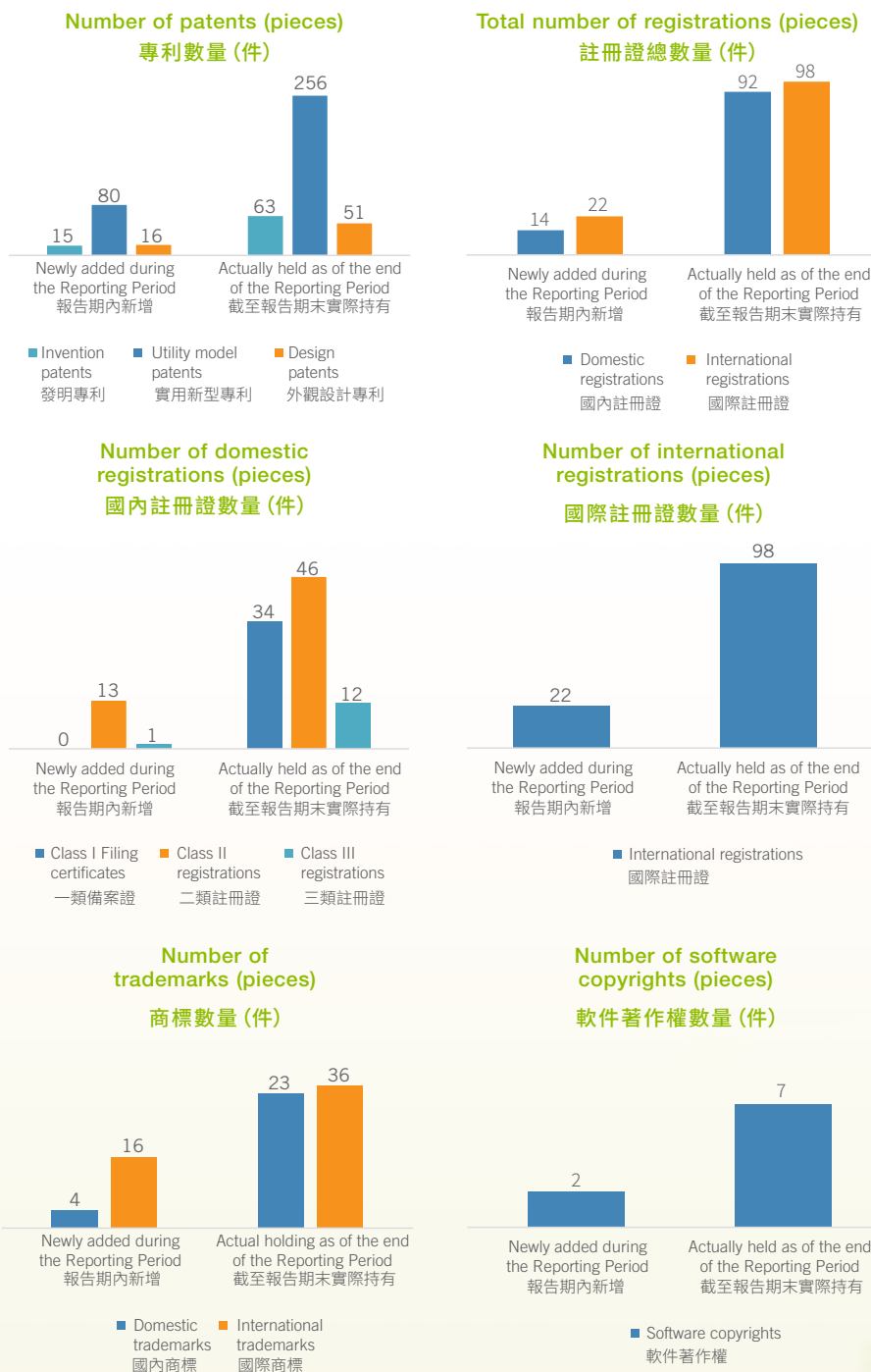
多款影像系統及內窺鏡產品獲批，基本形成覆蓋多應用場景的高清、4K、4K螢光、4K智能、3D內窺鏡攝像系統產品組合，提供全面的外科視覺方案。

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During the Reporting Period, we continued to expand our portfolio of intellectual properties, including patents, trademarks, software copyrights and product registration certificates¹, as detailed in the chart below.

本報告期內，我們持續豐富包括專利、商標、軟件著作權、產品註冊證在內的知識產權¹，詳見下圖。



¹ During the Reporting Period, a few patents and product registration certificates were not renewed upon their expiration due to the Group's operational needs, resulting in an insignificant impact on the actual number of intellectual properties held at the end of the period.

¹ 本報告期內，因集團運營需要，部分專利和產品註冊證到期後未再延續，故對期末實際持有量有少量影響。

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Collaborative Industry Growth

Kangji Medical is at the forefront of spearheading and facilitating technological innovation within the industry. Our commitment is rooted in advancing and evolving the technology across the entire supply chain in partnership with others. Actively engaged in industry events and holding positions within national and regional trade associations, the Group collaborates with outstanding enterprises in the industry to discuss and address critical and advanced technological challenges that arise in the medical device sector, enabling us to contribute our "Kangji power" to the ongoing growth of the medical device industry.

Advancing Medical Inclusiveness

Kangji Medical is dedicated to disseminating more intelligent and convenient healthcare services to both doctors and patients. Our ongoing efforts are focused on providing cost-effective and user-friendly medical products to healthcare professionals and patients. This commitment effectively leads to more reasonable market prices, not only broadening the choices available to healthcare professionals but also substantially cutting down on the treatment costs for patients. During the Reporting Period, we actively participated in national and local bulk purchasing initiatives for medical devices, securing contracts in 15 provincial-level or higher volume-based procurement projects, which further increased our sales. Also, products such as trocars and ligating clips have seen an estimated reduction in hospital retail prices of more than 50% following bulk purchases, saving national healthcare budgets and significantly reducing the medical costs for patients. We believe that by offering high-quality products that are both preferred by doctors and affordable for patients, Kangji Medical will increasingly become a key player in supporting domestic alternatives in the healthcare sector.

行業共同進步

康基醫療積極引領與促進行業技術革新，致力於攜手推動全產業鏈的技術進步和發展。集團積極參與行業活動，在國家及地區行業協會任職，與業內優秀企業共同探討和解決醫療器械領域面臨的關鍵性和前沿技術難題，為醫療器械行業的持續發展貢獻「康基力量」。

推進醫療普惠

康基醫療致力於為醫生與患者普及更智能、便捷的醫療服務，並不斷努力為醫療專業人員和患者帶來性價比高、操作便捷的醫療產品，有效帶動市場售價合理化發展，拓寬醫療工作者的產品選擇範圍，並顯著減少了患者的治療開支。本報告期內，我們積極參與國家和地方的醫療器械集採工作，報告期內累計中選15個省級及以上帶量採購項目，進一步提升了銷量。同時，如穿刺器、結紮夾等產品在集採前後的醫院終端售價預估降幅達50%以上，不僅節約了國家醫保資金，更大幅降低了普通患者的就醫成本。我們相信，通過提供醫生青睞、患者負擔得起的高性價比產品，康基醫療將在國產替代道路上發揮越來越積極的作用。

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Pioneering Medicine-Engineering Synergy

Kangji Medical has actively explored paths of original innovation by integrating the concept of medicine-engineering synergy into the core of our R&D processes. By examining how our products are used in practice, we refine and iterate our designs to ensure that “the instruments we provide to doctors are as effective and comfortable to use as possible”. After the products are launched, we engage in active collaborations with healthcare experts to refine high-quality medical devices based on direct clinical feedback, which ensures our products not only meet market demands but also align with clinical practices, further improving surgical safety and efficacy. This is to advance the accessibility of cutting-edge medical technologies, bridging the healthcare service gap across diverse regions and socioeconomic demographics, thus pushing forward the realization of medical inclusiveness.

During the Reporting Period, we collaborated with the First Affiliated Hospital of Wenzhou Medical University on the "Ultrasound High-frequency Integrated Minimally Invasive Instrument and Capability Platform" project, and with the Sir Run Run Shaw Hospital affiliated with the School of Medicine, Zhejiang University on the "Degradable Suture Staples and Staplers" project. In addition, we have established a two-way communication and exchange by inviting surgical experts to our facilities and by sending our R&D engineers into operating rooms, leading to an ecosystem of innovation.

探索醫工結合

康基醫療積極探索原始創新路徑，將醫工結合理念融入至研發設計的基因中，結合產品使用情況開展產品優化迭代，致力於使醫生「手裡的工具更加稱手」。在產品上市後，我們積極與醫療專家開展合作，基於臨床實際使用反饋更新適應市場需求、符合臨床使用習慣的高質量醫療器械，以進一步提高手術的安全性與有效性，促進先進醫療技術的普適性，以縮小不同地區、不同社會經濟背景人群之間的醫療服務差距，推動醫療普惠的實現。

報告期內，我們與溫州醫科大學附屬第一醫院合作「超聲高頻集成微創器械及能力平台」項目，與浙江大學醫學院附屬邵逸夫醫院合作「可降解吻合釘及吻合器」項目。另外，我們邀請外科專家進企業，鼓勵研發工程師進手術室，實現雙向交流互動，共築創新生態。

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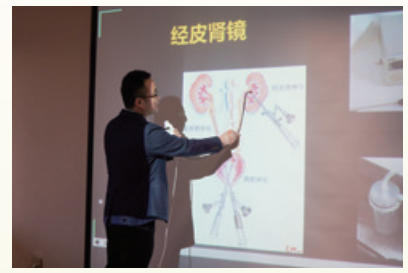
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Building an Innovative Ecosystem and Sincere Dialogue with Medical Practitioners

共築創新生態與醫術家真誠對話

In 2023, Kangji Medical launched the groundbreaking "Dialogue with Medical Practitioners" initiative, which welcomed over ten surgical experts into Kangji throughout the year. They participated in a series of 12 training sessions where they exchanged knowledge on the practical applications of minimally invasive techniques in clinical settings, as well as provided feedback on the use of surgical instruments and equipment. This initiative promoted our product development to align with clinical needs, improving the applicability and adoption rate of our medical devices and propelling the Group's process in providing integrated solutions for minimally invasive surgery.

2023年，康基醫療首創「對話醫術家」系列欄目，全年共有十餘位醫療手術專家走進康基，通過12次培訓交流微創技術在臨床應用的實際案例、手術器械和設備的使用反饋等內容，促進研發符合臨床需求的產品，提升醫療器械的適用性和普及率，加速集團提供微創手術一體化解決方案的進程。



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Accelerating Technological Transformation

Kangji Medical continues to innovate our product technology. In particular, Weijing Medical has responded proactively to surgeons' needs for greater efficiency and comfort in surgical procedures by fine-tuning the ergonomic design of its main control stations. Weijing Medical has successfully developed an open-design surgeon control platform, which boasts features like mobility and adjustable heights, catering to the ideal ergonomic positioning. This design allows doctors to easily modify their seating, pedal controls, head displays and armrests, considerably lowering the risk of occupational diseases stemming from chronic discomfort and fatigue. Moreover, during the Reporting Period, Weijing Medical has carried out repeated calculations and upgrades on the four-armed multi-port laparoscopic surgery robot, optimizing the human-machine interaction performance of the four-armed robot. By integrating 5G connectivity and fluorescence imaging functions, the robot aids surgeons in the precise identification of lesions and surrounding tissue structures during surgery, thereby improving the precision of surgical procedures.

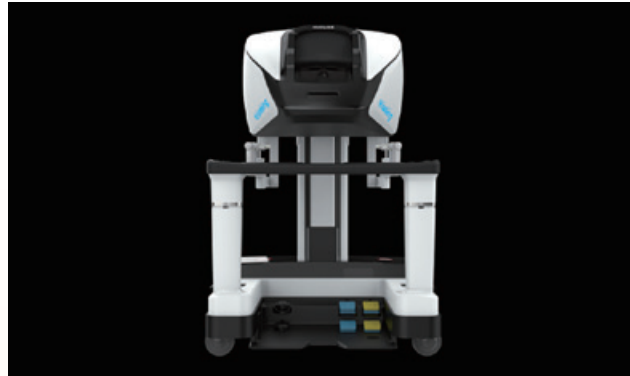


Promoting Green Surgery

Kangji Medical adheres to the concept of "green surgery", committed to alleviating the burden on doctors during operations through innovative product R&D and practical application, while also safeguarding the well-being of healthcare professionals. During the Reporting Period, we have been persistent in our efforts to enhance the R&D of reusable surgical instruments, creating a more friendly surgical experience for doctors and patients.

加速技術改造

康基醫療持續進行產品技術改造工作，其中，唯精醫療積極響應臨床醫生對外科手術效率與舒適度的需求，對主控台的人體工程學設計進行了精細調整。唯精醫療成功研發了開放式醫生控制平台，使平台具有可移動、自由升降等功能，支持最佳的人體工程學姿勢，滿足醫生輕鬆調整坐姿、腳踏、頭顯及扶手等需求，顯著降低了長期不適與疲勞所導致的職業病風險。此外，本報告期內唯精醫療對四臂多孔腹腔鏡手術機器人進行迭代升級，優化了四臂機器人的人機交互性能，通過增添5G與熒光顯影功能，協助醫生在手術過程中精確區分病灶及周圍組織結構，提升手術精準性。



推動綠色手術

康基醫療秉持「綠色手術」的理念，致力於通過自身產品研發與應用減少醫生在手術過程中的負擔，保護醫護人員健康。本報告期內，我們持續推動重複性手術器械的研發與改進，為醫生和患者搭建更友好的手術過程。

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Introducing the Semi-disposable Continuous Firing Clip Applier for Green Surgery

During the Reporting Period, we closely responded to clinical needs by launching our innovative semi-disposable continuous firing clip appliers. This instrument consists of a reusable clip applier handle and a disposable titanium clip cartridge, featuring easy replacement of the disposable titanium clips. By leveraging the reusability of the handle and the ease of replacing parts, we have reduced the number of times the clip applier needs to penetrate the abdominal wall during surgery. This not only streamlines the surgical procedure for doctors but also minimizes the potential for patient trauma, demonstrating the Group's commitment to the full integration of "green surgery" and a focus on clinical experience in our product design.

Commitment to Technological Accessibility

Establishing Industry Standards

Kangji Medical is at the forefront of shaping national and regional standards for medical devices by contributing to the formulation of product standards and registration guidelines, and fostering standardized and high-quality development in the industry. In 2023, the Company took part in the drafting of the industry standard for "Disposable Sterile Incision Drape", which has now been submitted to the National Standards Management Center for review.

Academic Exchange

Kangji Medical always upholds and practices the philosophy of "originating from clinical practice to clinical application" by forging stronger connections among doctors and professionals to build a professional and distinctive ecosystem for academic training and outreach, disseminating advanced techniques and technologies in minimally invasive surgery. During the Reporting Period, our academic team continued to organize and participate in interdisciplinary and multi-departmental academic conferences and activities, promoting academic exchanges and facilitating the sharing of quality academic resources to build a platform for communication among young and middle-aged doctors. During the Reporting Period, the main academic conferences organized by the Group are as follows, with a total attendance of 8,671 participants in both online and offline events:

半拋式連發施夾器鉗提供綠色手術新選擇

本報告期內，我們緊密結合臨床使用需求，推出了創新的半拋式連發施夾器鉗。該器械由一把可重複利用的施夾鉗手柄與一次性鈦夾條構成，並配備了一次性鈦夾條靈活更換功能，通過手柄的重複使用與零件更換的便捷性，減少手術過程中施夾鉗進入腹壁的次數，不僅減少了醫生手術操作流程，亦減少手術對患者帶來的創傷風險，展現了集團在產品設計時對「綠色手術」與注重臨床體驗理念的充分結合。

堅持技術普及

行業標準制定

康基醫療積極參與國家、省級醫療器械產品標準以及產品註冊指導原則的撰寫工作，推動行業規範化、高質量發展。2023年，公司參與了「一次性使用無菌切口保護套」的行業標準起草工作，目前該標準已經上報國家標準管理中心評審。

學術交流

康基醫療始終秉承並實踐「源於臨床、用於臨床」的理念，通過連接更多醫生與專業人士，構建專業的、具有特色的學術培訓和傳播生態，傳播先進的微創外科術式與技術。本報告期內，康基學術團隊持續組織並參與跨領域多科室的學術會議與活動，推動學術交流，促進優質學術資源共享，為中青年醫生搭建交流平台。本報告期內，集團組織的主要學術會議情況如下，線上與線下參與活動共計8,671人次：

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|--|--|---|
| Single-Port Video Competition 單孔視頻大賽 | To promote the availability and development of gynecological single-port laparoscopic techniques, activities were held in eight areas: Guangzhou, Shanghai, Changsha, Wuhan, Xi'an, Harbin, Lanzhou and Hangzhou (finals). 為推動婦科單孔腹腔鏡技術的普及與發展，在廣州、上海、長沙、武漢、西安、哈爾濱、蘭州和杭州（決賽）八個賽區開展活動。 | Online: 1,219 participants Offline: 395 participants 線上：1,219人 線下：395人 |
| Consensus Standard Meeting on Gynecological Single-Port Surgery 婦科單孔共識定稿會 | Experts and scholars from the field of gynecology across the country discussed and established the consensus standard for vaginal natural orifice transluminal endoscopic surgery (V-NOTES) in gynecology. 來自全國各地婦科領域的專家學者，探討並確認婦科經陰道自然腔道內鏡 (V-NOTES) 手術專家共識標準。 | Offline: 42 participants 線下：42人 |
| Specialized Seminar on Single-Port Hot Issues 單孔熱點問題專題研討會 | To advance the dissemination of single-port procedures and improve clinical skills among doctors, thematic symposiums are held in areas such as Shanghai, Jiangsu, Sichuan and Shaanxi. 為推進單孔術式的傳播與醫生臨床技術提升，支持舉辦專題研討會，覆蓋上海、江蘇、四川、陝西等地。 | Online: 1,231 participants Offline: 125 participants 線上：1,231人 線下：125人 |
| Gynecological Single-Port Training Program 婦科單孔培訓班 | To facilitate more clinical doctors in mastering single-port surgery knowledge and improving single-port surgical skills, 13 training bases have been established across the country, with a total enrollment of 210 people, providing single-port technical training services to over 100 hospitals. 為幫助更多臨床醫生掌握單孔手術知識，提高單孔手術技巧，目前已建立培訓基地13個，培訓範圍輻射全國，累計招生210人，提供單孔技術培訓服務超過100家醫院。 | Offline: 162 participants 線下：162人 |

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| Academic Conference Name 學術會議名稱 | Conference Description 會議內容 | Number of Participants 參與人數 |
|--|--|---|
| Seminar on Gynecological Minimally Invasive Hot Issues 婦科微創熱點問題研討會 | Focused on new theories, developments, technologies and methods in the field of gynecological minimally invasive diagnosis and treatment, the seminar has comprehensively promoted the development of gynecological minimally invasive technology. 聚焦婦科微創診療領域的新理論、新進展、新技術與新方法，全面促進婦科微創技術發展。 | Online: 1,764 participants Offline: 325 participants 線上：1,764人 線下：325人 |
| Baichuan Forum – Seminar on Gynecological Minimally Invasive Hot Issues and New Technologies 百川論壇—婦科微創熱點問題及新技術研討會 | 36 guest experts and 121 expert attendees were invited across areas such as Beijing, Shanghai, Guangdong, Sichuan, Chongqing, Hubei, Guizhou, Shaanxi, Zhejiang, Hubei, Guangxi and Hunan. 邀請到特邀專家36人，參會專家121人，覆蓋北京、上海、廣東、四川、重慶、湖北、貴州、陝西、浙江、湖北、廣西、湖南等地。 | Offline: 163 participants 線下：163人 |
| 100 City Tour of PUMCH in Celebration of the Centennial of Obstetrics and Gynecology Department 協和百年婦產科百城行 | Activities were conducted in places like Lanzhou, Huanggang and Zhuhai to achieve cross-hospital and cross-regional academic communication and jointly explore the field of gynecology and obstetrics. 在蘭州、黃岡、珠海等地區開展活動，實現跨醫院跨地區的學術溝通交流，共同探索婦產專業領域。 | Online: 1,342 participants Offline: 1,070 participants 線上：1,342人 線下：1,070人 |
| Open Day and Visiting Program of PUMCH Obstetrics and Gynecology Department 協和婦產科開放日暨協和婦產科參觀班 | Peking Union Medical College Hospital (PUMCH) provided a platform for close engagement to experience the culture and share experiences, jointly promoting the high-quality development of the hospital in the new era. 提供近距離了解協和、感受文化、分享經驗的平台，共同推進新時代新征程醫院高質量發展。 | Offline: 36 participants 線下：36人 |
| Gastrointestinal Single-Port Training Program 胃腸單孔培訓班 | Single-port training is carried out for doctors interested in learning gastrointestinal single-port techniques, including simulated single-port surgery operation training. 向對學習胃腸單孔有興趣的醫生開展單孔培訓，並提供模擬單孔手術操作培訓。 | Offline: 12 participants 線下：12人 |

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|---|--|--------------------------------------|
| Discussion Meeting on Colorectal MDT Diagnosis and Treatment Guideline Drafting 結直腸MDT診療指導意見撰稿討論會 | The Colorectal Surgery Group of the Surgery Branch of the Chinese Medical Association organized some domestic experts in colorectal surgery and related field experts to compile the Chinese Guidelines for Standardized MDT Diagnosis and Treatment for Colorectal Cancer (2023 Edition). Experts engaged in active discussions on relevant issues. 中華醫學會外科學分會結直腸外科學組組織國內部分結直腸外科專家和相關領域學科專家編寫《中國結直腸癌規範化MDT診療指導意見(2023版)》，就相關問題展開熱烈討論。 | Offline: 64 participants 線下：64人 |
| “Bravery and Devotion” - 2023 Seminar on Minimally Invasive Surgery Hot Issues 「俠肝義膽」—2023年微創外科熱點問題專題研討會 | Renowned domestic experts in the field of hepatobiliary and pancreatic diseases and endoscopic experts were invited to deliver keynote presentations on the latest developments in minimally invasive treatments of hepatobiliary and pancreatic diseases and delve into discussions on current hot topics and challenging issues in combination with clinical pathology. 邀請國內膽胰疾病領域知名外科及內窺鏡專家，就膽胰疾病微創治療領域的最新進展做專題報告，同時結合臨床病理，就當前的熱點與難點問題進行深入探討。 | Offline: 231 participants 線下：231人 |
| Lakeside Dialogue 湖畔對話 | Aimed at domestic young and middle-aged gastrointestinal surgeons, the event paid tribute to the 30th anniversary of laparoscopic gastrointestinal surgery in China, reviewing the development of minimally invasive technology in gastrointestinal surgery and discussing new scientific and technological advancements to promote the vigorous development of laparoscopic gastrointestinal surgery in China. 面向國內的中青年胃腸外科醫生，致敬中國腹腔鏡胃腸外科30周年，回顧胃腸外科微創技術的發展，討論時新科技熱點，促進中國腹腔鏡胃腸外科的蓬勃發展。 | Offline: 52 participants 線下：52人 |

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| Academic Conference Name 學術會議名稱 | Conference Description 會議內容 | Number of Participants 參與人數 |
|--|--|---|
| <p>“Laying the Foundation for Health with Urology” – 2023 Seminar on Minimally Invasive Hot Issues and Department Head Forum</p> <p>「健康根基，U醫並行」—2023年微創熱點問題專題研討會暨科主任論壇</p> | <p>A seminar for minimally invasive urology hot issues and department head forum were held in Suzhou where 16 well-known domestic experts were invited to have intense discussions on hot issues in the field of urology.</p> <p>在蘇州開展微創泌尿外科熱點問題研討會暨科主任論壇邀請國內知名專家16人，針對泌尿領域熱點問題開展激烈討論。</p> | <p>Offline: 98 participants</p> <p>線下：98人</p> |
| <p>“Public Welfare Initiative of Huatuo Project” - Workshop on Latest Surgical Advancements</p> <p>「華佗工程公益行」—手術新進展學習班</p> | <p>By conveying the essence of high-quality advanced nursing services and innovative nursing service models to medical staff across the country and at grassroots hospitals, this initiative supported the development and progress of surgical nursing professionalism in China, facilitating the early recovery of patients.</p> <p>通過向全國各地及基層醫院護理人員傳遞優質先進的護理服務內涵和創新護理服務模式，助力中國手術室護理專業水平的發展和進步，促進患者早日康復。</p> | <p>Offline: 158 participants</p> <p>線下：158人</p> |
| <p>Selection Meeting on Belt and Road Endoscopy Training Program</p> <p>一帶一路內鏡培訓項目遴選會</p> | <p>To strengthen the clinical management of endoscopic diagnosis and treatment technology across the nation, the Talent Center of the National Health Commission has initiated the "Belt and Road" initiative for developing medical talent, focusing specifically on an Endoscopist Training Program.</p> <p>為加強我國內鏡診療技術臨床管理，國家衛健委人才中心開展「一帶一路」醫學人才培養聯盟內鏡醫師培養項目。</p> | <p>Offline: 182 participants</p> <p>線下：182人</p> |

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Single-Port Video Competition
單孔視頻大賽



Specialized Seminar on Gynecological Single-Port
Hot Issues
婦科單孔熱點問題專題研討會



Lakeside Dialogue
湖畔對話



100 City Tour of PUMCH in Celebration of
the Centennial of Obstetrics and Gynecology
Department
協和百年婦產科百城行



Gynecological Single-Port Training Program
婦科單孔培訓班



Discussion Meeting on Colorectal MDT Diagnosis
and Treatment Guideline Drafting
結直腸MDT診療指導意見撰稿討論會



"Bravery and Devotion" - 2023 Seminar on Minimally
Invasive Surgery Hot Issues
「俠肝義膽」
2023年微創外科熱點問題專題研討會



Open Day and Visiting Program of PUMCH
Obstetrics and Gynecology Department
暨協和婦產科參觀班



"Public Welfare Initiative of Huatuo Project" -
Workshop on Latest Surgical Advancements
「華佗工程公益行」
手術新進展學習班

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BUSINESS ETHICS

Kangji Medical has always adhered to the core principles of compliance with laws and regulations and fair competition. As a Zhejiang Province AAA-level “Contract-Abiding and Credit-Worthy” enterprise, we strictly follow relevant laws and regulations such as the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery. We have established a comprehensive anti-corruption reporting and complaint system to create a fair and transparent business environment. We have been trying to build a business environment with integrity and firmly opposed to any unfair business competition. We also emphasized on the protection of intellectual property rights and information, ensuring our operations are compliant. During the Reporting Period, the Group did not experience any confirmed corruption cases, nor legal proceedings regarding improper competitive behavior, anti-trust and anti-monopoly practices.

Adhere to Responsible Marketing

Kangji Medical is committed to cultivating an elite team of professionals centered on the principle of responsible marketing. In all our marketing endeavors, we adhere to a code of honesty, transparency and ethics, ensuring that our marketing materials comply with legal standards for continuous improvement of our performance of responsible marketing.

Compliance Registration

Kangji Medical strictly follows the registration and filing procedures prior to product launch. In the domestic market, we comply with the relevant laws and regulations such as the Regulation on the Supervision and Administration of Medical Devices and the Administrative Measures for the Registration and Record-Filing of Medical Devices. We implement filing management for Class I medical devices and registration management for Class II and Class III medical devices to ensure the compliance of medical devices on the market. In the international market, to ensure that our exported products comply with local regulations on medical device registration, we continuously monitor and identify changes in the legal requirements of the countries or potential markets where our products are sold. We also conduct necessary compliance preparations in accordance with the legal requirements before product launch. During the Reporting Period, the Group has initiated the MDR and FDA registrations for multiple products in line with our business plans.

商業道德

康基醫療始終秉持遵紀守法、公平競爭的核心理念，作為浙江省AAA級「守合同重信用」企業，我們嚴格遵守《中華人民共和國刑法》《中華人民共和國反不正當競爭法》《關於禁止商業賄賂行為的暫行規定》等相關法律法規，建立完整的反貪污舉報申訴體系，打造公平公正、公開透明的商業環境。我們堅持營造風清氣正的商業環境，堅決反對任何形式的反不正當商業競爭行為，並高度重視知識產權和信息安全的保護，保障企業合規運營。本報告期內，集團未發生經確認的腐敗事件及案件，以及針對不當競爭行為、反托拉斯和反壟斷事件的法律訴訟事件。

堅持負責任營銷

康基醫療致力於建立一流的專業化服務團隊，以負責任營銷為核心理念，在營銷活動中遵循誠實、透明和道德的原則，確保營銷信息的合法合規，並不斷提升負責任營銷表現。

合規註冊

康基醫療嚴格遵守產品上市前的註冊與備案程序。在國內市場，我們遵循《醫療器械監督管理條例》《醫療器械註冊與備案管理辦法》等相關法律法規，對第一類醫療器械實行備案管理，對第二類、第三類醫療器械實行註冊管理，確保醫療器械上市的合規性。在國際市場，為確保出口產品符合當地醫療器械註冊法規，我們持續關注並識別產品銷售地或潛在銷售地的法律法規變化，並在產品上市前依照法律法規要求開展並完成合規準備工作。本報告期內，集團根據業務規劃，已啟動多款產品的MDR和FDA註冊。

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In addition, to maintain stable operations and complete product registrations on time and as required, we have established the GMP Committee composed of department heads and dedicated supervisors from the R&D, production, procurement, quality and registration departments. This committee regularly provides our staff with updates and interpretations of the latest product-related legal and regulatory developments, product standards and guidelines for registration. The committee is also responsible for collective learning sessions based on the outcomes of compliance spot checks and random inspections as released by regulatory bodies to improve our product registration management level.

Compliant Labelling and Proper Promotion

Kangji Medical strictly adheres to the Advertising Law of the People's Republic of China and the relevant laws and regulations in the regions where we operate. We conduct thorough compliance reviews in our advertising and marketing activities to ensure the legality, authenticity and objectivity of the information presented, preventing any instances of false or exaggerated advertising. Meanwhile, we clearly define the responsibilities of relevant departments and establish requirements for label and language management in our internal processes such as the Label and Language Control Procedures, ensuring that departments understand the concept of compliant advertising and the operating procedures. Additionally, to meet the needs of our overseas business expansion, we have strengthened our compliance review standards for overseas labeling. The Group has established the Preliminary Review of Label Design Changes to identify and review the special requirements of our overseas clients and the reasons for any alterations to our product labels. This ensures that our revised labels remain in compliance with overseas legal regulations.

We have also established guidelines for product representation through trade show booths, social media and other marketing channels, ensuring that the promotional content is truthful and helps customers understand the real functions of the product:

- Using real experimental or clinical data and feedback from clinical use in our promotions, while avoiding specific vocabulary prohibited by laws and regulations;
- Verifying product parameters, attributes and clinical outcomes with pertinent departments before promotion to prevent any false advertising;
- Making sure all promotional activities align with local legal and regulatory requirements.

During the Reporting Period, Kangji Medical did not experience any violations of relevant marketing regulations or regulations concerning product and service information and labeling.

同時，為保障運營穩定，按時按要求完成產品註冊，我們成立了由研發、生產、採購、質量、註冊等部門負責人以及專職主管組成的GMP委員會，定期向相關員工宣貫、解讀新出臺的產品相關法律法規、產品標準、註冊指導原則等內容，並對監管機構公佈的註冊合規飛檢結果通告、抽檢結果進行集中學習，提升質量管理體系水平和產品註冊管理水平。

合規標識與合理宣傳

康基醫療嚴格遵守《中華人民共和國廣告法》及運營地相關法律法規，做好廣告合規宣傳審查，確保產品推廣、營銷環節信息具備合法性、真實性、客觀性，杜絕虛假宣傳、過度宣傳等情況的發生。同時，我們在《標籤與語言控制程序》等內部管理流程中明確相關部門職責、標籤及語言管理要求，確保部門理解合規宣傳概念與操作流程。此外，為滿足集團海外業務拓展需求，加強海外標識合規性審查規範性，集團設立了《標識設計變更預評審》，在產品宣傳信息出現變化時，收集並審核海外客戶特殊需求以及產品標識更改原因，以確保標識變更後仍符合海外法律法規要求。

我們亦通過以下要求明確產品於展位、社交媒體及其他宣傳途徑的宣傳規範，確保宣傳內容真實，幫助客戶了解產品的真實功能：

- 根據真實實驗或臨床數據、產品臨床應用反饋進行宣傳，避免使用法律法規禁止的特定詞匯；
- 推廣前與相關部門確認產品參數、特點、臨床效果等內容，杜絕虛假宣傳；
- 確認宣傳符合當地法律法規要求。

本報告期內，康基醫療未發生違反有關市場營銷法規以及違反有關產品和服務信息與標識規定的事件。

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Anti-Corruption

Kangji Medical has continuously optimized its anti-corruption management. During the Reporting Period, we updated the Integrity Management System and related policies and organized anti-corruption training sessions to ensure that our compliance monitoring systems are operating effectively and that we address all whistleblower reports without delay.

Enhanced Management System

The Group places great importance on fostering a culture of integrity and has established a comprehensive anti-corruption management system. We have formulated different codes of conduct and anti-corruption management measures for our employees, suppliers, distributors and construction partners to continuously strengthen the creation of an integrity culture.

- Employees: Employees in positions that are more susceptible to corruption risks (such as sales, procurement, etc.) are required to sign the Employee Integrity Commitment Letter;
- Suppliers: Before engaging in business collaboration, suppliers are required to sign the Supplier Code of Conduct, which includes provisions against corruption;
- Distributors: The Anti-Business Bribery Commitment Letter is added to the distributor agreement;
- Construction partners: The Integrity Agreement is added to the construction contract.

Strengthening Integrity Training

Kangji Medical remains committed to reinforcing our work of promoting integrity awareness by regularly conducting anti-corruption training for all employees for a continuous improvement of their integrity consciousness. During the Reporting Period, we have carried out anti-corruption training for the Board, management and entry-level employees through the distribution of informative materials, with training sessions lasting approximately 1 hour.

反貪腐

康基醫療持續優化反貪腐管理工作，本報告期內，我們修訂了《廉潔管理制度》等文件，組織開展了反貪腐培訓，確保合規監督渠道暢通運行，並及時處理所有收到的舉報信息。

完善管理體系

集團重視廉潔文化建設，構建了完善的反貪腐管理體系，針對員工、供應商、經銷商和施工單位等制定了不同的行為準則以及反貪腐管理辦法，持續加強廉潔文化建設。

- 員工：貪腐風險較大的崗位（如銷售、採購等）員工需簽署《員工廉潔承諾書》；
- 供應商：開展業務合作前需簽署包含反貪腐內容的《供應商行為準則》；
- 經銷商：在經銷商協議中增加《反商業賄賂承諾書》；
- 施工單位：在施工合同中增加《廉政協議》。

加強廉潔培訓

康基醫療持續加強廉潔意識宣貫工作，定期開展面向全體員工的反貪腐培訓，不斷提升員工廉潔意識。本報告期內，我們針對董事會、管理層和基層員工以資料傳閱的形式開展了反貪腐培訓，培訓時長約1小時。

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Intellectual Property Protection

Kangji Medical is fully aware of the importance of intellectual property protection for promoting R&D, innovation and the long-term sustainable development. While strictly complying with relevant laws and regulations such as the Civil Code of the People's Republic of China, the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and the Copyright Law of the People's Republic of China, we have formulated regulations like the Internal Management System for Intellectual Property and the Design and Development Control Procedures to vigorously protect our own innovations while respecting the intellectual property of others.

We adopt a collaborative approach with multiple departments and cooperate with external third parties to jointly carry out daily work for intellectual property rights. The Group regularly engages third-party law firms to assist the R&D Department in conducting thorough intellectual property searches and analyses, thereby navigating clear of any infringement risks according to law. Should we identify any potential for patent infringement, we swiftly alter our product designs to prevent any violations.

Information Security Management

Information Security Protection

Kangji Medical places great importance on information security management during daily operations. We strictly comply with laws and regulations such as the Cybersecurity Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China. We have also established policies and systems such as the Information Security Management System, the Network Permission Management Regulations and the Encryption Software Management System. To strengthen protocols of intellectual property protection and safeguard information security, we conduct the following measures including server room management, server security, network security, computer security, antivirus defenses and data backup procedures.

During the Reporting Period, we have strengthened information security protection, further optimizing the robustness of our information security maintenance and management system in the following areas:

- Revised the Equipment Management System, which prohibits personal computers at work to ensure standardized control over the IT equipment used within the Group's operations;
- Engaged with security firms for regular vulnerability assessments of the Group's servers, followed by remediations on the vulnerabilities identified to improve server security;
- Continued encrypting files on employee computers with encryption software and required employees to obtain managerial approval for the decryption of documents intended for external use to assist managers from relevant business departments in conducting risk prevention work;

知識產權保護

康基醫療深知知識產權保護對推進研發創新，推動集團長期可持續發展的重要意義。我們嚴格遵守《中華人民共和國民法典》《中華人民共和國專利法》《中華人民共和國商標法》《中華人民共和國著作權法》等相關法律法規，制定了《知識產權內部管理制度》和《設計開發控制程序》等規定，堅決維護自主創新權益並確保不侵犯他人知識產權。

我們採用多部門協同以及與外部第三方合作的方式，共同開展日常知識產權工作。集團定期聘請第三方律師事務所，與研發部門共同開展知識產權的檢索與研究工作，依法規避侵權風險。如識別出侵犯專利的風險，我們將及時更改產品設計以避免侵權。

信息安全管理

保障信息安全

康基醫療重視日常運營過程中的信息安全管理，我們嚴格遵守《中華人民共和國網絡安全法》《中華人民共和國個人信息保護法》等法律法規，並制定《信息安全管理制度》《網絡權限管理規定》《加密軟件管理制度》等政策制度，從機房管理、服務器安全、網絡安全、計算機安全、防病毒、數據備份等方面不斷加強信息數據保護的規範性，保障信息安全。

本報告期內，我們在以下方面加強了信息安全防護，進一步優化了信息安全維護和管理體系的完善性：

- 修訂《設備管理制度》，禁止員工私自帶電腦到集團使用，規範化管理集團運營範圍內的IT設備；
- 定期委託安全廠商開展集團服務器漏洞掃描，並針對掃描發現的漏洞開展修復工作，提升服務器的安全性；
- 持續通過加密軟件對員工電腦中的文件進行加密，外發文件需通過員工主管領導審批後申請解密，以協助相關業務部門領導進行風險預防工作；

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- Performed daily scheduled backups of our business system data via server virtualization and stored the servers in separate backup devices, thus achieving a “dual-backup system” for our business system data to prevent the risk of information loss;
- Conducted information security training for all employees to consolidate and enhance their awareness towards information security.
- 通過服務器虛擬化每日將業務系統數據進行定時備份，並將服務器放至獨立的備份儲存站，實現業務系統數據「雙設備」備份，防範信息丟失的風險；
- 開展針對全體員工的信息安全培訓工作，鞏固並增強員工的信息安全意識。

Solid Privacy Protection

Kangji Medical values the protection of customer personal information and privacy by strictly complying with laws and regulations such as the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Civil Code of the People's Republic of China. We implemented internal privacy protection management systems such as the Information System User Management System and the Work Mobile Phone Management System, which are part of a continuous effort to enhance our customer privacy and security protection system to ensure that customer privacy data is acquired, stored and processed in full legal and regulatory compliance. In addition, we pay attention to the protection of customer private information in the logistics and transportation process, concealing key customer information to prevent the disclosure of customer personal information and privacy. During the Reporting Period, Kangji Medical did not experience any violations of customer information security or loss of customer data.

MUTUALLY BENEFICIAL PARTNERSHIPS

Kangji Medical is dedicated to the principle of mutual success and is committed to growing in unison with our suppliers, distributors and other partners. Together, we aim to establish a supply chain system that is compliant, green and sustainable.

Supplier Management

Kangji Medical values supplier management and has formulated and implemented systems and policies such as the Procurement Control Procedures and the Supplier Evaluation Control Procedures, which set forth criteria for assessing and managing our suppliers. This ensures rigorous quality control of procurement materials and standardizes purchasing practices. The Group is progressively integrating ESG management into the supplier management system, supporting our suppliers to gradually achieve sustainable development.

Kangji Medical actively cooperates with local suppliers to build a reliable and efficient supply chain. During the Reporting Period, the Group collaborated with a total of 787 suppliers, including 671 material suppliers, 73 equipment suppliers and 43 construction suppliers, of which suppliers from Zhejiang province accounted for 45.1%.

築牢隱私保護

康基醫療重視客戶個人信息與隱私保護，嚴格遵守《中華人民共和國數據安全法》《中華人民共和國個人信息保護法》《中華人民共和國民法典》等法律法規，並實施《信息系統用戶管理制度》和《工作手機管理制度》等內部隱私保護管理制度，持續優化客戶隱私安全保護體系，保證合法合規地獲取、儲存、處理客戶隱私數據。此外，我們關注物流運輸環節客戶隱私數據保護力度，通過隱藏客戶關鍵信息的方式，防止客戶個人信息與隱私洩露。本報告期內，康基醫療未發生侵犯客戶信息安全和丟失客戶資料的情況。

夥伴共贏

康基醫療秉承協同共贏的理念，堅持與供應商、經銷商等合作夥伴協同發展，共同打造合規、綠色、可持續的供應鏈體系。

供應商管理

康基醫療重視供應商管理，制定並實施了《採購控制程序》《供方評定控制程序》等制度政策，明確了對供應商的評定和管理要求，嚴格把控採購物資質量，規範採購行為。集團正逐步將ESG管理納入供應商管理體系，並幫助供應商逐步實現可持續發展。

康基醫療積極與本地供應商開展合作，構建穩定高效的供應鏈。本報告期內，與集團合作的供應商共計787家，包括物料供應商671家，設備供應商73家，建築供應商43家，其中來自浙江省內的合作供應商佔比達45.1%。

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Supplier Admission

Kangji Medical strictly controls the supplier admission process by establishing a standardized supplier admission procedure and assessment system. Through the collaboration of multiple departments, we conduct a comprehensive examination of the suppliers' operational licenses, production capacities, quality assurance capabilities and certifications within their quality systems to ensure that suppliers added to our supplier database meet the Group's admission requirements. Moreover, we apply a systematic approach to select the most suitable suppliers that align with the Group's business needs, thus ensuring the stability of the supply chain at its source. To assure the quality of the materials we procure, suppliers are categorized into three categories A, B or C² based on the importance of the material, and we adopt differentiated and dynamic auditing practices for each category of suppliers.

Supplier Assessment

Kangji Medical conducts annual evaluations of our suppliers to gauge their performance standards. We carry out multi-dimensional assessments based on the quality of supplies, pricing, delivery times and after-sales services, leading to a classification system that ranks suppliers into one of four levels A, B, C or D according to the assessment results. C-level suppliers are required to promptly address any deficiencies detected during inspections for quality improvement and are tracked for the effectiveness of these improvements. Technical staff may be dispatched to provide on-site assistance if required. D-level suppliers will face procurement bans or processing restrictions, and their qualifications as suppliers will be revoked. If there is an approved special reason, a fixed period is allowed for corrective action; failure to enhance performance within this period results in a discontinuation of the partnership.

Supplier Exit

Kangji Medical regularly assesses the performance of suppliers and maintains a structured and strict process for managing the exit of suppliers that do not meet our standards. When a supplier's quality is found lacking, the Quality Department of the Group issues a Supplier Corrective Measure Record, requiring suppliers to detail their remedial actions and provide a response within a set timeframe. The effectiveness of these actions is then verified by the Quality Department. For suppliers that repeatedly have serious quality issues, we will reassess their qualifications as suppliers. Those who are still non-compliant will face the supplier exit process.

供應商准入

康基醫療嚴格把控供應商准入環節，建立規範的供應商准入流程和評估體系。我們通過多部門協同合作，對供應商營業資格、生產和質量保證能力、質量體系認證等方面進行全方位考察，確保進入供應商庫的供應商符合集團准入要求。同時，我們依據體系化的供應商選擇手段，篩選出最契合集團業務需求的優秀供應商，保障供應鏈源頭的穩定性。為保證供給物料質量，我們根據物料的重要程度將供應商劃分為A、B、C三類²，對不同類別供應商採取差異化的動態審核措施。

供應商考核

康基醫療每年對供應商進行考核評分，以評估供應商表現水平。我們依據供應商的供貨品質、貨品價格、交付時間、售後服務等方面開展多維度考核，並根據考核結果將供應商分為甲、乙、丙、丁四個等級。針對丙級供應商，我們要求其及時整改檢查中發現的問題，提升供應質量，並對其改善效果進行追蹤，必要時派技術人員進行現場輔導；針對丁級供應商，我們將禁止採購其產品或委託其進行加工，取消其供貨資格，如存在經核准的特殊原因，集團會給予限時整改的機會，若未及時改善則終止合作。

供應商退出

康基醫療定期評估供應商的供貨表現並建立了有序且嚴謹的不合格供應商退出管理機制，我們針對質量不合格的供應商，由集團質量部發出《供應商糾正措施記錄表》，要求供應商填寫對策並於限定期限內回復，再由集團質量部做效果確認。對於連續出現嚴重質量不合格的供應商，我們將重新評估該供應商的供貨資格，若不合格則啟動供應商撤銷程序。

² Suppliers in the three categories A, B and C are critical suppliers that affect product safety and performance, suppliers that provide general resources and materials, and suppliers that provide auxiliary resources and materials, respectively.

² A、B、C三類供應商分別為影響產品安全和性能的關鍵供應商、提供一般物資與物料的供應商、提供輔助性物資物料的供應商。

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Supplier Engagement and Training

Kangji Medical values communication with suppliers and strives to maintaining close cooperation with all suppliers to achieve mutual benefit and success. Suppliers are promptly informed about their annual performance evaluations and any challenges that arise during our partnership, working together to devise and refine solutions. In addition, we continuously invite our suppliers in exchange activities focused on technical innovation and material innovation. By conducting supplier site visits, hosting online meetings and inviting suppliers to tour our facilities, we share the Group's vision for product innovation. We also provide technical guidance to our suppliers to effectively enhance our suppliers' overall competencies, jointly building a high-quality supply chain.

ESG Practices in Supply Chain Management

Kangji Medical is dedicated to the principles of sustainability and carbon reduction by integrating ESG management philosophy into supply chain management, guiding suppliers to fulfill their environmental and social responsibilities. We have established policies such as the Supplier Code of Conduct, prioritizing partnerships with the environmentally friendly suppliers based on ESG requirements such as business ethics, environmental impact, and health and safety. We also encourage suppliers to use low-carbon and environmentally friendly packaging materials to foster collective environmental progress. During the Reporting Period, we have made strides in enforcing Kangji Medical's Supplier Code of Conduct, with new suppliers required to endorse the Code of Conduct. We are gradually extending this requirement to our long-standing suppliers. During the period, an additional 169 suppliers signed on, reaching an 86.4% signing completion rate among our approved suppliers by the end of the Reporting Period.

供應商交流與培訓

康基醫療重視與供應商的交流，致力於與所有供應商保持緊密合作，實現互惠共贏。我們及時向供應商反饋年度考核結果以及合作中遇到的問題，共同尋找解決與優化方案。此外，我們持續邀請供應商參加技術創新、材料創新等交流活動，通過供應商現場走訪、開展線上會議、邀請供應商到廠參觀等方式傳達集團產品創新理念，並對供應商提供相應的技術指導，切實提高供應商綜合能力，攜手打造優質供應鏈。

供應鏈ESG管理

康基醫療積極踐行綠色低碳理念，已將ESG管理理念融合至供應鏈管理之中，引導供應商履行環境和社會責任。我們制定了《供應商行為準則》等制度文件，圍繞商業道德、環境影響、健康與安全等ESG相關要求優先選擇環境友好型供應商，並鼓勵供應商使用低碳環保的包裝材料，攜手供應商共同綠色發展。本報告期內，我們持續推進康基醫療《供應商行為準則》的落實工作，要求新供應商必須簽署《供應商行為準則》，並逐步要求長期合作的供應商補充簽訂，期內共新增簽訂169家，截至本報告期末，已納入合格供應商庫的供應商的簽訂完成率為86.4%。

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Distributor Management

In terms of domestic sales, the Group predominantly operates through a network of distributors, for whom we have established a series of management measures:

- Enforce a rigorous admission system for our distributors, ensuring they possess the requisite qualifications and a track record of integrity. Our partnership agreements also contain provisions to prevent unfair competitions and commercial bribery, fostering a fair and transparent marketing ecosystem.
- Continuously strengthen our management of existing distributors by introducing incentives for distributors and establishing academic pilot zones in representative distribution areas to support the distributors' needs to host educational events, thereby boosting their enthusiasm for such engagements.
- Conduct regular assessments of our distributors' performance and make reasonable use of the results to ensure efficient operation of distributors.

In terms of international sales, in 2023, Kangji Medical exported products to 127 international customers across 58 countries and regions including the United Kingdom, France, Brazil, Turkey and Mexico, with an average annual compound growth rate of over 35% from 2020 to 2023. We are continuously optimizing our international marketing system, with an emphasis on nurturing talent to constantly enhance the business capabilities of our international marketing and registration teams. Concurrently, we have been proactive in carrying out marketing and promotional activities for the Kangji brand and participating in international industry exhibitions. Our efforts to transition from being an OEM to establishing our own brand are in full swing, as we endeavor to meet the international market's demand for eco-friendly products and solidify the Group's reputation as a responsible corporation.

During the Reporting Period, Kangji Medical participated in four major international medical device exhibitions, where we showcased our leading array of equipment, instruments and consumables. The period was marked by our international team's diligent outreach to longstanding clients and the warm reception of many prospective customers, allowing us to gain high attention and recognition from numerous industry experts and both new and returning customers.

經銷商管理

國內銷售方面，集團以經銷商模式為主，並採取了一系列措施對經銷商加以管理：

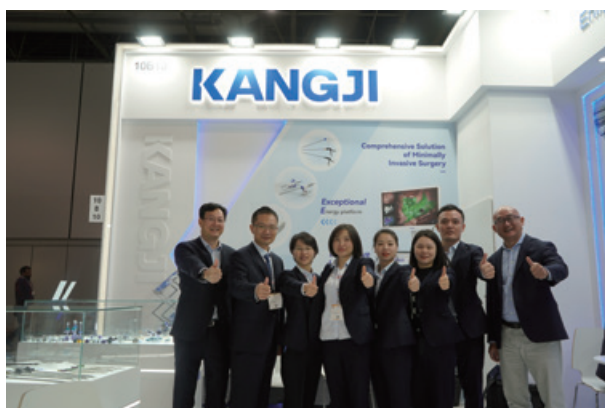
- 實施嚴格的經銷商准入管理體系，確保經銷商具備相應資質與良好信譽，並在合作協議中設置反不正當競爭和反商業賄賂相關條款，以營造公平、透明的營銷環境。
- 不斷強化對現有經銷商的管理，通過設立經銷商獎勵措施，並在有代表性的經銷地區增設學術試點區域，滿足經銷商開展學術活動的需求，提高經銷商參與學術活動的積極性。
- 定期對經銷商的表現進行考核，並合理利用考核結果，以確保經銷商高效運營。

國際銷售方面，2023年度康基醫療的產品出口至英國、法國、巴西、土耳其、墨西哥等58個國家和地區的127個國際客戶，2020-2023年已實現35%以上的年均複合增長率。我們正在不斷優化國際營銷體系，以人才培養為出發點持續加強國際營銷團隊和國際註冊團隊的業務能力。同時，我們積極開展康基品牌宣傳和推廣活動，積極參與國際行業展會，持續推動從代工到自主品牌的轉型，努力貼合國際市場綠色產品理念，展現集團負責任企業形象。

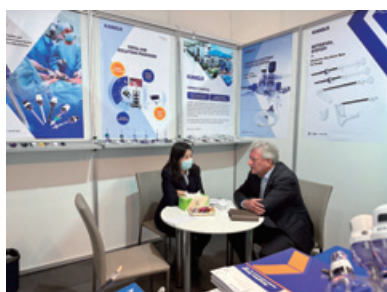
本報告期內，康基醫療參加了四場大型國際醫療器械展會，重點展示了集團在售的主要設備、器械和耗材，展會期間我們的國際營銷團隊積極拜訪老客戶，熱情接待大量新客戶，獲得了許多行業專家及新老客戶的高度關注與認可。

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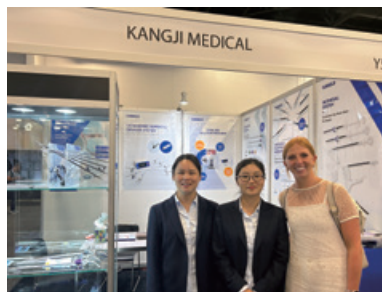
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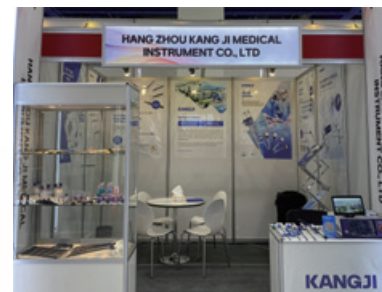
Medica Exhibition in Germany
德國Medica展會



Arab Health Exhibition in Dubai
迪拜Arab health展會



FIME Exhibition in the USA
美國FIME展會



KIMES Exhibition in Korea
韓國KIMES展會

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GREEN OPERATIONS

Kangji Medical adheres to the management philosophy of green operations, dedicated to reducing the environmental impact of production and operations. We optimize energy-saving and emission reduction measures in various operational aspects to improve the efficiency of energy and water resource utilization, thus curtailing environmental pollution and ecological damage to protect our planet's natural beauty. Additionally, recognizing the impact of climate change on the Group, we actively engage in initiatives to address climate change, contributing to society's shift towards a low-carbon future marked by high-quality development.

Enhanced Environmental Management System

Kangji Medical strictly complies with relevant laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution. We have formulated and implemented the Environmental Management System to continuously improve the Group's environmental management standards while maintaining the validity of the ISO14001 environmental management system certification.

The Group strictly implements the environmental impact assessment system for new projects. During the Reporting Period, Kangji Medical commissioned dedicated environmental protection personnel to carry out more standardized and comprehensive environmental impact assessments for construction projects within the site, thereby enabling us to mitigate the environmental impacts of our new site preemptively. The Safety and Environmental Protection Department of the Group also steers and encourages all our business units to manage their operations with environmental compliance and energy conservation, ensuring that the Group improves resource use efficiency on the basis of legal and compliant operations.

綠色運營

康基醫療秉持綠色運營的管理理念，致力於降低生產運營對環境產生的影響，優化各運營環節節能減排措施，提高能源、水資源使用效率，減少環境污染與生態破壞，守護美好生態家園。我們亦關注氣候變化對集團產生的影響，積極開展應對氣候變化的工作，助力社會低碳高質量發展。

優化環境管理體系

康基醫療嚴格遵守《中華人民共和國環境保護法》《中華人民共和國大氣污染防治法》《中華人民共和國水污染防治法》《中華人民共和國固體廢物污染環境防治法》《中華人民共和國噪聲污染防治法》等相關法律法規，制定並實施《環境管理制度》，持續提升集團的環境管理水平，並保持ISO14001環境管理體系認證的有效性。

集團嚴格落實新建項目環境影響評價制度，本報告期內，康基醫療聘請了專職環保人員開展更規範、更完善的園區施工項目環境影響評價工作，提前預防新建園區環境影響。集團安環部亦指導和推動各業務部門開展環境合規管理與節能環保工作，確保集團在合法合規運營的基礎上提升資源使用效率。

Environmental, Social and Governance Report

環境、社會及管治報告

Environmental Management Goals

During the Reporting Period, Kangji Medical has successfully achieved its environmental goals for 2023 set in 2022, including those related to carbon emissions, energy use efficiency, water use efficiency and waste reduction. We strive to promote green growth across the Group's short, medium and long-term development:

環境管理目標

本報告期內，康基醫療出色完成了2022年制定的包括碳排放、能源使用效益、用水效益及減廢方面的2023年度環境目標，努力推進集團短、中、長期的綠色發展：

| Category | Environmental Goals and Commitments for 2023-2025 | Unit | Baseline (2022) | Target (2023) | Actual (2023) | Achievement Status |
|---|---|--|-----------------|---------------|---------------------|-------------------------------|
| 類別 | 2023-2025年環境目標與承諾 | 單位 | 2022年基準值 | 2023年目標值 | 2023年實際值 | 目標達成情況 |
| Energy Use 能源使用 | 1. Achieve a 3% annual reduction in energy consumption intensity from 2023-2025, using 2022 as the baseline year. 以2022年為基準，2023年-2025年綜合能耗密度每年下降3%。 | tonnes of coal equivalent (tce)/ million in RMB 噸標煤/百萬元 | 0.96 | 0.93 | 0.91 | -5.35% (Achieved) (達成) |
| | 2. Increase photovoltaic installations to a total capacity of 1,600 kW by 2024, with the proportion of photovoltaic power usage not less than 15% of total electricity consumption, while reducing greenhouse gases by approximately 1,125 tonnes annually from 2025. 到2024年，光伏設備總裝機容量達到1,600千瓦，光伏發電用量佔總用電量的比重不低於15%，2025年起每年可減少溫室氣體排放約1,125噸。 | % | 15% | N/A 不適用 | 13.38% ³ | N/A 不適用 |
| Water Resources Use 水資源使用 | 1. Achieve a 3% annual reduction in total water consumption intensity from 2023-2025, using 2022 as the baseline year. 以2022年為基準，2023年-2025年總耗水密度每年下降3%。 | tonnes/ million in RMB 噸/百萬元 | 90.74 | 88.02 | 69.96 | -22.90% (Achieved) (達成) |
| | 2. The percentage of recycled water usage in total water consumption will not fall below the 2022 level from 2023 to 2025. 2023年-2025年循環水用水量佔總耗水量的百分比不低於2022年水平。 | % | 48.81% | 48.81% | 53.77% | Achieved 達成 |
| Greenhouse Gas Emissions 溫室氣體排放 | Achieve a 3% annual reduction in greenhouse gas emission intensity from 2023-2025, using 2022 as the baseline year. 以2022年為基準，2023年-2025年溫室氣體排放密度每年下降3%。 | tonnes equivalent/ million in RMB 噸當量/百萬元 | 4.41 | 4.28 | 4.23 | -4.08% (Achieved) (達成) |
| Waste Management 廢棄物管理 | Transfer 100% of hazardous waste generated to qualified third parties for recycling and disposal. 產生的有害廢棄物100%移交有資質的第三方單位回收處置。 | % | 100% | 100% | 100% | Achieved 達成 |
| Wastewater/Exhaust Emissions 廢水/廢氣排放 | Conduct annual environmental testing with qualified third parties to ensure 100% of wastewater and emissions are within regulatory standards. 每年聘請有資質的第三方單位進行環保檢測，實現廢水和廢氣100%達標排放。 | % | 100% | 100% | 100% | Achieved 達成 |

³ In 2023, there was no change in the number of installed photovoltaic equipment, while the Company's total electricity consumption increased, resulting in a slight decrease in the proportion of photovoltaic power generation. In the second half of 2024, the Company will proceed with the installation of photovoltaic equipment on the rooftops of newly constructed buildings, as originally planned, to support the achievement of environmental goals.

³ 2023年光伏設備安裝數量未發生變化，公司的總用電量增加，故光伏發電佔比略有下降；2024年下半年公司將按照原有計劃在新建廠房屋頂加裝光伏設備，助力達成環境目標。

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環境、社會及管治報告

Strengthening Climate Change Management

The impacts of climate change on global economic and societal development have been extensive. Kangji Medical is dedicated to building a more comprehensive governance system and implementing a strategical layout to address climate change. We actively develop risk response measures and set climate-related indicators and goals. Our efforts align with the national strategy for climate change adaptation as we proactively mitigate the negative impacts of climate change and embrace climate opportunities. During the Reporting Period, the Group has consistently followed the disclosure framework of the Task Force on Climate-related Financial Disclosures (TCFD) for climate-related financial information disclosure. Climate change-related work was carried out from four aspects: governance, strategy, risk response and indicators and goals, making efforts to mitigate the operational and financial impacts of climate change on the Group.

Governance

Kangji Medical has established a comprehensive governance framework for climate change. The ESG Committee under the Board is responsible for managing matters related to climate change risks and issues. Regular reports on climate change risk management are provided to the Board. With guidance from the ESG Committee, relevant departments develop management systems and response measures for identified significant risks and opportunities, assessing their financial and operational impacts on the Group. For more information on the ESG governance framework, please refer to the sections headed “Statement From the Board” and “ESG Governance Structure” of this report.

強化氣候變化管理

氣候變化已對全球經濟和社會發展產生廣泛影響，康基醫療致力於通過搭建更全面系統的治理體系，開展氣候變化策略佈局，並積極制定風險應對措施與氣候相關指標目標，響應國家適應氣候變化戰略工作，積極防範氣候變化帶來的不利影響，把握氣候機遇。本報告期內，集團持續參考氣候相關財務信息披露工作組 (TCFD, Task Force on Climate Related Financial Disclosure) 的信息披露框架，從管治、策略、風險應對、指標與目標四個層面開展氣候變化相關工作，努力減緩氣候變化對集團帶來的運營及財務影響。

管治

康基醫療已建立完善的氣候變化管治架構，集團氣候變化相關風險管理事宜及議題由董事會下設的ESG委員會負責，並向董事會定期匯報氣候變化風險管理情況。各相關部門在ESG委員會的指導下，對識別出的重大風險與相關機遇制定管理制度與應對措施，評估此類風險或機遇對本集團的財務及運營影響。ESG管治架構相關內容請參考本報告「董事會聲明」及「ESG管治架構」章節。

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Strategy

Kangji Medical is continuously improving its strategies for low-carbon development by taking into account its own business characteristics, national development strategies and industry trends. We actively identify transition risks associated with climate change, including policy and legal compliance risks that may affect the Group and its value chain, as well as physical risks like extreme weather events and natural disasters caused by climate change, such as flooding and rising temperatures. During the Reporting Period, the Group did not identify any significant climate-related risks. The specific risk categories, potential financial impacts and response strategies for identified risks are detailed in the table below:

策略

康基醫療结合自身業務特點、國家發展戰略部署、行業發展規律等逐步完善相關低碳發展策略，積極識別氣候變化對集團及價值鏈帶來的政策與法律合規等轉型風險，以及洪水、氣溫上升等由氣候變化導致的極端天氣及自然災害等實體風險。本報告期內，集團未新識別出重大氣候相關風險，已識別出的具體風險類別、潛在財務影響、應對策略詳見下表：

| | Risk Description and Potential Impact 風險描述與潛在影響 | Response Strategies 應對策略 |
|---------------------------------------|--|---|
| Transition Risk 轉型風險 | <p>As China pushes for the objective of “2030 Carbon Peak and 2060 Carbon Neutrality”, national policies and regulations related to carbon emissions will continue to grow stricter. Kangji Medical may incur financial expenses related to low-carbon equipment replacement to meet policy requirements.</p> <p>隨著中國對「2030年碳達峰、2060年碳中和」目標的推動，國家的碳排放相關政策法規要求持續趨嚴，康基醫療為滿足政策要求，可能產生包括低碳設備更換等方面的財務支出。</p> | <p>Kangji Medical has planned and deployed the use of clean energy, including:</p> <ul style="list-style-type: none"> - Installing solar power generation equipment in existing and new industrial zones. - Working with green energy companies and power plants to explore the purchase of green electricity. - Gradually phasing out energy-intensive and high-polluting machinery and equipment while improving automation levels. <p>康基醫療已開展清潔能源使用的規劃與部署，包括：</p> <ul style="list-style-type: none"> - 在現有園區安裝以及在新建園區規劃安裝太陽能發電設備。 - 與售賣綠色能源的能源公司、發電廠合作，探討購買綠色電能。 - 逐步淘汰高能耗、高污染的機器設備，提升自動化水平。 |
| Market Risk 市場風險 | <p>There is an increasing demand from domestic and international customers for products with reduced environmental impact, such as green and low-carbon products. Customers are now including product environmental assessments as part of their purchasing evaluation criteria, which may result in a decline in sales volume for the Group's main products and equipment.</p> <p>境內外客戶對綠色、低碳等環境影響更小的產品需求增加，產品環境因素評估被納入客戶採購考核標準，或出現集團主營業務產品設備銷售量下降。</p> | <p>Kangji Medical has embarked on conceptual initiatives such as green surgery and continues to reduce the use of plastics in products and packaging materials while promoting the development of low-carbon products.</p> <p>康基醫療已開展綠色手術等概念部署，持續減少產品與包裝材料對塑料的使用，推動低碳產品開發。</p> |

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| | Risk Description and Potential Impact 風險描述與潛在影響 | Response Strategies 應對策略 |
|-------------------------|---|---|
| Physical Risk 實體風險 | | |
| Long-term Risk 長期性風險 | <p>Operational Environment – Changes in precipitation patterns resulting from climate change may raise the risk of river water overflow. As Kangji Medical's primary production, operation, and research facilities are situated in river basins with lower elevations, the impact of floods may lead to interruptions in water and power supply, damage to production and operational equipment, increased frequency and cost of equipment maintenance or replacement and financial losses that affect the Group's normal operations.</p> <p>運營環境 – 氣候變化導致的降水模式變化或將提升河水溢流風險，由於康基醫療主要生產、運營、研發設施地處河流域且地勢較低，洪水等影響或將導致供水供電中斷、生產運營設備損毀，增加維修或更換設備的頻次以及花費，影響集團正常運營，帶來財務損失。</p> <p>Extreme Weather – Frequent extreme weather events, such as heavy rainfall, strong winds and heatwaves caused by climate change, could pose threats to property and personal safety. It may also raise the likelihood of employee illnesses and disrupt normal work processes, including R&D and production activities.</p> <p>極端天氣 – 氣候變化導致的暴雨、強風、熱浪等極端天氣的頻發可能帶來對財產與人身安全威脅，增加員工患病可能性，影響正常的研發、生產等工作。</p> | <p>Kangji Medical has incorporated such risks into the management of its daily operations by developing the Emergency Operation Process Guidelines for Extreme Scenarios and equipping itself with emergency materials to ensure personnel and property safety. We have also optimized the placement of high-heat-dissipating equipment, positioning them in areas with improved ventilation. This adjustment helps lower equipment temperatures, reduce the likelihood of equipment damage and enhance the overall lifespan of our equipment.</p> <p>康基醫療已將該類風險納入日常運營管理，通過制定《極端場景應急操作流程指南》以及配置相應應急物資，保障人員以及財產安全。我們亦通過調整散熱較大的設備至通風條件更好的位置，降低設備溫度，減少設備損壞頻次，提升設備使用壽命。</p> |
| Immediate Risk 立即性風險 | <p>Supply Chain and Logistics Impact – Physical risks arising from climate change may affect suppliers' production, logistics and transportation processes. This could result in operational disruptions due to insufficient raw material supply, leading to financial losses. Additionally, extreme weather events may also affect the logistics process during product delivery, causing delays and impacting the reputation of the Group.</p> <p>供應鏈與物流影響 – 氣候變化帶來的實體風險或將對供應商生產、物流、運輸等環節帶來影響，造成因原材料供應不足而導致的運營中斷，進而帶來財務損失。同時，極端天氣亦或影響集團對於產品發貨過程中的物流，導致產品無法按時交付，進而對集團聲譽產生影響。</p> | <p>Kangji Medical has made sufficient preparations for its supply chain. In the event of supply shortages from suppliers due to force majeure, we will engage alternative suppliers that align with our capacity requirements for timely replenishment. Moreover, in the realm of logistics, we have chosen to collaborate with reputable and well-established logistics companies to ensure the smooth running of logistics.</p> <p>康基醫療已對供應鏈環節進行了充分儲備，當供應商因不可抗力出現供貨不足的情況時，我們將選擇能力匹配的供應商進行及時補充。同時，在物流環節，我們選擇與資質全、體量大的物流公司合作，確保物流通暢。</p> |

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Climate change also presents development opportunities for Kangji Medical. During the Reporting Period, the Group identified climate-related opportunities by referencing the TCFD information disclosure framework. We have formulated key response strategies which primarily include the following:

氣候變化亦為康基醫療帶來發展機遇，本報告期內，集團參考TCFD信息披露框架對集團氣候相關機遇進行了識別，並明確了重點應對策略，主要包括：

| Opportunity 機遇 | Opportunity Description 機遇描述 | Key Response Strategy 重點應對策略 |
|---|---|---|
| <p>Resource Use Efficiency 資源使用效率</p> | <p>Enhanced Energy Efficiency to Reduce Operational Costs – In recent years, certain regions have experienced significant increases in energy prices due to factors like extreme weather events and geopolitical issues. Kangji Medical aims to reduce expenses related to energy consumption through the adoption of more energy-efficient equipment, highly efficient production processes and a faster transition to clean energy sources while reducing reliance on externally purchased energy.</p> <p>能效提升減少運營成本—近年來，由於極端天氣、地緣政治等因素，部分地區能源價格漲幅較大。康基醫療通過採用更高效的設備以及效率更高的生產流程，並加速佈局清潔能源，減少外購能源使用量，節省用於能源方面的花銷。</p> | <p>Kangji Medical continuously evaluates and updates its production and operational equipment through iterative calculations. By utilizing equipment with higher efficiency and lower energy consumption, as well as streamlining production processes, the Company reduces overall energy consumption. Additionally, the Group has installed solar power generation facilities in its existing and newly established sites, with plans to expand the installation of photovoltaic equipment, thus accelerating the adoption and integration of clean production methods.</p> <p>康基醫療持續開展生產設備與運營設備的更新迭代，通過使用效率更高、能耗更低的設備，開發流程更簡化的生產工藝減少能源消耗。同時，集團於現有園區以及在新建園區安裝太陽能發電設備，並計劃擴大光伏設備安裝規模，加速清潔生產與應用。</p> |
| <p>Products and Services 產品和服務</p> | <p>Climate Change Contributing to a Growing Demand for Medical Devices in the Market due to the Increased Prevalence of Diseases – As the global average temperature rises and extreme weather events become more frequent, the occurrence of diseases is on the rise. This, in turn, will elevate the R&D efforts and demands for medical devices due to the increased frequency and types of diseases, providing the Group with more market development opportunities.</p> <p>氣候變化導致疾病增加擴大醫療器械需求市場—全球平均氣溫與極端天氣事件頻率的增加將導致更多疾病的發生，對醫療設備的研發和需求或因疾病病發頻次與種類的增加而上升，進而為集團帶來更多市場發展機遇。</p> | <p>As a platform company specializing in medical devices, Kangji Medical leverages a combination of academia, research and industry to understand the evolving needs of patients. By continuously engaging in agile and wide-ranging technological research and application, we assist society in responding to emerging health challenges.</p> <p>作為醫療器械平台公司，康基醫療充分結合產學研以及臨床經驗，了解最前沿患者所需，並通過持續開展靈活性高、範圍覆蓋廣的技術研發與應用，協助社會應對全新健康挑戰。</p> |

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Responding to Risks

Kangji Medical attaches great importance to ESG-related risk management and incorporates climate risks into its corporate risk management system and risk assessment processes. We actively review and adjust our strategies and corresponding measures for managing climate change risks while continuously monitoring and enhancing our capabilities in climate risk management. During the Reporting Period, we have implemented corresponding risk mitigation measures in four areas: energy structure, equipment energy consumption, green products and production assurance.

Optimizing Energy Structure

Kangji Medical actively adjusts its energy usage structure and continues to adopt photovoltaic power generation equipment to support the production and operation of its industrial zones. As of the end of the Reporting Period, Kangji Medical has installed approximately 11,000 sq.m of photovoltaic power generation equipment, generating approximately 820,000 kWh of electricity annually. Additionally, we plan to install an additional 11,000 sq.m of photovoltaic power generation equipment in the second half of 2024 to further increase the proportion of clean energy usage. Furthermore, when purchasing external power, we have included green electricity such as hydropower and wind power in our considerations.

Reducing Equipment Energy Consumption

During the Reporting Period, we continuously replaced energy-intensive equipment in our production processes and embraced the principles of green construction in our new facilities. In our existing office areas, we consistently replaced office operation equipment with more energy-efficient options. In our newly constructed plants, we took proactive measures by selecting production equipment that has a minimal environmental impact, effectively reducing the overall energy consumption resulting from both production and office operations. For more details on these measures and their effectiveness, please refer to the sections headed "Implementation of Energy-saving and Emission Reduction Measures" and "Promoting Green Office Operations" of this report.

Creating Green Products

We integrate the concept of environmental sustainability at every stage of product production, transportation and usage. We optimize product packaging by reducing the proportion of plastic usage to minimize carbon emissions throughout the product lifecycle. For more details on these measures and their effectiveness, please refer to the section headed "Implementation of Energy-saving and Emission Reduction Measures" of this report.

風險應對

康基醫療重視ESG相關風險管理，將氣候風險融入至企業風險管理體系以及風險評估流程，積極檢討、調整氣候變化風險管理策略及相關應對措施，持續監控、強化氣候風險管理應對能力。本報告期內，我們就能源結構、設備能耗、綠色產品、生產保障四方面採取了相應風險應對措施。

優化能源結構

康基醫療積極調整能源使用結構，持續採用光伏發電設備支持園區生產運營。截至本報告期末，康基醫療已安裝約1.1萬平方米光伏發電設備，全年提供約82萬千瓦時電力。同時，我們計劃於2024年下半年再加裝1.1萬平方米光伏發電設備，進一步提升清潔能源使用佔比。另外，我們在外購電力時已將水電和風電等綠色電力納入考慮範圍。

降低設備能耗

本報告期內，我們持續更換生產環節中的高能耗設備，並於新建廠區踐行綠色建築的理念。在現有辦公區域中，我們持續更換更節能的辦公運營設備；在新建廠房中，我們主動選擇對環境影響更小的生產設備，全面降低企業因生產與辦公產生的能耗。詳細措施及成效請參考本報告「佈局節能減排措施」與「推行綠色辦公運營」章節。

打造綠色產品

我們將綠色環保理念貫穿產品生產、運輸、使用等環節，並優化產品包裝，降低塑料使用比例，減少產品生命週期碳排放。詳細措施及成效請參考本報告「佈局節能減排措施」章節。

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Enhancing Production Assurance

To address challenges arising from climate change, such as potential production shutdowns and power shortages, we continuously implement measures to reduce non-production electricity consumption in office areas, such as setting time and temperature limits on air conditioning systems. We strictly adhere to electricity usage regulations by adopting self-imposed power restrictions and partial power-off operations to prevent emergency power failures caused by inadequate power supply. Additionally, we have expanded our inventory of raw materials for production and increased stock levels of raw materials and components to ensure smooth production in the event of supply chain disruptions caused by extreme weather conditions.

Indicators and Goals

For details regarding Kangji Medical's goals for climate-related emission reduction and clean energy development, please refer to the section headed "Enhanced Environmental Management System".

Implementation of Energy-saving and Emission Reduction Measures

Kangji Medical strictly abides by relevant laws and regulations such as the Energy Conservation Law of the People's Republic of China and the Water Law of the People's Republic of China to enhance the standard of resource management of the Group. Through initiatives such as procuring energy-efficient and environmentally friendly equipment and fostering technological innovation, we enhance resource use efficiency, contributing to the establishment of an enterprise that emphasizes resource conservation.

Improving Resource Use Efficiency

Kangji Medical continues to optimize its energy structure and enhance the comprehensive use of resources. By progressively phasing out energy-intensive equipment and incorporating energy-efficient production equipment, we steadily reduce greenhouse gas emissions throughout the Group's operations. We regularly collect and analyze data on energy consumption during the production process to identify factors affecting energy use efficiency and implement tailored measures for improvement. Additionally, we strengthen daily water conservation management by constantly refining our water usage patterns and promoting the adoption of water recycling technologies. We collaborate with third parties to ensure a water supply for our daily production and operations. During the Reporting Period, the Group did not experience any water resource shortages.

During the Reporting Period, the Equipment Department of the Group installed additional water and electricity meters in our production workshops. This enables more precise measurement of water and electricity consumption for each workshop or key equipment, providing data support for quantifying energy-saving efficiency and facilitating more precise management of our production resources.

加強生產保障

為應對氣候變化帶來的潛在停工停產、用電不足等情況，我們持續通過對辦公區域空調採取限時、限溫等措施減少非生產用電，並嚴格執行用電規範，通過自我限電、局部斷電等措施，避免因供電不足而導致的緊急停電。同時，我們增強生產原材料儲備，加大原材料與零部件的庫存，在出現因極端天氣導致部分供應鏈斷供時保證生產正常運轉。

指標與目標

有關康基醫療氣候相關減排目標與清潔能源建設目標，詳見「優化環境管理體系」章節。

佈局節能減排措施

康基醫療嚴格遵守《中華人民共和國節約能源法》《中華人民共和國水法》等相關法律法規，強化集團資源管理水平，通過採購節能環保設備、開展技術創新等方法，提升資源使用效率，推動向資源節約型企業的建設。

提升資源使用效率

康基醫療持續優化用能結構，加強資源綜合利用，通過逐步淘汰高能耗設備、增加節能生產設備，穩步降低集團運營過程中的溫室氣體排放。我們亦定期統計及分析生產過程中的能源使用情況，總結影響能源使用效率的因素，並推行針對性改善措施。此外，我們加強日常節水管理，持續優化用水結構，推廣使用水循環技術。我們通過第三方獲取自來水資源以滿足日常生產與經營業務用水，本報告期內，集團尚未遇到水資源不足的情況。

本報告期內，集團設備部於生產車間加裝了更多的水錶和電錶，更精準計量各個車間或者關鍵設備的用水和用電情況，為量化節能效率提供數據支持，實現更精準的生產資源管理。

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Equipment Upgrade

During the Reporting Period, we have updated the following production equipment to reduce resource consumption during the production process:

- Introducing a fully automatic assembly machine for 5mm sheathing components, which has boosted our product assembly efficiency by nearly fivefold, further reducing the energy consumption per unit time in product production;
- Adopting electric injection molding machines that consume less hydraulic oil with improved injection efficiency, which has minimized resource and energy consumption.

Change of Packaging

During the Reporting Period, we have moved away from using hard plastic for some disposable sheath trocar packaging to soft plastic alternatives, which led to an approximate 80.4% reduction in the weight of each package. Over the year, our production packaging process saw a reduction of approximately 17 tonnes in plastic usage. Additionally, soft plastic packaging effectively contributed to smaller packaging and less space taken up, allowing us to increase the number of products shipped in each load. This, in turn, cuts down on the energy consumption for transporting each product. Moreover, we have reallocated our transportation logistics by arranging for some products to be picked up separately by the logistics group, using full-truck transport methods to minimize the use of packing bags and to boost the efficiency of our shipping operations.

Recycling and Reuse

During the Reporting Period, we continued to carry out the recycling and reuse of packaging materials and water to enhance the efficiency of resource usage, including:

- The centralized recycling of lining films and double-layered packaging bags from our suppliers, which are then repurposed as fillers in the packaging of our reusable instrument shipment, reducing the use of packaging sponges by approximately 2 tonnes over the year;
- The centralized collection of packaging boxes of disposable product blister packs, which are then trimmed down and turned into liner boards by packaging material manufacturers. During the Reporting Period, a total of 11,687 discarded cardboard boxes were collected, resulting in the reuse of approximately 70,000 liner boards;
- The collection of rinse water from the ultrasonic cleaning process, which after treatment, is reused as cooling water in our injection molding machines, contributing to less tap water consumption.

設備更新

本報告期內，我們通過更新以下生產設備以降低生產環節的資源消耗：

- 引進全自動5mm套管組件組裝機，提升近五倍產品組裝效率，進一步降低產品生產單位時間的能源消耗；
- 採用液壓油消耗更小的電動注塑機並提升注塑效率，降低資源與能源使用量。

包裝更換

本報告期內，我們將部分一次性套管穿刺器包裝由硬塑料包裝替換為軟塑料包裝，單個包裝重量下降約80.4%，全年生產包裝環節塑料用量減少約17噸，同時，軟塑料包裝有效減少了包裝尺寸和佔用空間，提升產品單次貨運數量，從而降低單位產品運輸能源消耗。此外，我們對運輸車輛進行調配，實行部分產品物流集團單獨取件，整車運輸，以此減少打包袋的使用，提高運輸效率。

循環利用

本報告期內，我們持續開展包裝物和水回收再利用工作，以提升資源使用效率，包括：

- 將供應商的內襯膜、雙層包裝袋集中回收，並用作重複性器械發貨包裝中的填充物，全年減少包裝海綿約2噸；
- 將一次性產品吸塑盒包裝物外箱集中回收後，於包裝物廠家剪切為襯板使用，本報告期內共計收集11,687只廢紙箱，總計循環利用約7萬餘片襯板；
- 收集超聲波清洗環節的清洗用水，處理後補充為注塑機冷卻水，減少自來水使用量。

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Resource Consumption Data

During the Reporting Period, the Group's data on energy use, greenhouse gas emissions, water resource use, and packaging material use, as well as the changes from the previous year, are as follows:

資源耗用數據

本報告期內，集團有關能源使用、溫室氣體排放、水資源使用及包裝材料使用的數據，以及較上一年的變動情況如下：

| Indicator 指標 | Unit 單位 | 2023 2023年 | 2022 2022年 | Change proportion 變動比例 | |
|--|---|---|---------------|------------------------------|--------|
| Energy consumption 能源消耗 | Total purchased power 外購電力總量 | kWh 千瓦時 | 5,339,711 | 4,727,082 | 12.96% |
| | Self-consumption of photovoltaic power generation 光伏發電自用電量 | kWh 千瓦時 | 824,339 | 819,510 | 0.59% |
| | Total electricity consumption 總耗電量 | kWh 千瓦時 | 6,164,050 | 5,546,592 | 11.13% |
| | Electricity consumption intensity ^{note 1} 耗電密度 ^{註1} | kWh/revenue in million RMB 千瓦時／百萬收入 | 6,656 | 7,048 | -5.56% |
| | Gasoline 汽油 | Litres 升 | 57,472 | 57,443 | 0.05% |
| | Natural gas ^{note 2} 天然氣 ^{註2} | m ³ 立方米 | 17,320 | 8,701 | 99.06% |
| | Comprehensive energy consumption ^{note 3} 綜合能源消耗 ^{註3} | tce 噸標煤 | 839.91 | 753.53 | 11.46% |
| Comprehensive energy consumption intensity 綜合能源消耗密度 | tce/revenue in million RMB 噸標煤／百萬收入 | 0.91 | 0.96 | -5.35% | |
| Greenhouse gas emissions 溫室氣體排放 | Scope I (direct energy) greenhouse gas emissions ^{note 4} 範圍1 (直接能源) 溫室氣體排放量 ^{註4} | tCO ₂ e 噸二氧化碳當量 | 164.22 | 145.52 | 12.85% |
| | Scope II (indirect energy) greenhouse gas emissions ^{note 5} 範圍2 (間接能源) 溫室氣體排放量 ^{註5} | tCO ₂ e 噸二氧化碳當量 | 3,756.49 | 3,325.50 | 12.96% |
| | Total greenhouse gas emissions 溫室氣體排放總量 | tCO ₂ e 噸二氧化碳當量 | 3,920.71 | 3,471.03 | 12.96% |
| | Greenhouse gas emissions intensity 溫室氣體排放密度 | tCO ₂ e/revenue in million RMB 噸二氧化碳當量／百萬收入 | 4.23 | 4.41 | -4.08% |

Note 1: The intensity of energy consumption and greenhouse gas emissions in this report is measured in terms of sales revenue per million RMB.

註1：本報告有關能源消耗、溫室氣體排放等數據的密度，均以銷售收入每百萬元人民幣為基數。

Note 2: Following an upgrade to the Group's cafeteria in June 2022, which included the addition of natural gas-powered equipment, the figures for natural gas consumption in 2022 represent only six months of consumption. The figures for natural gas consumption in 2023 account for a full year of use, hence there is a significant fluctuation in usage.

註2：2022年6月集團食堂改造後新增天然氣使用設備，2022年天然氣用量為半年使用數據。2023年天然氣用量為全年使用數據，故用量存在較大變動。

Note 3: The conversion of various types of energy into a standardized coal equivalent follows the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020).

註3：依據《綜合能源消耗計算通則》(GB/T2589-2020)將各類能源折算成標煤。

Note 4: The calculation for greenhouse gas emissions from Scope 1 (Direct Energy) is conducted based on the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change (IPCC).

註4：範圍1 (直接能源) 溫室氣體排放量依據政府間氣候變化專門委員會(IPCC)刊發的《IPCC 2006年國家溫室氣體列表指南2019修訂版》進行核算。

Note 5: The calculation for greenhouse gas emissions from Scope 2 (Indirect Energy) is conducted based on the Average Carbon Dioxide Emission Factors of PRC's Regional Power Grid in 2011 and 2012 published by the National Development and Reform Commission.

註5：範圍2 (間接能源) 溫室氣體排放量依據國家發展和改革委員會發佈的《2011年和2012年中國區域電網平均二氧化碳排放因子》進行核算。

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| Indicator 指標 | Unit 單位 | 2023 2023年 | 2022 2022年 | Change proportion 變動比例 |
|---|--|---------------|---------------|------------------------------|
| Total water consumption 總用水量 | tonnes 噸 | 64,781 | 71,354 | -9.21% |
| Total volume of water recycled 循環再利用水的總量 | tonnes 噸 | 34,830 | 34,830 | 0.00% |
| Total water consumption intensity 總耗水密度 | tonnes/revenue in million RMB 噸／百萬收入 | 69.96 | 90.74 | -22.90% |

| Indicator 指標 | Unit 單位 | 2023 2023年 | 2022 2022年 | Change proportion 變動比例 |
|---|--|---------------|---------------|------------------------------|
| Total consumption of packaging materials 包裝材料消耗總量 | tonnes 噸 | 868.49 | 697.29 | 24.55% |
| • Plastics • 塑料類 | tonnes 噸 | 234.35 | 191.29 | 22.51% |
| • Paperboard • 紙板類 | tonnes 噸 | 630.98 | 505.51 | 24.82% |
| • Sponge ^{note 6} • 海綿類 ^{註6} | tonnes 噸 | 3.16 | 0.50 | 538.38% |
| Amount of packaging materials reused 包裝材料二次利用量 | tonnes 噸 | 6.31 | 12.52 | -49.60% |
| Packaging material consumption intensity 包裝材料消耗密度 | tonnes/revenue in million RMB 噸／百萬收入 | 0.94 | 0.89 | 5.77% |

Note 6: During the Reporting Period, due to the transition for many of our disposable trocar punctures from hard to soft plastic packaging, the number of reusable PE bags decreased, leading to a significant increase in the use of sponge packaging materials for padding purposes.

註6：本報告期內，由於更多的一次性套管穿刺器從硬塑包裝改為軟塑包裝，導致可重複利用的PE袋變少，因此用於填充的海綿類包裝材料的使用量上升較多。

Reducing Pollutant Emissions

Kangji Medical strictly complies with national environmental laws and regulations, ensuring all of our operations are legally compliant. Through timely updates and modifications of equipment to cut down on the emissions of wastewater and gases, we have intensified our waste management efforts to minimize the pollutants generated during the Group's operational processes.

減少污染物排放

康基醫療嚴格遵守與國家環境相關的法律法規，依法合規開展集團各項業務，及時完成設備更新與改造，減少廢水、廢氣排放，加強廢棄物管理，降低集團運營過程中產生的污染物排放。

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Wastewater Management

Kangji Medical ensures that all of its operating sites implement separate systems for rainwater and sewage to conduct centralized collection and treatment of wastewater from production and daily life. This is done to meet the related quality benchmarks before discharging the treated water into the municipal sewage system. During the Reporting Period, we maintained our practice of hiring third-party environmental testing firms to assess our wastewater treatment efficacy. The assessment results have confirmed our compliance with all legal and regulatory standards. In addition, we have adopted the following approaches to manage wastewater during the construction phase of our new plants:

- Engage in discussions with the Production Department regarding the production usage of each part and level of the new plant to design wastewater filtration systems and discharge plans that are scientifically sound before construction;
- Continuously require the washing wastewater from the construction vehicles of the new plants to be centralized in the sedimentation pond for precipitation and then discharged into the municipal sewage system after meeting the sewage discharge standards.

Exhaust Management

Kangji Medical strictly adheres to the national regulations on exhaust emissions by continuously strengthening the management of exhaust emissions from production workshops, office buildings and various business processes. We engage qualified professional third parties to perform regular exhaust emission tests, ensuring our practices are in line with relevant laws and regulations. During the Reporting Period, the test results of exhaust emission indicated that Kangji Medical has met the national and local legal and regulatory requirements.

In the precision machining workshop, we consistently implement an oil mist purification system. This system employs plasma adsorption techniques to capture oil pollutants from our production processes, funneling them into an oil collection tank for centralized processing. This measure has reduced the concentration of oil mist in the workshop, enhancing our employees' work environment and minimizing the release of oil pollutants into the environment.

廢水管理

康基醫療的所有經營場所均實現雨污分流，對生產與生活中的廢水進行集中收集與處理，確保相關指標合格後向市政污水管網進行排放。本報告期內，我們延續聘請第三方環保檢測機構對污水處理結果進行了檢測，檢測結果顯示全部指標符合法律法規要求。此外，我們通過以下方法對新建廠房施工環節的廢水進行處理：

- 在新建廠房前與生產部門逐項、逐樓層溝通廠房生產用途，以科學設計廢水過濾池及排放規劃；
- 持續要求新建廠房施工車輛的沖洗廢水集中至沉澱池進行沉澱，並於滿足排污標準後排至市政污水管網。

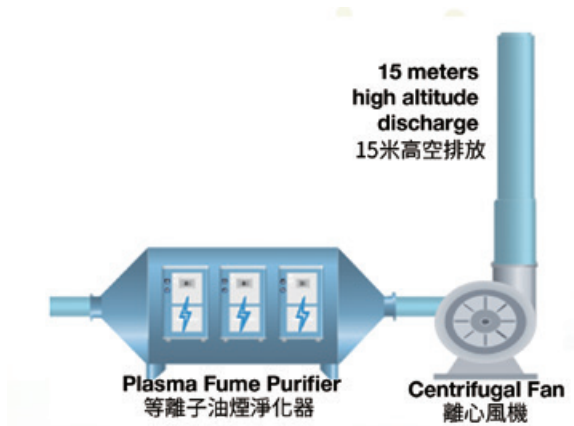
廢氣管理

康基醫療嚴格遵守國家廢氣排放規定，持續強化生產車間、辦公樓及各業務環節廢氣排放管理力度，通過定期聘請具有資質的專業第三方機構進行廢氣排放測試，以保證其符合相關法律法規要求。本報告期內，康基醫療廢氣排放檢測結果均符合國家及運營地法律法規要求。

在精雕車間，我們持續採用油霧淨化系統，以等離子體吸附的方式，收集生產過程中的廢氣油污並沉降至集油槽中，再進行集中處理，該措施降低了車間的油霧濃度，改善了員工的工作環境，並減少了油污的對外排放。

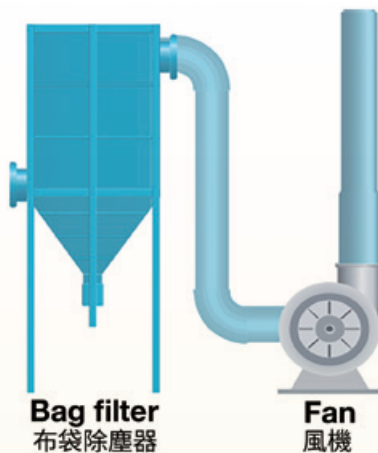
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In the polishing workshop, we adopt a dust collection system to collect the generated metal dust. This system uses a combination of fabric bag filters and a blow-spray technique to remove and collect dust from the air, effectively cutting down on dust levels both inside the workshop and in the external environment, thus helping to reduce air pollution.

在拋光車間，我們採用粉塵收集系統以收集產生的金屬粉塵。該系統採用布袋和吹噴結合的方式，對含塵氣體進行除塵，並將粉塵進行收集，有效減少粉塵在車間內部以及對外的排放，減少空氣污染。



In the injection molding workshop, we have upgraded to new drying equipment that incorporates an internal gas recirculation feature, effectively lowering the emission of dust and exhaust gases within the workshop to alleviate air pollution.

在注塑車間，我們更替了新式烘乾設備，實現設備氣體內循環，有效減少車間內粉塵、廢氣排放，緩解空氣污染。

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Additionally, we require that all engineering vehicles working on the construction site to undergo a thorough cleaning before they are allowed to travel on the nearby city roads. This is to minimize the dispersal of dust from the site into the adjacent areas due to vehicle movement. Furthermore, we are continuously working to mitigate the problem of airborne dust at the construction site by maintaining measures such as the installation of dust barriers around the perimeter of the site and the provision of a sprinkler system along the site's fencing to reduce the environmental impact of our construction.

Waste Management

Kangji Medical is faithfully committed to its environmental goal, ensuring that all hazardous waste is transferred to certified partners for disposal. We have continued our long-standing partnership with hazardous waste management companies for many years. By enhancing the storage conditions within our hazardous waste warehouse and implementing a log system for hazardous material storage and a hazardous waste transfer manifest, we have significantly improved the management of hazardous waste.

In terms of non-hazardous waste management, we persist in our efforts to sort and manage domestic and office waste, signing a waste recycling and disposal agreement with the local waste management company to ensure that waste is collected and transported without delay every day. We have established a centralized waste recycling station for waste generated during construction on our construction sites. We require the construction units to adhere to requirements for the stacking of construction and renovation waste through management, following a standardized protocol for waste storage and recycling.

Regarding waste recycling and reuse, we continue to recycle waste plastics, used cardboard and other recyclable waste generated from our production and office operations. For details on these measures and their effectiveness, please refer to the section headed "Improving Resource Use Efficiency " of this report.

此外，我們規定所有在施工場地內作業的工程車輛必須完成清洗後方可駛入外圍市政道路，以減少車輛活動導致的塵土從工地散佈到外圍區域的情況。同時，為減輕施工現場揚塵問題，我們持續實施在建築周邊安裝防塵網並在工地圍欄處配備噴淋系統的措施，降低施工環境影響。

廢棄物管理

康基醫療嚴格執行有害廢棄物100%移交有資質的第三方機構處置的環境目標，沿用合作多年的危廢處置單位，改善危廢倉庫的存儲條件，建立危廢出入庫登記台賬及危廢轉移聯單，顯著提升了有害廢棄物的管理效果。

無害廢棄物管理方面，我們持續推行生活和辦公垃圾的分類管理工作，與當地環衛公司簽訂垃圾回收處置協議以確保每天及時清運。我們針對建築工地施工中產生的廢棄物建立了集中廢棄物回收點，並要求施工單位管理落實建築與裝修廢棄物的堆放要求，遵守統一的廢棄物存放與回收流程。

廢物回收利用方面，我們持續回收生產與辦公環節產生的廢塑料、舊紙板等可回收垃圾，詳細措施及成效請參考本報告「提升資源使用效率」章節。

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Pollutant Emission Data

During the Reporting Period, the data regarding wastewater and solid waste, as well as the changes from the previous year, are as follows:

污染物排放數據

本報告期內，有關廢水與固體廢棄物的數據，以及較上一年的變動情況如下：

| Indicator 指標 | Unit 單位 | 2023 2023年 | 2022 2022年 | Change proportion 變動比例 |
|--|---|---------------|---------------|------------------------------|
| Total volume of wastewater discharged ^{note 7} 綜合污水排放量 ^{註7} | tonnes 噸 | 51,825 | 57,083 | -9.21% |
| Total wastewater discharge intensity 綜合污水排放密度 | tonnes/revenue in million RMB 噸／百萬收入 | 55.96 | 72.59 | -22.90% |
| Chemical oxygen demand (COD) emission ^{note 8} 化學需氧量COD排放量 ^{註8} | tonnes 噸 | 3.89 | 4.34 | -10.41% |
| Ammonia nitrogen emission ^{note 9} 氨氮排放量 ^{註9} | tonnes 噸 | 0.98 | 0.98 | -0.24% |

Note 7: According to the Announcement on the Release of Pollutant Discharge Coefficient for Calculating Pollutant Discharge and Material Balance Calculation Method (No. 81 of 2017) – emission coefficient and material balance method applicable to industries not included in emission permit management (Trial) – the sewage emission coefficient is taken as 0.7 ~ 0.9, Kangji Medical converts 80% of fresh water consumption into the total volume of wastewater discharged.

註7：依據生態環境部《關於發佈計算污染物排放量的排污係數和物料衡算方法的公告》（2017年第81號）—未納入排污許可管理行業適用的排污係數、物料衡算方法（試行）—污水排放係數取0.7~0.9，康基醫療依據新鮮用水量的80%折算成綜合污水排放量。

Note 8: The COD concentration in wastewater is estimated using the annual third-party test report, with the figure for 2023 being 75mg/L.

註8：以每年第三方檢測報告中污水COD濃度來測算，2023年度取75mg/L。

Note 9: The ammonia nitrogen concentration in wastewater is estimated using the annual third-party test report, with the figure for 2023 being 18.9mg/L.

註9：以每年第三方檢測報告中污水氨氮濃度來測算，2023年度取18.9mg/L。

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| Indicator 指標 | Unit 單位 | 2023 2023年 | 2022 2022年 | Change proportion 變動比例 | |
|--|--|---|---------------|------------------------------|------------|
| Hazardous waste 有害廢棄物 | Total amount of hazardous waste generated ^{note 10} 有害廢棄物產生總量 ^{註10} | tonnes 噸 | 32.96 | 14.10 | 133.87% |
| | - Volume of waste emulsion generated ^{note 11} - 廢乳化液產生量 ^{註11} | tonnes 噸 | 21 | 6.63 | 216.65% |
| | - Volume of oil-containing metal generated - 含油金屬產生量 | tonnes 噸 | 9.46 | 5.26 | 79.96% |
| | - Quantity of waste packaging barrels generated - 廢包裝桶產生量 | tonnes 噸 | 1.20 | 0.48 | 152.94% |
| | - Other hazardous wastes ^{note 12} - 其他有害廢棄物 ^{註12} | tonnes 噸 | 1.30 | 1.73 | -24.77% |
| | Intensity of hazardous waste generated 有害廢棄物產生密度 | tonnes/revenue in million RMB 噸/百萬收入 | 0.0356 | 0.0179 | 98.60% |
| Total amount of hazardous waste disposed of ^{note 13} 有害廢棄物處置總量 ^{註13} | tonnes 噸 | 32.96 | 18.40 | 79.13% | |
| Non-hazardous waste 無害廢棄物 | Total amount of non-hazardous waste generated 無害廢棄物產生總量 | tonnes 噸 | 83.02 | 45.09 | 84.12% |
| | - Office/domestic waste - 辦公/生活垃圾 | tonnes 噸 | 60.75 | 37.26 | 63.04% |
| | - Recyclables ^{note 14} - 可回收物 ^{註14} | tonnes 噸 | 21.27 | 7.83 | 171.65% |
| | - Other non-hazardous waste ^{note 15} - 其他無害廢棄物 ^{註15} | tonnes 噸 | 1 | 0 | N/A 不適用 |
| | Intensity of non-hazardous waste generated 無害廢棄物產生密度 | tonnes/revenue in million RMB 噸/百萬收入 | 0.0897 | 0.0573 | 56.35% |
| | Amount of non-hazardous waste recycled ^{note 16} 無害廢棄物回收量 ^{註16} | tonnes 噸 | 18.67 | 7.83 | 138.44% |

Note 10: During the Reporting Period, the Group further refined the statistical scope for waste and intensified our waste management practices. We classified a broader range of waste under more scenarios as hazardous, which has resulted in a significant increase in the total amount of hazardous waste.

註10: 本報告期內，集團進一步完善了廢棄物統計口徑，並加強了對廢棄物的管理力度，將更多情境下產生的廢棄物歸為有害廢棄物，故導致有害廢棄物總量上升明顯。

Note 11: Due to the Company's production needs and our commitment to maintaining product quality, the Group carried out two emulsion replacements during the year, which resulted in an increase in the amount of related hazardous waste generated.

註11: 由於公司生產需要，為保障產品質量，本年度集團開展了兩次乳化液更換工作，故相關危險廢棄物產生量有所上升。

Note 12: Other hazardous waste includes waste organic solvents, waste lubricating oils, waste mineral oils and printer ink cartridges, which are either generated in smaller quantities or on an occasional basis.

註12: 其他有害廢棄物包括廢有機溶劑、廢潤滑油、廢礦物油和打印機墨盒等產生量較小或者偶爾產生的有害廢棄物。

Note 13: The total amount of hazardous waste is based on the amount transferred to qualified third parties and is documented with the Hazardous Waste Transfer Manifest.

註13: 以移交第三方有資質單位並開具《危廢轉移聯單》的有害廢棄物總量為準。

Note 14: Recyclables include non-hazardous waste such as waste metals, waste cardboard and waste plastics.

註14: 可回收物包括廢金屬、廢紙板、廢塑料等無害廢棄物。

Note 15: Other non-hazardous waste mainly refers to construction waste, specifically 1 tonne of renovation waste generated by Weijing Medical.

註15: 其他無害廢棄物主要指建築垃圾，為唯精醫療產生的1噸裝修垃圾。

Note 16: The total amount of non-hazardous waste recycled is based on the amount sold to waste recycling dealers, primarily consisting of waste cardboard and waste plastics.

註16: 以售賣給廢品回收商的無害廢棄物總量為準，以廢紙板和廢塑料為主。

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Promoting Green Office Operations

Kangji Medical has been steadfast in strengthening the integration of green office principles into daily operations. We have ramped up our efforts to promote green office practices to enhance employee awareness of green office operations, with a focus on regular energy-saving and emission-reducing initiatives. During the Reporting Period, the Group has launched energy-saving initiatives both through technology and management and has moved forward with the green architecture strategy for our new plant, applying a multi-faceted approach to green office operations, with various measures in place to minimize the environmental impact of our operations.

Energy-Efficient Technology

- The ventilation system in our polishing workshop has been upgraded from a single switch control to a variable frequency drive that operates at constant pressure. While ensuring effective exhaust, the system adjusts its power output based on the number of active workstations to reduce unnecessary resource wastage, thereby improving energy efficiency;
- Interlocking devices have been installed on the polishing machines, air tube valves and lighting fixtures in the polishing workshop to reduce resource wastage that occurs when employees leave their workstations without turning off lights;
- Continuous replacement of energy-intensive lighting equipment with energy-saving lighting options to conserve electricity.

Energy-Efficient Management

- Continuously promote the digital transformation of our office workflows by transitioning the Group's approval process from paper-based to OA system, leading to a reduction of the intensity of paper use in the office (paper usage per million RMB of sales revenue) by approximately 10.9%;
- Standardize the temperature settings for air conditioning. In summer, air conditioning should not be set below 26°C, and in winter, heating is not to exceed 22°C. These standards are irregularly monitored to ensure adherence and foster an energy-conscious culture among our staff in line with energy-saving and carbon reduction regulations;
- Introduce a fuel consumption management system to the daily management of our corporate vehicles. This involves monthly assessments and rankings of the fuel consumption of our corporate vehicles, which are made public. Our active efforts were also made to spot any irregularities and refine our drivers' monthly evaluation criteria to reduce fuel consumption across our corporate fleet.

推行綠色辦公運營

康基醫療持續強化綠色辦公運營理念在日常工作中的實施，加強綠色辦公運營宣傳，提升員工綠色辦公意識，貫徹落實日常節能減排行動。本報告期內，集團開展了技術節能、管理節能，並推進新建廠區的綠色建築方案，多維度落實綠色辦公運營，多措並舉減少運營產生的環境影響。

技術節能

- 將拋光車間的抽風系統由單一的開關控制改為恆壓變頻控制，在保證抽吸效果的前提下，抽風系統隨工位數量進行對應的功率變化，減少不必要的資源浪費，提高能源使用效率；
- 為拋光車間的拋光機、氣管閥門與照明燈具安裝聯動裝置，減少因員工離開工位沒有關閉照明設備的情況，減少資源浪費；
- 持續使用節能燈具替換高能耗的照明設備，節約用電。

管理節能

- 持續推進辦公流程數字化轉型，將集團審批流程由紙質審批轉為OA審批，降低辦公室紙張使用強度（每百萬元銷售收入對應的紙張用量）約10.9%；
- 規範空調開啟後的溫度限制，要求夏天冷氣不得低於26°C，冬天暖氣不得高於22°C，並進行不定期巡查監督，提高員工節能意識，落實節能降碳規定；
- 在公務用車的日常管理工作中增加油耗管理內容，每月對公務用車油耗進行統計、排名並公佈，積極識別異常情況，並完善司機月度考核細則，實現公務用車油耗降低。

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Green Building

- The new R&D building is designed with a glass roof to maximize natural light, which substitutes for a portion of the electric lighting, thus reducing electricity use for lighting;
- Gas-fired boilers are used as the heating source in certain workshops of phase four, decreasing the use of fossil fuels and cutting down on greenhouse gas emissions;
- The new plant will opt for natural gas heating over electric ones and will install water-saving apparatuses to diminish related energy consumption.

EMPLOYEE CARE

Kangji Medical is well aware that employees are one of the indispensable driving forces for the Group's sustainable development. Our corporate values are firmly people-centric, and we dedicate ourselves to safeguarding our employees' rights and interests in all aspects, striving to create a healthy and safe work environment that provides employees with a diverse and equal work atmosphere. Additionally, we place a strong emphasis on cultivating a team of high-caliber professionals through a diverse range of training resources, fully enabling our employees to develop their skills and achieve personal fulfillment.

Employee Rights and Benefits

Kangji Medical insists on a people-oriented approach, strictly adhering to laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on Promotion of Employment and the Trade Union Law of the People's Republic of China. We have also established charters such as the Employee Handbook, the Employee Recruitment Management System and the Employee Training System to regulate the management of recruitment and dismissal, compensation and benefits, attendance and performance, working hours and holidays, effectively safeguarding the legitimate rights and interests of employees. Moreover, we create an environment of diversity and inclusivity, fostering a workplace where equality and fairness are paramount, and every employee feels a strong sense of belonging. We value the voices of our employees by setting up various communication channels for employees to encourage them to share their insights and advice.

綠色建築

- 新建研發大樓使用玻璃屋頂，增強自然採光以替代部分電燈照明，減少照明用電；
- 將燃氣鍋爐作為四期部分車間的熱源，減少化石燃料使用，降低溫室氣體排放量；
- 新建廠房將使用天然氣取暖替代電加熱取暖，並安裝節水設備以降低相關能源消耗。

員工關懷

康基醫療深知員工是集團推動可持續發展不可或缺的動力之一。我們始終堅持以人為本的企業核心價值觀，高度重視員工各方面的權益，努力打造健康安全的工作環境，為員工提供多元、平等的工作氛圍。同時，我們注重建設高質量人才隊伍，構建多樣化的培訓資源，全方位賦能員工，幫助員工實現自我價值。

員工權益與福利

康基醫療堅持以人為本，嚴格遵守《中華人民共和國勞動法》《中華人民共和國勞動合同法》《中華人民共和國就業促進法》和《中華人民共和國工會法》等法律法規，並制定了《員工手冊》《員工招聘管理制度》和《員工培訓制度》等章程，規範招聘與解聘、薪酬與福利、考勤與績效、工作時長與假期等方面的管理，切實保障員工的合法權益。同時，我們為員工打造多元包容、平等公正的工作氛圍，增強員工的歸屬感。我們重視員工心聲，設置了多樣化的員工溝通渠道，鼓勵員工建言獻策。

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Safeguarding Employee Rights

Kangji Medical upholds a recruitment policy characterized by openness, transparency, and equitable fairness, creating a fair mechanism in our hiring practices. The Group implements the Employee Recruitment Management System, which specifies the requirements and protocols at each stage of the recruitment process, ensuring the efficiency and compliance of our recruitment activities. During the Reporting Period, we have integrated the recruitment processes of our branches outside Chinese mainland into a centralized management system. We have also updated our protocols for background checks, headhunter management and approval authority within our position grading system specifically for the mainland China region, thus further refining the Group's recruitment management system.

We pursue a recruitment policy of broadly soliciting talents, tapping into a variety of recruitment avenues such as job fairs, recruitment websites, headhunters, campus recruitment and our WeChat official account to enrich the Group's talent pool in multiple dimensions. In addition, the Group has put in place the Internal Recommendation and Reward System for the Company's Employees to motivate our staff to recommend prospects for open positions. Furthermore, we enforce a zero-tolerance policy against discrimination throughout the hiring process by holding our recruitment personnel to strict standards and vigilant oversight.

In strict compliance with relevant laws and regulations such as the Law of the People's Republic of China on the Protection of Minors and the Provisions on Prohibition of Child Labour, we have established strict verification processes to rigorously ensure all candidates meet age requirements. Any candidate who does not meet the age criteria is not hired, thus completely eradicating the use of child labor from the source. Furthermore, the Group has a firm stance against forced labor and has instituted the Overtime Management System to reasonably arrange employees' working hours. In instances where overtime is necessary, the Group will abide by the law to provide overtime pay or compensatory leave, effectively ensuring that we comply with all applicable laws and regulations regarding employees' work hours and labor rights. During the Reporting Period, the Group did not experience any incidents of employing child labor or forced labor.

保障員工權益

康基醫療秉持公開透明、公平公正的招聘方針，打造公平用人機制。集團實施《員工招聘管理制度》，明確招聘各環節中的要求和規範，確保招聘工作的高效性與合規性。本報告期內，我們將中國大陸以外分支機構的招聘流程納入統一管理範疇，並將中國大陸地區的背景調查、獵頭管理和職級體系審批權限進行更新，進一步精細化集團招聘管理體系。

我們奉行廣納人才的招聘方針，從多渠道開展招聘工作，包括人才市場、招聘網站、獵頭、校園招聘、微信公眾號等，多維度豐富集團的人才儲備。此外，集團實施《公司員工內部推薦獎勵制度》，鼓勵員工為有需求的崗位推薦合適的人選。同時，對於招聘中可能出現的歧視行為，我們嚴格要求招聘人員遵守規章制度，並對招聘環節進行嚴格監控，堅決杜絕任何歧視現象的出現。

我們嚴格遵守《中華人民共和國未成年人保護法》和《禁止使用童工規定》等相關法律法規，制定了嚴格的審核流程，對應聘者的年齡進行嚴格鑒別，如發現年齡不符的應聘者一概不予錄用，做到從源頭杜絕使用童工。此外，集團嚴禁強制勞工，實施《加班管理制度》，合理安排員工工作時間。若出現加班情況，集團將依法支付加班費或安排調休，切實保障員工的勞動時間和勞動權益符合各項法律法規要求。本報告期內，集團未發生任何僱傭童工和強制勞工事件。

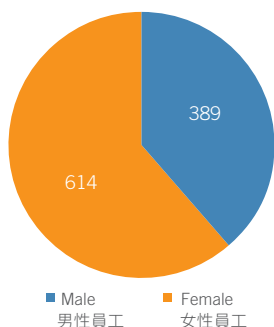
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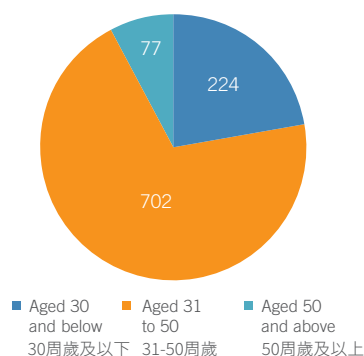
As of the end of the Reporting Period, the Group's workforce totaled 1,003 employees, representing an increase of 118 employees or a growth of approximately 13.33% compared to last year. The breakdown of the Company's employees by gender, age, region and employment type is as follows:

截至報告期末，本集團共有員工總數1,003人，相比去年增加118人，增長約13.33%，公司按性別、年齡、地區及僱傭類型員工情況如下：

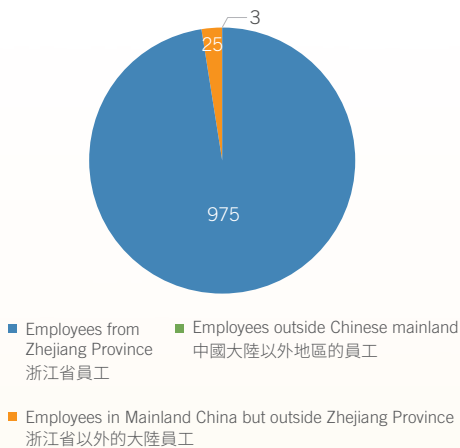
Employees by gender (persons)
按性別劃分的員工情況 (人)



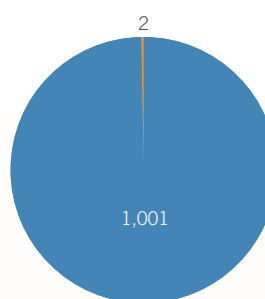
Employees by age (persons)
按年齡劃分的員工情況 (人)



Employees by region (persons)
按地區劃分的員工情況 (人)



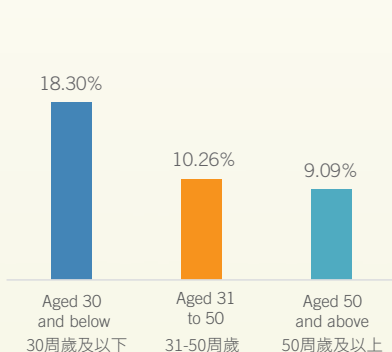
Employees by employment type (persons)
按僱傭類型劃分的員工情況 (人)



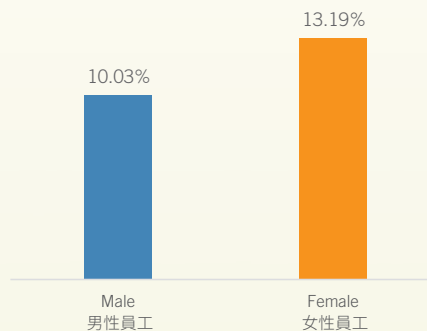
During the Reporting Period, the Group experienced an overall employee turnover rate of approximately 11.96%, all of whom were employees within Zhejiang Province. The breakdown of the Company's employee turnover by gender and age is as follows:

本報告期內，本集團的員工總流失比率約為11.96%，全部為浙江省內員工。公司按性別和年齡劃分的員工流失率情況如下：

Employee turnover rate by age (%)
按年齡劃分的員工流失比率 (%)



Employee turnover rate by gender (%)
按性別劃分的員工流失比率 (%)



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Promoting Diversity and Equality

Kangji Medical is an advocate of a diverse workplace culture and is committed to creating an equal and inclusive working environment. We firmly oppose any discrimination based on gender, age, region, religious beliefs, and other factors to ensure that every employee is treated equally.

The Group puts emphasis on gender equality and strictly adheres to national laws and regulations to ensure that employees have access to maternity leave, childcare leave, and paternity leave while preventing female employees from unfair treatment due to factors such as pregnancy and menstruation. During the Reporting Period, the Group's retention rate of female employees who return from childcare leave reached 90%, except for one who resigned after her maternity leave for personal reasons. Moreover, apart from meeting business needs, we actively explained the employment of people with disabilities, with 5 disabled employees now working in the Group. We encouraged disabled employees to try different jobs at work so as to achieve their self-worth while protecting their lawful rights and interests. During the Reporting Period, we were not aware of any discrimination.

Well-Established Compensation System

Kangji Medical has established a sound and transparent compensation system and a performance appraisal mechanism. We insist on using employees' work performance, competence, and quality as yardsticks for determining their ranks and salaries and offering our employees compensation packages that are competitive in the industry. Our clear and flexible corporate ladder helps continue to provide talents with well-defined career development paths, which can attract, motivate and retain talented persons in a more effective way.

During the Reporting Period, the Group went further into optimizing the link between the compensation system and the rank system, allowing every employee at each rank to know his/her career path and salary range. Meanwhile, we pushed forward the performance appraisal across the board by making a list of rules on performance appraisal rules that require incentives for employees who do well on the job as a way to improve employees' work enthusiasm.

促進多元平等

康基醫療倡導多元的職場文化，致力於構建平等、包容的工作環境。我們堅決反對任何由性別、年齡、地區、宗教信仰等因素產生的歧視行為，保障每位員工受到平等對待。

集團重視性別平等，嚴格按照國家法律法規保障員工產假、育兒假以及陪產假，同時確保女性員工不因懷孕、生理期等因素遭遇不公平對待。本報告期內，集團女性員工育兒假後留職率達90%（有一名員工因個人原因在休完產假後選擇主動離職）。此外，在滿足業務需求的情況下，我們積極幫助殘障人員就業，集團現有殘障僱員5名，在保障其合法權益的基礎上，我們鼓勵殘障僱員在工作中嘗試不同的內容，實現自我價值。本報告期內，我們未獲悉任何歧視事件的發生。

完善薪酬體系

康基醫療已建立完善且透明的薪酬體系和績效考核機制，我們堅持以員工的工作業績和能力素質為重要標準來確定員工職級和薪酬，並為員工提供行業中具有競爭力的薪酬待遇；通過明確靈活的晉升機制，持續為人才提供清晰的職業發展路徑，更有效地吸引、激勵和保留人才。

本報告期內，集團進一步優化薪酬體系與職級體系的掛鉤，讓每個職級的員工清楚自己的發展通道及薪酬區間。同時，我們全面推進員工績效考核工作，制定了一系列的績效考核規則，對績效表現優異的員工予以激勵，提升員工工作積極性。

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Open Communication Channels

Kangji Medical actively listens to our employees by establishing diverse communication channels, such as emails, surveys, employee forums and performance discussions, to fully understand their concerns.

暢通溝通渠道

康基醫療主動聆聽員工心聲，設置了多種溝通渠道，通過郵件、問卷調查、員工座談會、績效面談等方式，充分了解員工訴求。

New Employee Forum themed “Open Discussion on ‘New’ Voice, Progressing Together” “暢談‘新’聲攜手共進”新員工座談會

To deepen our understanding of the thoughts of our new employees and effectively address the challenges they encounter in work and life, helping them better fit in the Group's development, Kangji Medical held a new employee forum themed “Open Discussion on ‘New’ Voice, Progressing Together” during the Reporting Period. The event was designed to build a platform for close communication between the Group's management and new employees. It aimed to help new employees feel more connected to the Group and enhance their sense of belonging, while also providing the Group with insights into the new employees' perspectives. This further improved our management service standards, supporting our sustainable and healthy development. A total of 65 new employees participated in this forum.

為進一步了解新員工思想動態，切實解決新員工在工作和生活中遇到的問題，幫助新員工更好地融入集團發展，本報告期內，康基醫療開展了主題為“暢談‘新’聲攜手共行”新員工座談會，旨在為集團管理層和新員工搭建近距離溝通交流平台，一方面幫助新員工融入集團，增強歸屬感，另一方面幫助集團了解新員工思想動態，進一步提升管理服務水平，助力企業持續健康發展。共計65名新進員工參加了此次座談會。



During the Reporting Period, we carried on with our employee engagement surveys, achieving a coverage of approximately 60% and collecting over 500 valid responses in total. The findings from the survey indicate that overall employee engagement has seen an improvement from prior years, and employees reported a strong sense of job satisfaction and pride.

本報告期內，我們持續開展員工敬業度調查，覆蓋率約60%，共計回收有效問卷超500份。根據問卷分析結果，員工總體敬業度比往年有所提高，工作幸福感和榮譽感較強。

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Enhancing Welfare Standards

Kangji Medical is always committed to being a solid support for our employees by offering a comprehensive range of benefits. In addition to providing "five insurances and one fund", we also extend medical mutual aid insurance and various subsidies to all employees. Employer liability insurance is purchased for rehired personnel who are retired, interns and probationary employees.

Benefits and Leaves

In addition to statutory holidays, the Group ensures that all employees enjoy legal leaves such as marriage leave, maternity leave, pregnancy check leave and paternity leave and arranges a group trip for all employees every year. Furthermore, we give birthday presents, employment anniversary souvenirs and traditional holiday-specific gifts to all employees and hold employee birthday parties every month to enhance employee happiness.



Comprehensive Subsidy Policy

We have formulated a variety of subsidy policies to improve employee welfare, including providing employees with subsidies for communication, travel, meals, accommodation and high-temperature conditions. Additionally, recognizing the challenges that some non-local employees face in returning home for the Spring Festival, we also offer reimbursement for their travel expenses during this period. Furthermore, for employees who face family difficulties, the loss of immediate family members, disability or hospitalization, the Group provides employees with different amounts of condolence money depending on the situation to help them navigate these challenging times.

Comfortable and Healthy Working Environment

The Group attaches great importance to the physical and mental health of employees and has created a healthy, comfortable and safe working environment. In our newly built office and dormitory buildings, we have thoughtfully incorporated facilities that cater to the needs of our employees' work and life. This includes amenities such as a library, rest areas, a fitness center and a basketball court to promote a healthy work-life balance among our employees and minimize the risk of work-related health issues.

提升福利水平

康基醫療始終致力於成為員工的堅實後盾，為員工提供多種福利待遇。我們在為員工提供「五險一金」之外，亦為全體員工提供醫療互助保險以及各項補貼，為退休返聘人員、實習生和試用期員工購買僱主責任險。

福利與假期

除法定節假日外，集團保障全體員工享有婚假、產假、妊娠檢查假、陪产假等合法假期，並每年組織全體員工出遊。此外，我們為全體員工提供生日禮物、入職周年紀念品、傳統節假日禮品等禮物，並每月舉辦員工生日會，提升員工幸福感。



多維度補貼政策

我們制定了多種補貼政策提升員工福利水平，包括向員工提供通訊、交通、餐飲、住宿、高溫等多方面補助。同時，集團為外地員工提供春節返鄉交通費報銷福利。此外，對於家庭困難、直系親屬去世、傷殘及住院的員工，集團視情況為員工提供不同程度的慰問金，鼓勵員工渡過難關。

舒適健康工作環境

集團高度重視員工身心健康，打造健康、舒適、安全的工作環境。我們在新建的辦公樓和宿舍樓中充分考慮員工工作生活需求，設計了圖書館、休息區、健身房、籃球場等便利休閒區域，鼓勵員工勞逸結合，遠離職業病風險。

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Special Cultural and Sports Events

The Group promotes work-life balance and greater well-being for our employees by organizing a variety of unique cultural and sports activities. The special cultural and sports activities we carried out during the Reporting Period mainly include:

- **Family Sessions on Chinese Culture Learning:** We hosted an event themed "Celebrating the Asian Games, Dreaming in Equestrian", with participation from over 60 employees and their children in total;
- **Kangji Fitness Club:** We organized a scenic hike along the Maling Ancient Road, with participation from over 80 employees in total;
- **Employee Travel:** We offered trips to 5 different destinations including Yunnan, Sanya and Xiamen, with participation from over 470 employees in total;
- **Women's Day Outing:** In celebration of Women's Day, we presented all our female employees with holiday gift packages and organized a day trip to Da Ciyan in Jiande and the Shouchang Ancient Town, with participation from 403 female employees in total;
- **Annual Ceremony:** We proudly conducted the 2024 Kangji Medical "With You All the Way" Annual Ceremony, attended by over 1,400 employees and distributor representatives. This event was a time to reflect on our past achievements and set our sights on future goals, fostering a shared sense of joy and community. It also highlighted the diverse talents of our employees, strengthening their feelings of pride, accomplishment and belonging.

文體特色活動

集團通過組織豐富並獨具特色的文化體育活動幫助員工平衡工作與生活，增強員工幸福感。本報告期內我們開展的特色文體活動主要包括：

- **親子國學堂：**開展「喜迎亞運，繪夢馬術」活動，共計60餘名員工及其子女參加；
- **康基健體社：**組織馬嶺古道徒步毅行活動，共計80餘名員工參加；
- **員工旅遊：**組織雲南、三亞、廈門等5條旅遊線路，共計470餘名員工參加；
- **婦女節踏青：**為全體女員工發放節日禮包，並組織建德大慈岩和壽昌古鎮一日遊，共計403名女性員工參加；
- **年會盛典：**隆重舉行2024年度康基醫療「一路有你」年會盛典，全體員工及經銷商代表等共計1,400餘人參加，一起回顧過去展望未來，共享收穫和歡樂，同時展現了員工多才多藝的一面，增進了員工的榮譽感、獲得感和歸屬感。

Family Sessions on Chinese Culture Learning 親子國學堂



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Kangji Fitness Club 康基健體社



Employee Travel 員工旅遊



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Women's Day Outing
婦女節踏青



Annual Ceremony
年會盛典



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Employee Safety

In strict compliance with laws and regulations such as the Law of the People's Republic of China on Work Safety, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Fire Control Law of the People's Republic of China, etc., Kangji Medical takes ensuring employee safety as the primary goal in the production process, and implemented the "system of responsibility in safe production" it formulated and continued to advance the progress of safety production standardization. At the same time, we continued to implement 6S management and create a comprehensive safety production and management system. In the past three years, there have been no work-related deaths at Kangji Medical. During the Reporting Period, no work-related injuries occurred at Kangji Medical.

Kangji Medical fully integrates the characteristics of various work scenarios, making safety production days an important performance metric for our production supervisors, thereby strengthening the safety management responsibility system. During the Reporting Period, we set safety production objectives for 2024 based on the risk levels in different areas:

| Safety Production Objective Category 安全生產目標類別 | Objective for 2024 2024年目標 |
|--|--|
| Number of near-miss incidents 未遂事件起數 | The number of near-miss incidents in the office area ranges from 0 to 5; 辦公區域的未遂事件起數在0-5起之間； The number of near-miss incidents in the production area ranges from 5 to 10. 生產區域的未遂事件起數在5-10起之間。 |
| Number of injuries resulting in lost workdays 損失工作日工傷起數 | The number of injuries resulting in lost workdays in the office area ranges from 0 to 2; 辦公區域的損失工作日工傷起數在0-2起之間； The number of injuries resulting in lost workdays in the production area ranges from 1 to 5. 生產區域的損失工作日工傷起數在1-5起之間。 |
| Number of major fires and other accidents 重大火災及其他事故起數 | No major fires or other accidents occur. 不發生重大火災及其他事故。 |

Sound Safety Management System

Kangji Medical attaches great importance to safety hazards in the production process and has established a management structure that is anchored by the Safety and Environment Department, working in tandem with various business units to carry out daily production safety planning and management. During the Reporting Period, we continued to strengthen safety risk management, upgrade safety management measures on product production and construction and strengthen our occupational health and safety management in production and operations.

員工安全

康基醫療嚴格遵守《中華人民共和國安全生產法》《中華人民共和國職業病防治法》《中華人民共和國消防法》等法律法規，將保障員工安全作為生產過程中的首要目標，並制定推行《安全生產責任制》，持續推進安全生產標準化建設。同時，我們繼續貫徹落實6S管理，構建全方位的安全生產管理體系。過去三年，康基醫療未發生因工死亡的情況。本報告期內，康基醫療未發生工傷事件。

康基醫療充分結合各類作業場景特點，將安全生產天數作為生產主管負責人的重要績效考核指標，強化安全管理責任制。本報告期內，我們根據不同區域的風險大小，設立了2024年度的安全生產目標：

健全安全管理體系

康基醫療高度重視生產過程中的安全隱患，搭建了以安環部為核心，業務部門相協同的管理架構開展日常生產安全規劃與管理工作。本報告期內，我們持續加強安全風險管理水平，升級產品生產與施工環節安全管理措施，強化生產運營職業健康安全。

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Safety Risk Prevention and Control

The Group relentlessly strengthens the prevention of safety risks at the source, aiming for early detection and prevention of potential hazards. During the Reporting Period, we developed a dual prevention system titled the "Safety Risk Graded Control and Hidden Danger Inspection and Management" to further refine our documentation including relevant system files, inspection forms and risk identification lists, which has improved the safety risk management system. To strengthen our safety risk prevention and control efforts we implemented the following measures:

- We identify and detect potential safety risks by issuing risk assessment forms across all departments and ensure they are addressed and mitigated in a timely manner;
- The Safety and Environment Department performs daily supervision and inspection to ensure adherence to our fire safety responsibilities, both at different organizational levels and for specific job roles. It also searches for safety risk vulnerabilities. Should any safety concerns arise, the affected teams are promptly informed and corrective actions are taken;
- On the production side, we have established a safety accountability system for team leaders, who are directly in charge of routine safety checks. When potential hazards are identified, the Group uses the LEC assessment method⁴ to carry out risk level identification and adopt targeted solutions for identified risks of different levels.

安全風險防控

集團不斷強化對安全風險的源頭預防工作，致力於安全風險早發現、早預防。本報告期內，我們搭建了「安全風險分級管控與隱患排查治理」雙重預防體系，對相關制度文件、檢查表單、風險辨識清單等文件進行了進一步梳理，完善了安全風險管理體系，並通過開展以下措施強化安全風險防控工作：

- 通過對各部門發放安全風險檢查表單，識別、檢測潛在安全風險，並及時對識別出的風險加以處理與預防；
- 安環部每日開展監督巡查工作，落實逐級消防安全責任制和崗位消防安全責任制，排查安全風險漏洞，如發現安全風險，將通知相關班組進行整改；
- 在生產端實行班組長安全生產責任制，由班組長直接負責日常安全檢查活動。若識別出潛在風險，集團採用LEC評價法⁴開展風險等級識別，並對已識別的不同等級風險採取針對性解決措施。

⁴ The LEC assessment method is a semi-quantitative safety assessment method for hazard sources in working environments with potential dangers. It stands for L (Likelihood, the probability of an accident occurring), E (Exposure, the frequency at which personnel are exposed to hazardous environments) and C (Consequence, the potential consequences of an accident occurring).

⁴ LEC評價法是對具有潛在危險性作業環境中的危險源進行半定量的安全評價方法，L (Likelihood，事故發生的可能性)、E (Exposure，人員暴露於危險環境中的頻繁程度)和C (Consequence，一旦發生事故可能造成的後果)。

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Strengthening Protective Measures

During the Reporting Period, we focused on upgrading and maintaining safety protection facilities in the production process to strengthen production safety, mainly including:

- Phasing out some grinding and polishing equipment that failed to meet standards and replacing it with new machines equipped with dust extraction features to minimize workshop dust;
- Purchasing new devices for handling oil mist and metal scraps to reduce significant oil mist and metal scraps produced during operations in the polishing workshop, ensuring employee health and safety;
- Equipping the polishing workshop with corresponding waste disposal devices and safety alarm systems to promptly handle and report real-time situations;
- Introducing new oil mist collection and processing devices to improve the efficiency of oil mist collection and enhance the workshop environment;
- Installing safety alarm devices in corridors, with briefings for all production department staff on the importance and operational procedures of these devices to further enhance safety awareness in production.

加強保障措施

本報告期內，為加強生產安全保障，我們重點對生產過程中的安全保護設施進行升級維護，主要包括：

- 淘汰部分不符合規範的打磨拋光設備，並購置有吸塵集塵功能的新設備，減少車間的灰塵；
- 新購置油煙鐵屑處理裝置，減少拋光車間在作業過程中產生的大量油煙鐵屑，保障員工健康安全；
- 對拋光車間的設備加裝了相應的廢棄物處理裝置和安全警報裝置，及時處理並上報實時情況；
- 新增油霧收集處理裝置，提升油霧的收集效率以改善車間環境；
- 在樓道中設置安全警報裝置，並幫助全體生產部門員工了解裝置的必要性和使用方法，進一步提升安全生產意識。

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Occupational Health Management

In strict compliance with the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Kangji Medical has developed an Occupational Disease Prevention and Management System and obtained the ISO 45001 certification. We continue to improve the occupational health management system, identify potential occupational health risks and formulate targeted solutions for risks that may have a significant impact based on the results of field research.

We also provide employees with qualified labor protection supplies, such as goggles, masks, earplugs, etc., and instruct employees on the correct usage of these items. In addition, we have equipped the office area with a "caring medicine box" to provide employees with common emergency medicines and items and equipped the workplace with an Automated External Defibrillator (AED) emergency equipment to enhance employees' ability to respond to emergency health and safety incidents.

We continued to organize occupational health examinations for our employees in specialized roles and issue test results in the form of reports. During the Reporting Period, we have taken significant steps to enhance our occupational health management system by enhancing our occupational health evaluation system, standardizing our occupational health management documentation and strengthening our occupational health documentation monitoring to perform systematic supervision and management of employees' health.

職業健康管理

康基醫療嚴格遵守《中華人民共和國職業病防治法》，制定了《職業病預防管理制度》並通過了ISO 45001職業健康安全體系認證。我們持續完善職業健康管理體系，識別潛在的職業健康風險，並根據現場調研結果對可能產生重大影響的風險制定針對性的解決方案。

我們亦為員工配發合格的勞保用品，如護目鏡、口罩、耳塞等，並指導員工進行正確佩戴。此外，我們在辦公區域配備了「愛心藥箱」，為員工提供常用的應急藥品及物品，並在工作場所配備了自動體外除顫器(AED)急救設備，提高員工的緊急健康安全事件響應能力。

我們持續組織特殊崗位員工進行職業健康體檢，並以報告書的形式出具檢測結果。本報告期內，我們進一步完善了職業健康管理體系，完善了職業衛生評價體系、規範了職業衛生管理檔案、增強了職業衛生檔案監護，對職工的健康情況進行體系化監督管理。

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Construction Safety Risks

The Group places a strong emphasis on the occupational health and safety of external construction workers and continuously updates management processes and management measures to strengthen the safety protection of outsourced personnel during construction.

- Focus on assessing construction safety risks, requiring construction-related units to publicly display major Class A risks, and making major Class A risks an important performance indicator for assessing the qualifications of construction units, supervisors and building engineers;
- Our team leaders, the Engineering Department and contractors conduct special training for projects with higher risks, provide safety training for new workers, and conduct assessments. Only those who pass the examination can take up the job;
- Third-party construction units are required to purchase personal safety commercial insurance for all employees.

Promoting Safety Culture

The Group adheres to the principle of safety-first development, constantly striving to boost our employees' capabilities in identifying health and safety hazards and responding to emergencies. During the Reporting Period, we have continuously conducted 2 fire evacuation drills, 1 protective drill in our sterilization workshop and multiple seminars focused on safety knowledge, among other safety production training activities, to holistically enhance employees' awareness of health and safety.

施工安全風險

集團高度重視外來施工人員職業健康安全，不斷更新管理流程與管理措施加強對外包人員在施工過程中的安全保障。本報告期內，集團新增了以下安全管理措施：

- 重點評估建築安全風險，要求施工相關單位對A類重大風險上牆公示，並將A類重大風險作為評估施工單位、監理師、建築工程師資質的重要績效指標；
- 班組長、工程部與施工方對危險性較大的工程開展專項培訓，對新工人開展安全教育並進行考核，考試合格後方可上崗；
- 要求第三方施工單位為員工全員購買人身安全商業保險。

倡導安全文化

集團堅持安全發展理念，持續提高員工的健康安全隱患識別能力和緊急事件應對能力。本報告期內，我們持續開展了2場消防逃生演練，1場滅菌車間防護演練以及若干場安全知識講座等一系列安全生產培訓活動，全方位提升員工健康安全意識。

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During the Reporting Period, to promote the standardization of our employees' operations, we rolled out systematic training in system documentation for workshop supervisors and team leaders, aiming to deepen their understanding of the Group's health and safety management standards and processes in various segments. Moreover, we arranged for the entire Quality Department to learn about operational norms for the use and storage of chemical products, as well as relevant legal and regulatory requirements, to assist employees in preventing potential operational safety risks.



Employee Development

Kangji Medical recognizes the pivotal role of talent as the propellant for our ongoing progress. We have established a comprehensive talent planning and training system that provides employees with a diverse array of training programs, empowering them to realize their personal value.

During the Reporting Period, we conducted a total of 24,798 hours of training across various programs, with 7,540 participants trained in aggregate and an average of 24.72 hours of training per person, achieving a coverage rate of 99%. Details of the performance indicators related to employee training can be found in the chart below.

本報告期內，為推動員工操作標準化建設，我們面向各車間主管、班組長開展了系統化制度文件培訓，幫助員工理解集團各環節健康安全管理規範與流程。此外，我們組織質量部全員學習了包括化學用品使用和存儲的操作規範以及相關法律法規要求，協助員工預防潛在操作安全風險。



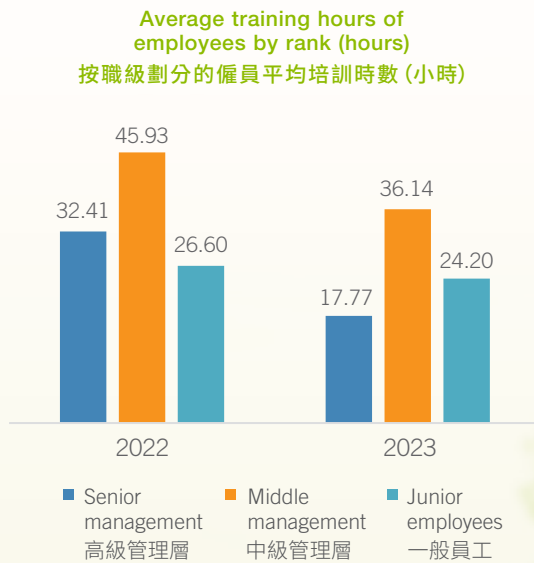
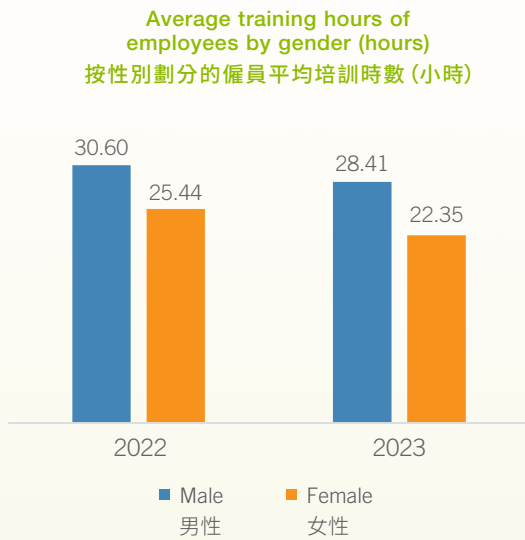
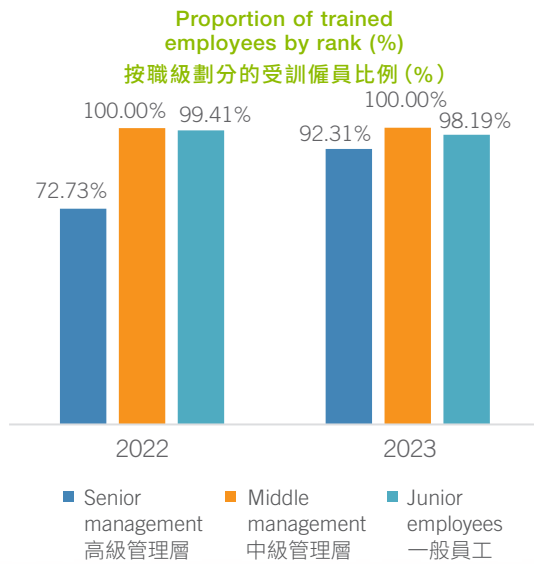
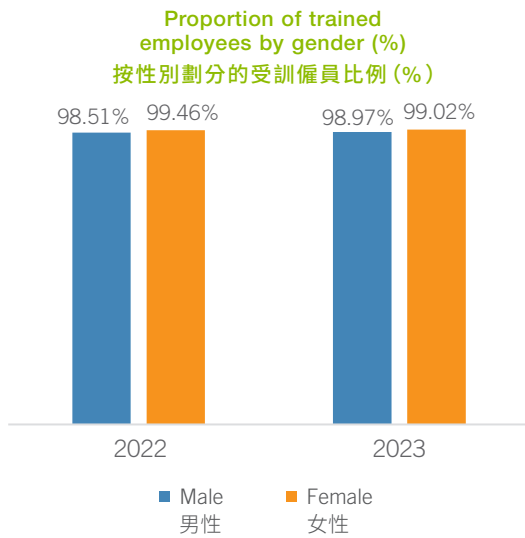
員工發展

康基醫療深知人才是企業不斷向前發展的動力，我們通過構建完善的人才規劃和培養體系，為員工提供多元的培訓課程，幫助員工實現個人價值。

本報告期內，我們共舉辦各類培訓共計24,798小時，培訓總人次7,540人，人均培訓24.72小時，覆蓋率達99%，僱員培訓相關績效指標詳見下圖。

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Establishing Training System

Kangji Medical continued to improve its hierarchical training system to help employees achieve steady development of personal and professional skills. Taking into account the talent development sequence, we have set up a curriculum system based on the dual-rank channel and provided a corresponding series of courses for employees of different ranks according to the rank sequence. In addition, during the Reporting Period, we launched a pilot project targeting our logistics staff, where we introduced our first-ever online training program on employees' general capabilities, with a total of 26 people participating and completing the training.

New Employee Training

We conducted a variety of new employee training activities to help new employees quickly understand their job duties and adapt to their positions as soon as possible. During the Reporting Period, we introduced integration training programs for our new employees. After completing the first phase of on-the-job training, these new employees are required to quickly familiarize themselves with the production and R&D aspects of our products within their respective departments. They need to complete specific training modules and pass an exam to qualify for permanent positions. During the Reporting Period, we organized a total of 4 integration training programs for our new employees, reaching over 90% of our new hires and accumulating a total of 1,170 training hours, with 100% of the participants passing the exam.

Professional Skill Training

We continued to carry out professional skills training for different types of employees. We provided training on quality systems, laws and regulations, safety and environmental protection, R&D technology, etc., and newly conducted special training to strengthen safety knowledge. During the Reporting Period, we conducted a total of 87 specialized training sessions to enhance different professional skills.

Management Empowerment Training

We engaged professional instructors from third parties to conduct immersive empowerment training for our entire cadre of middle and senior management, including scenario-based simulations and group discussions, all designed to enhance their leadership skills and organizational coordination. During the Reporting Period, we carried out a total of 4 management empowerment training sessions, each spanning an entire day, with a total duration of 1,433 hours.

培訓體系建設

康基醫療持續完善分級分層的培訓體系，助力員工實現個人與職業技能水平的穩步發展。我們依據人才發展序列，設置了基於雙職級通道的課程體系，並根據職級序列為對應職級員工配備相應系列課程。此外，本報告期內我們以後勤員工為試點，首次以線上形式開展員工通用能力線上培訓，累計26人參加並完成培訓。

新員工培訓

我們開展了豐富的新員工培訓活動，幫助新員工儘快了解工作內容，適應工作崗位。本報告期內，我們新增新員工融入培訓課程，在完成到崗一期的培訓後，新員工需進入各部門快速了解產品生產研發工作內容，參加相關課程培訓並通過考試後方可轉正。本報告期內，我們共組織新員工融入培訓4次，覆蓋90%以上新員工，總培訓時長1,170小時，考試通過率100%。

專業技能培訓

我們持續開展針對不同類型員工的專業技能培訓，我們提供質量體系、法律法規、安全環保、研發技術等培訓，並新增安全知識強化專題培訓。本報告期內，我們開展各類集中專業技能培訓共計87次。

管理層賦能培訓

我們聘請第三方機構的專業老師，以沉浸式沙盤推演、小組討論等形式，為全體中高級管理層開展賦能培訓，培養領導力和組織協調能力。本報告期內，我們共開展4次管理層賦能培訓，每次歷時一天，總時長共計1,433小時。

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Management Empowerment Training 管理層賦能培訓



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SOCIAL RESPONSIBILITY

Kangji Medical continually seeks synergy between our corporate growth and societal progress, actively giving back to the community while realizing corporate value. We support public services in healthcare, education and social welfare through ongoing charitable activities such as educational charity initiatives, charitable blood donation and compassionate outreach. By fulfilling our corporate social responsibilities, we aim to contribute to a more cohesive and harmonious society.

Spreading the Spirit of Charity

During the Reporting Period, Kangji Medical donated a total of approximately RMB3.58 million to Tonglu County Charity Federation, Tonglu Rainbow Public Welfare Service Center and Guangzhou Yilu Tongxing Charity Foundation. In addition, the Group has enthusiastically engaged in community welfare initiatives, channeling our "Kangji power" into efforts that help foster a harmonious society.

社會責任

康基醫療不斷尋找與社會共同發展的契合點，在實現企業價值的同時積極回饋社會，助力醫療、教育、社會福利等公益事業，持續開展愛心助學、無償獻血、暖心慰問等公益活動，踐行企業社會責任擔當，促進社會和諧發展。

傳遞公益愛心

本報告期內，康基醫療向桐廬縣慈善總會、桐廬彩虹公益服務中心、廣州市益路同行慈善基金會共計捐贈約358萬元人民幣。此外，集團積極參與社區公益活動，為構建和諧社會貢獻「康基力量」。

Educational Charity Initiative 愛心助學活動

Kangji Medical highly values the development of educational undertakings and is committed to providing students with access to top-tier educational resources. In May 2023, in celebration of Children's Day, we hosted a charity donation event, donating children's books and stationery to five schools in the community where the Group is located. We also established a charity reading room to nurture a love for reading in school environments and encourage the youth to cultivate good reading habits. This initiative is designed to continuously enhance their cultural literacy, enrich their knowledge and instill in them a set of positive and appropriate values.

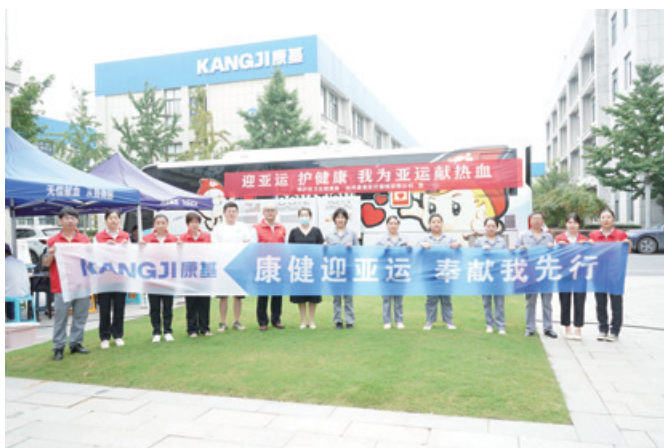
康基醫療高度重視教育事業發展，致力於為學生提供優質的教育資源。2023年5月，我們舉辦了慶六一愛心捐贈活動，向集團所在社區的五所學校捐贈少兒圖書及文具用品，並設立愛心閱覽室，推進書香校園建設，鼓勵青少年培養良好讀書習慣，不斷提升素養、豐富知識，樹立積極正確的價值觀。



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Charitable Blood Donation 無償獻血活動



Kangji Medical encourages employees to participate in public welfare activities, spreading the spirit of charity. In the spirit of volunteer service, Kangji Medical joined forces with the Tonglu Blood Station and the Jiande Central Blood Bank to hold a charitable blood donation campaign themed "Welcoming the Asian Games: Passionate Blood Donation for Health" in September 2023. The event saw a turnout of over 90 employees, encompassing our chairman and members from both the management and entry levels of the Group, who together contributed an approximately 30 liters of blood in this charitable blood donation.

康基醫療鼓勵員工參與公益活動，傳遞公益愛心。

2023年9月，為弘揚志願服務精神，康基醫療聯合桐廬血站、建德市中心血庫開展主題為「迎亞運護健康 我為亞運獻熱血」的無償獻血活動，包括董事長在內的共計90餘名來自集團管理層和基層一線的員工參與了此次無償獻血活動，總獻血量約3萬毫升。

Compassionate Outreach 暖心慰問活動



Kangji Medical remains dedicated to championing the traditional Chinese virtues of "respecting, revering, caring for and helping the elderly", consistently delivering comfort to our senior citizens. In November 2023, our party branch representatives made their way to the Liaison Center of NPC Deputies on Fengchuan Street. There, they warmly greeted the beloved "school gate grandpa", presenting him with consolation gifts to express

gratitude for his contributions to our schoolchildren. This visit was a salute to his selfless dedication and mirrored our ongoing mission to embody the spirit of volunteerism, solidifying our commitment to corporate social responsibility.

康基醫療堅持弘揚中華民族「尊老、敬老、愛老、助老」的傳統美德，持續為老年群體送上溫暖。2023年11月，康基醫療黨支部代表走進鳳川街道人大代表聯絡中心站，看望「校門爺爺」，並送上慰問禮物，感謝「校門爺爺」為在校學生所做出的貢獻，學習奉獻精神，持續踐行志願服務理念，切實履行企業社會責任。

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Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the shareholders of Kangji Medical Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

致康基医疗控股有限公司列位董事
(於開曼群島註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of Kangji Medical Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 172 to 280, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**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 are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

我們已審核列載於第172至280頁的康基医疗控股有限公司（「**貴公司**」）及其附屬公司（統稱為「**貴集團**」）的綜合財務報表，此財務報表包括於2023年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括重大會計政策資料。

我們認為，綜合財務報表已根據香港會計師公會（「**香港會計師公會**」）頒佈的《香港財務報告準則》（「**《香港財務報告準則》**」）真實而中肯地反映了 貴集團於2023年12月31日的綜合財務狀況及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。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》（「**《香港審計準則》**」）進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表須承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》（「**守則**」），我們獨立於 貴集團，並已履行守則中的其他道德責任。我們相信我們所取得的憑據屬充分恰當，為我們的意見提供了基礎。

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

關鍵審核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核最為重要的事項。該等事項是在我們審核整體綜合財務報表及出具意見時進行處理的。我們不會對該等事項出具單獨的意見。對於下列每項事宜，有關我方審核如何處理該事項的描述載於對應的文字中。

我們已履行本報告中「核數師就審核綜合財務報表須承擔的責任」一節所述之責任，包括與該等事項有關者。因此，我方的審核工作包括履行旨在應對我們對綜合財務報表重大錯誤陳述風險之評估的程序。審核程序（包括為處理下列事項而開展的程序）的結果為我們就隨附綜合財務報表之審核意見提供基礎。

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Key audit matters (continued)

關鍵審核事項 (續)

| Key audit matter 關鍵審核事項 | How our audit addressed the key audit matter 我們的審核如何處理關鍵審核事項 |
|---|---|
| <p data-bbox="199 577 523 631"><i>Impairment for trade receivables</i> 貿易應收款項減值</p> <p data-bbox="199 664 786 868">As at 31 December 2023, the net carrying value of trade receivables amounted to RMB225,534,000, after netting off a loss allowance for impairment of RMB4,080,000, representing 5.3% of the Group's total assets. 於2023年12月31日，經扣除減值虧損撥備人民幣4,080,000元後，貿易應收款項的賬面淨值為人民幣225,534,000元，佔 貴集團資產總值的5.3%。</p> <p data-bbox="199 907 786 1203">The impairment of trade receivables is assessed based on the expected credit loss model which requires significant judgements and estimates from management. In assessing the expected credit losses of the trade receivables, management considered various factors such as the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and forward-looking information. The assessment is highly judgmental. 貿易應收款項減值乃基於預期信貸虧損模型評估，需要管理層作出重大判斷及估計。於評估貿易應收款項的預期信貸虧損時，管理層考慮了多項因素，例如結餘賬齡、存在的爭議、近期的過往付款方式、有關交易對手信用狀況的任何其他可用資料及前瞻性資料。該項評估屬高度判斷。</p> <p data-bbox="199 1429 786 1569">The Group's disclosures about the impairment of trade receivables are included in notes 2.4, 3 and 18 to the financial statements. 有關貿易應收款項減值的 貴集團披露資料載於財務報表的附註2.4、3及18。</p> | <p data-bbox="810 664 1431 1019">We evaluated the expected credit loss provision methodology used by the Group. We also evaluated management's assessment on the estimates of customers' current financial positions and the forward-looking adjustments by reviewing the analyses of the ageing of the receivables, testing on a sample basis, examining payments received subsequent to year end and historical payment patterns, reviewing correspondence related to any disputes between the parties involved and market information about the credit status of the counterparties, where available, and evaluating the analyses of influence from macroeconomics on the loss rates of the Group's customers.</p> <p data-bbox="810 1030 1431 1235">我們已評估 貴集團所用的預期信貸虧損撥備方法。此外，我們亦透過審閱應收款項的賬齡分析、按抽樣基準測試年末後已收款項及歷史支付方式，審閱與有關方任何爭議有關的通信及對手方信貸狀況的市場資料，以及(如適用)評估宏觀經濟影響 貴集團客戶流失率的分析，就管理層對客戶現時財務狀況及前瞻性調整估計的評估進行評估。</p> |

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Key audit matters (continued)

關鍵審核事項 (續)

| Key audit matter 關鍵審核事項 | How our audit addressed the key audit matter 我們的審核如何處理關鍵審核事項 |
|---|--|
| <p><i>Impairment assessment of goodwill and intangible asset not ready for use</i> 商譽及尚未可以動用的無形資產的減值測試</p> | |
| <p>The Group had goodwill of RMB167,209,000 and intangible asset not ready for use (“IPR&D”) of RMB283,280,000, as disclosed in notes 15 and 16, respectively, to the financial statements as at 31 December 2023. 誠如財務報表附註15及16所披露，於2023年12月31日，貴集團的商譽及尚未可以動用的無形資產（「進行中的研發」）分別為人民幣167,209,000元及人民幣283,280,000元。</p> <p>Goodwill and IPR&D are subject to impairment assessment annually, or when there are indicators that it might be impaired. The Group's goodwill and IPR&D acquired through a business combination are allocated to the underlying cash-generating unit (the “CGU”) to which the goodwill and IPR&D belong for impairment testing. The recoverable amount of the CGU to which the goodwill and IPR&D belong is supported by value-in-use calculation which is based on future discounted cash flows. Management performed impairment assessment and concluded that the goodwill and IPR&D were not impaired as at 31 December 2023. The impairment assessment made by management involved significant estimates and judgements, including sales growth rates, gross profit margin, and terminal growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGU. This impairment assessment was significant to our audit because the process was complex and involved significant judgements and estimates.</p> <p>商譽及進行中研發須每年或當存在其可能出現減值的跡象時進行減值評估。貴集團透過業務合併獲得的商譽及進行中的研發被分配至有關商譽及進行中的研發所屬的相關現金產生單位（「現金產生單位」）以進行減值測試。商譽及進行中的研發所屬的現金產生單位可收回金額乃透過基於未來貼現現金流量的使用價值計算得出。管理層已進行減值評估，並得出商譽及進行中的研發於2023年12月31日並無發生減值。管理層作出的減值評估涉及重大估計及判斷，包括用於估計未來現金流量的銷售增長率、毛利率及終端增長率以及適用於相關現金產生單位的該等預測未來現金流量的貼現率。該減值評估對我們的審計屬重要，原因為該過程複雜且涉及重大判斷及估計。</p> <p>The Group's disclosures about the impairment test of goodwill and IPR&D are included in notes 2.4, 3, 15 and 16 to the financial statements. 貴集團有關商譽及進行中的研發的減值測試披露載於財務報表附註2.4、3、15及16。</p> | <p>We evaluated management's assessment of impairment indications and management's determination of the CGU to which the goodwill and IPR&D belong. We obtained management's forecasted cash flows and tested the mathematical accuracy of the underlying value-in-use calculations.</p> <p>我們已評估管理層對減值跡象的評估以及管理層對商譽及進行中的研發所屬現金產生單位的釐定。我們已獲得管理層的預測現金流量，並測試相關使用價值計算的數學準確性。</p> <p>We assessed the key assumptions used in the value-in-use calculations, comprising sales growth rates, gross profit margin, terminal growth rate and discount rates. When assessing these key assumptions, we discussed with management to understand and evaluate management's basis for determining the assumptions and compared them to the Group's business development plans and market data of similar products commercialised in the market. We also involved our valuation specialist to assist us in evaluating the valuation model and the discount rates applied by management by comparing the discount rates used to entities with similar risk profiles and those of the market information.</p> <p>我們已評估於使用價值計算中所用的主要假設，包括銷售增長率、毛利率、終端增長率及貼現率。於評估該等關鍵假設時，我們與管理層進行討論以了解及評估管理層釐定有關假設的依據，並將其與貴集團的業務發展計劃及市場上已商品化的同類產品市場數據進行比較。我們的估值專家亦透過將所用的貼現率與擁有類似風險水平及市場資料的企業進行比較以協助我們評估管理層所應用的估值模型及貼現率。</p> |

Independent Auditor's Report

獨立核數師報告

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the Management Discussion and Analysis of the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Chairman's Statement, the Report of the Directors, the Corporate Governance Report and the Environmental, Social and Governance Report, which are expected to be made available to us after that date.

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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Chairman's Statement, the Report of the Directors, the Corporate Governance Report and the Environmental, Social and Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee.

年度報告中的其他資料

貴公司董事須對其他資料負責。其他資料包括我們於本核數師報告日期前取得的年度報告管理層討論與分析（但不包括綜合財務報表及其內所載核數師報告），以及預計在該日期後向我們提供的董事長致辭、董事會報告、企業管治報告以及環境、社會及管治報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等其他資料發表任何形式的鑒證結論。

就我們對綜合財務報表的審核而言，我們的責任是閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或我們在審核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，如果我們認為我們在本核數師報告日期前取得的其他資料存在重大錯誤陳述，則我們需要報告該事實。我們就此並無任何事項須報告。

在閱讀董事長致辭、董事會報告、企業管治報告以及環境、社會及管治報告時，若我們斷定其中有重大錯誤陳述，則須告知審核委員會。

Independent Auditor's Report

獨立核數師報告

Responsibilities of the directors 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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. Our report is made solely to you, as a body, 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 HKSAAs 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.

董事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佈的《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，貴公司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，除非貴公司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。

審核委員會協助貴公司董事履行監督貴集團的財務報告過程的責任。

核數師就審核綜合財務報表須承擔的責任

我們的目標是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。本報告僅為閣下（作為整體）而編製，別無其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水準的保證，但不能保證按照《香港審計準則》進行的審核，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，如果合理預期彼等單獨或共同可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關錯誤陳述可被視作重大。

Independent Auditor's Report

獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements *(continued)*

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審核綜合財務報表須承擔的責任 (續)

在根據《香港審計準則》進行審核的過程中，我們運用專業判斷，保持專業懷疑態度。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，設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，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。
- 了解與審核相關的內部控制，以設計在有關情況下屬適當的審核程序，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。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果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，則我們應當修改意見。我們的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團不能繼續持續經營。

Independent Auditor's Report

獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

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 Lai Chee Kong.

Ernst & Young
Certified Public Accountants
Hong Kong
20 March 2024

核數師就審核綜合財務報表須承擔的責任 (續)

- 評估綜合財務報表的整體呈列方式、結構和內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責 貴集團審核的方向、監督和執行。我們為審核意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審核範圍、時間安排及重大審核發現，包括我們在審核中發現的內部控制的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已遵守有關獨立性的相關道德要求，並與之溝通有可能合理地被認為會影響我們獨立性的所有關係及其他事項，以及(如適用)就消除威脅採取的行動或採用的防範措施。

從與審核委員會溝通的事項中，我們釐定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或於極端罕見的情況下，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，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審核項目合夥人是黎志光。

安永會計師事務所
執業會計師
香港
2024年3月20日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

Year ended 31 December 2023

截至2023年12月31日止年度

| | | Notes | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|--------------------------------------|-------|-----------------------------------|-----------------------------------|
| | | 附註 | | |
| REVENUE | 收入 | 5 | 926,023 | 786,367 |
| Cost of sales | 銷售成本 | | (184,824) | (151,120) |
| Gross profit | 毛利 | | 741,199 | 635,247 |
| Other income and gains | 其他收入及收益 | 5 | 155,365 | 146,672 |
| Selling and distribution expenses | 銷售及經銷開支 | | (69,842) | (53,372) |
| Administrative expenses | 行政開支 | | (100,269) | (71,269) |
| Research and development costs | 研發成本 | | (127,554) | (66,019) |
| (Impairment)/reversal of impairment on financial assets, net | 金融資產的(減值)／減值 撥回淨額 | | (1,064) | 1,054 |
| Other expenses | 其他開支 | | (6,807) | (27,294) |
| Finance costs | 融資成本 | 7 | (2,257) | (1,875) |
| PROFIT BEFORE TAX | 稅前利潤 | 6 | 588,771 | 563,144 |
| Income tax expense | 所得稅開支 | 10 | (136,476) | (101,970) |
| PROFIT FOR THE YEAR | 年內利潤 | | 452,295 | 461,174 |
| Attributable to: | 以下人士應佔： | | | |
| Owners of the parent | 母公司擁有人 | | 504,021 | 478,735 |
| Non-controlling interests | 非控股權益 | | (51,726) | (17,561) |
| | | | 452,295 | 461,174 |
| OTHER COMPREHENSIVE (LOSS)/INCOME | 其他全面(虧損)／收益 | | | |
| <i>Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:</i> | 於後續期間可能重新分類至 損益的其他全面 (虧損)／收益： | | | |
| Exchange differences on translation of foreign operations | 海外業務換算匯兌差額 | | (2,951) | 514 |
| Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods | 於後續期間可能重新分類至 損益的其他全面 (虧損)／收益淨額 | | (2,951) | 514 |

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

Year ended 31 December 2023

截至2023年12月31日止年度

| | Notes 附註 | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|---|-----------------------------------|-----------------------------------|
| <i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i> | | | |
| Exchange differences on translation of the Company's financial statements into presentation currency | 於後續期間不會重新分類至損益的其他全面收益： 換算為本公司財務報表呈列貨幣的匯兌差額 | - | 82,182 |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods | 於後續期間不會重新分類至損益的其他全面收益淨額 | - | 82,182 |
| OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX | 年內除稅後其他全面(虧損)/收益 | (2,951) | 82,696 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 年內全面收益總額 | 449,344 | 543,870 |
| Attributable to: | 以下人士應佔： | | |
| Owners of the parent | 母公司擁有人 | 501,070 | 561,431 |
| Non-controlling interests | 非控股權益 | (51,726) | (17,561) |
| | | 449,344 | 543,870 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 母公司普通股持有人應佔每股盈利 | | |
| Basic | 基本 | 12 RMB43.08 cents 人民幣43.08分 | RMB39.63 cents 人民幣39.63分 |
| Diluted | 攤薄 | 12 RMB42.99 cents 人民幣42.99分 | RMB39.63 cents 人民幣39.63分 |

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2023

2023年12月31日

| | | Notes 附註 | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|------------------------|-------------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 13 | 220,874 | 169,020 |
| Prepayment for property, plant and equipment | 物業、廠房及設備預付款項 | | 412 | 1,087 |
| Right-of-use assets | 使用權資產 | 14(a) | 64,904 | 99,571 |
| Financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產 | 20 | 141,718 | 136,437 |
| Goodwill | 商譽 | 15 | 167,209 | 167,209 |
| Other intangible assets | 其他無形資產 | 16 | 284,694 | 284,712 |
| Deferred tax assets | 遞延稅項資產 | 25 | 3,318 | 3,115 |
| Total non-current assets | 非流動資產總值 | | 883,129 | 861,151 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 17 | 105,205 | 105,399 |
| Trade receivables | 貿易應收款項 | 18 | 225,534 | 163,145 |
| Prepayments, other receivables and other assets | 預付款項、其他應收款項及其他資產 | 19 | 9,711 | 25,700 |
| Financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產 | 20 | 11,449 | 11,156 |
| Cash and cash equivalents | 現金及現金等價物 | 21 | 2,676,588 | 2,818,360 |
| | | | 3,028,487 | 3,123,760 |
| Assets of a disposal group classified as held for sale | 分類為持作出售的出售組別資產 | 33 | 352,202 | - |
| Total current assets | 流動資產總值 | | 3,380,689 | 3,123,760 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 22 | 34,146 | 20,752 |
| Other payables and accruals | 其他應付款項及預提項目 | 23 | 82,084 | 82,942 |
| Lease liabilities | 租賃負債 | 14(b) | 6,107 | 6,696 |
| Deferred income | 遞延收入 | 24 | 636 | 636 |
| Tax payable | 應付稅項 | | 63,211 | 42,643 |
| | | | 186,184 | 153,669 |
| Liabilities directly associated with the assets classified as held for sale | 與分類為持作出售的資產直接相關的負債 | 33 | 4,640 | - |
| Total current liabilities | 流動負債總額 | | 190,824 | 153,669 |
| NET CURRENT ASSETS | 流動資產淨值 | | 3,189,865 | 2,970,091 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | | 4,072,994 | 3,831,242 |

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2023

2023年12月31日

| | | Notes 附註 | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|------------------|-------------|-----------------------------------|-----------------------------------|
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | | 4,072,994 | 3,831,242 |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Lease liabilities | 租賃負債 | 14(b) | 37,883 | 42,323 |
| Deferred income | 遞延收入 | 24 | - | 636 |
| Deferred tax liabilities | 遞延稅項負債 | 25 | 91,265 | 69,475 |
| Total non-current liabilities | 非流動負債總額 | | 129,148 | 112,434 |
| Net assets | 資產淨值 | | 3,943,846 | 3,718,808 |
| EQUITY | 權益 | | | |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 | | | |
| Share capital | 股本 | 26 | 86 | 86 |
| Reserves | 儲備 | 28 | 3,649,676 | 3,372,912 |
| | | | 3,649,762 | 3,372,998 |
| Non-controlling interests | 非控股權益 | 32 | 294,084 | 345,810 |
| Total equity | 權益總額 | | 3,943,846 | 3,718,808 |

Mr. Zhong Ming
鍾鳴先生
Director
董事

Ms. Hu Yanyu
胡豔宇女士
Chief Financial Officer
首席財務官

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2023

截至2023年12月31日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | | | | |
|--|------------------|--|------------------------|--|------------------|------------------|---------------------------------|----------------------------|-------------------------------|-------------------|-----------|--------------------------|--------------|
| | | Share capital | Share premium account* | Shares held for share award arrangement* | Treasury shares* | Capital reserve* | Share option and award reserve* | Statutory surplus reserve* | Exchange fluctuation reserve* | Retained profits* | Total | Non-controlling interest | Total Equity |
| | | 股本 | 股份溢價賬* | 就股份獎勵安排持有的股份* | 庫存股份* | 資本儲備* | 購股權及獎勵儲備* | 法定盈餘儲備* | 匯率波動儲備* | 保留利潤* | 總計 | 非控股權益 | 權益總額 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | (note 26) | (note 26) | (note 26) | (note 26) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) |
| | | (附註26) | (附註26) | (附註26) | (附註26) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) |
| At 1 January 2023 | 於2023年1月1日 | 86 | 2,481,480 | (3) | (5,495) | 33,301 | 37,252 | 128,314 | (159,123) | 857,186 | 3,372,998 | 345,810 | 3,718,808 |
| Profit for the year | 年內利潤 | - | - | - | - | - | - | - | - | 504,021 | 504,021 | (51,726) | 452,295 |
| Other comprehensive loss for the year: | 年內其他全面虧損： | | | | | | | | | | | | |
| Exchange differences related to foreign operations | 海外業務換算匯兌差額 | - | - | - | - | - | - | - | (2,951) | - | (2,951) | - | (2,951) |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | - | - | - | (2,951) | 504,021 | 501,070 | (51,726) | 449,344 |
| Shares repurchased (note 26(c)) | 已購回股份 (附註26(c)) | - | - | - | (16,580) | - | - | - | - | - | (16,580) | - | (16,580) |
| Shares cancelled (note 26(c)) | 已註銷股份 (附註26(c)) | - | (19,202) | - | 19,202 | - | - | - | - | - | - | - | - |
| Dividend declared | 已宣派股息 | - | - | - | - | - | - | - | - | (216,349) | (216,349) | - | (216,349) |
| | 以股份為基礎的付款 (附註27) | - | - | - | - | - | 8,623 | - | - | - | 8,623 | - | 8,623 |
| Share-based payments (note 27) | 於購股權被沒收時轉撥 | - | - | - | - | - | (9,175) | - | - | 9,175 | - | - | - |
| Transfer of share option reserve upon the forfeiture of share option | 購股權儲備 | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to statutory surplus reserve | 轉入法定盈餘儲備 | - | - | - | - | - | - | 53,677 | - | (53,677) | - | - | - |
| At 31 December 2023 | 於2023年12月31日 | 86 | 2,462,278 | (3) | (2,873) | 33,301 | 36,700 | 181,991 | (162,074) | 1,100,356 | 3,649,762 | 294,084 | 3,943,846 |

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2023

截至2023年12月31日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | | | | |
|---|-----------------------|--|------------------------|--|------------------|------------------|---------------------------------|----------------------------|-------------------------------|-------------------|-----------|--------------------------|--------------|
| | | Share capital | Share premium account* | Shares held for share award arrangement* | Treasury shares* | Capital reserve* | Share option and award reserve* | Statutory surplus reserve* | Exchange fluctuation reserve* | Retained profits* | Total | Non-controlling interest | Total Equity |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | (note 26) | (note 26) | (note 26) | (note 26) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) | (note 28) |
| | | (附註26) | (附註26) | (附註26) | (附註26) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) | (附註28) |
| At 1 January 2022 | 於2022年1月1日 | 88 | 2,762,034 | (2) | (4,288) | 33,301 | 26,286 | 77,454 | (241,819) | 607,347 | 3,260,401 | - | 3,260,401 |
| Profit for the year | 年內利潤 | - | - | - | - | - | - | - | - | 478,735 | 478,735 | (17,561) | 461,174 |
| Other comprehensive income for the year: | 年內其他全面收益： | | | | | | | | | | | | |
| Exchange differences related to foreign operations | 海外業務換算匯兌差額 | - | - | - | - | - | - | - | 82,696 | - | 82,696 | - | 82,696 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | - | - | - | 82,696 | 478,735 | 561,431 | (17,561) | 543,870 |
| Acquisition of a subsidiary | 收購一間附屬公司 | - | - | - | - | - | - | - | - | - | - | 363,371 | 363,371 |
| Purchase of shares for share award arrangement (note 26(a)) | 就股份獎勵安排購買股份 (附註26(a)) | - | (110,153) | (1) | - | - | - | - | - | - | (110,154) | - | (110,154) |
| Shares repurchased (note 26(b)) | 已購回股份 (附註26(b)) | - | - | - | (171,610) | - | - | - | - | - | (171,610) | - | (171,610) |
| Shares cancelled (note 26(b)) | 已註銷股份 (附註26(b)) | (2) | (170,401) | - | 170,403 | - | - | - | - | - | - | - | - |
| Dividend declared | 已宣派股息 | - | - | - | - | - | - | - | - | (178,036) | (178,036) | - | (178,036) |
| Share-based payments (note 27) | 以股份為基礎的付款 (附註27) | - | - | - | - | - | 10,966 | - | - | - | 10,966 | - | 10,966 |
| Transfer to statutory surplus reserve | 轉入法定盈餘儲備 | - | - | - | - | - | - | 50,860 | - | (50,860) | - | - | - |
| At 31 December 2022 | 於2022年12月31日 | 86 | 2,481,480 | (3) | (5,495) | 33,301 | 37,252 | 128,314 | (159,123) | 857,186 | 3,372,998 | 345,810 | 3,718,808 |

* These reserve accounts comprise the consolidated reserves of RMB3,649,676,000 (2022: RMB3,372,912,000) in the consolidated statement of financial position.

* 在綜合財務狀況表中，該等儲備賬包括合併儲備人民幣3,649,676,000元（2022年：人民幣3,372,912,000元）。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2023

截至2023年12月31日止年度

| | Notes 附註 | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|----------------------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動所得現金流量 | | |
| Profit before tax | 稅前利潤 | 588,771 | 563,144 |
| Adjustments for: | 就下列項目作出調整： | | |
| Finance costs | 融資成本 | 7 | 1,875 |
| Bank interest income | 銀行利息收入 | 5 | (70,003) |
| Investment (income)/losses from financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產的投資(收入)／虧損 | 6 | 23,469 |
| Fair value gains on financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產的公允價值收益 | 5 | (22,705) |
| Gains on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目的收益 | 6 | (191) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 13 | 14,514 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 14(a) | 6,896 |
| Amortisation of intangible assets | 無形資產攤銷 | 16 | 221 |
| Impairment of trade receivables, net | 貿易應收款項減值淨額 | 18 | (1,054) |
| Recognition of deferred income | 確認遞延收入 | 24 | (636) |
| Lease modification | 租賃修改 | | – |
| Share-based payment expense | 以股份為基礎的付款開支 | | 10,966 |
| | | 535,231 | 526,496 |
| Decrease/(increase) in inventories | 存貨減少／(增加) | 194 | (36,846) |
| Increase in trade receivables | 貿易應收款項增加 | (74,224) | (80,972) |
| Decrease/(increase) in prepayments, other receivables and other assets | 預付款項、其他應收款項及其他資產減少／(增加) | 7,098 | (16,815) |
| Increase in trade payables | 貿易應付款項增加 | 13,394 | 1,274 |
| Increase/(decrease) in other payables and accruals | 其他應付款項及預提項目增加／(減少) | 7,767 | (11,500) |
| Cash generated from operations | 經營產生的現金 | 489,460 | 381,637 |
| Interest received | 已收利息 | 22,647 | 25,518 |
| Income tax paid | 已付所得稅 | (92,492) | (87,842) |
| Net cash flows from operating activities | 經營活動所得現金流量淨額 | 419,615 | 319,313 |

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2023

截至2023年12月31日止年度

| | | Notes 附註 | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|-------------------------------|-------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS USED IN INVESTING ACTIVITIES | | 投資活動所用現金流量 | | |
| Purchases of items of property, plant and equipment | 購買物業、廠房及設備項目 | | (86,821) | (75,697) |
| Proceeds from disposal of items of property, plant and equipment | 出售物業、廠房及設備項目所得款項 | | 650 | 357 |
| Purchases of items of intangible assets | 購買無形資產項目 | | (241) | (1,534) |
| Purchases of financial assets at fair value through profit or loss | 購買以公允價值計量且其變動計入當期損益的金融資產 | | (29,194) | (1,429,068) |
| Proceeds from sales 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當期損益的金融資產的所得款項 | | 29,238 | 1,455,257 |
| Purchases of an equity investment at fair value through profit or loss | 購買以公允價值計量且其變動計入當期損益的一項股權投資 | | - | (2,500) |
| Prepayment of leasehold lands | 租賃土地預付款項 | | (854) | (37,890) |
| Interest received | 已收利息 | | 31,386 | 21,583 |
| Increase in time deposits with original maturity of over three months | 原定期限超過三個月的定期存款增加 | | (335,860) | (280,668) |
| Acquisition of a subsidiary | 收購一間附屬公司 | | - | (19,823) |
| Net cash flows used in investing activities | 投資活動所用現金流量淨額 | | (391,696) | (369,983) |
| CASH FLOWS USED IN FINANCING ACTIVITIES | | 融資活動所用現金流量 | | |
| Purchase of shares for share award arrangement | 就股份獎勵安排購買股份 | 26(a) | - | (110,154) |
| Shares repurchased | 已購回股份 | 26(b)/(c) | (16,580) | (171,610) |
| Repayment of other loans | 償還其他貸款 | | - | (5,000) |
| Principal portion of lease payments | 租賃付款本金部分 | 29(b) | (10,603) | (5,818) |
| Interest paid | 已付利息 | | - | (263) |
| Dividend paid | 已付股息 | | (216,349) | (179,947) |
| Net cash flows used in financing activities | 融資活動所用現金流量淨額 | | (243,532) | (472,792) |

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2023

截至2023年12月31日止年度

| | | Notes 附註 | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|----------------------------|-------------|-----------------------------------|-----------------------------------|
| NET DECREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等價物減少淨額 | | (215,613) | (523,462) |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | | 1,738,963 | 2,177,833 |
| Effect of foreign exchange rate changes, net | 匯率變動的影響淨額 | | (2,953) | 84,592 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年末現金及現金等價物 | | 1,520,397 | 1,738,963 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | 現金及現金等價物結餘分析 | | | |
| Cash and cash equivalents as stated in the consolidated statement of financial position | 綜合財務狀況表內所述的現金及現金等價物 | 21 | 2,676,588 | 2,818,360 |
| Time deposits with original maturity of over three months when acquired | 購買時原定期限超過三個月 的定期存款 | | (1,453,055) | (1,079,397) |
| Cash and cash equivalents attributable to a disposal group classified as held for sale | 分類為持作出售的出售組別應佔 現金及現金等價物 | 33 | 296,864 | - |
| Cash and cash equivalents as stated in the consolidated statement of cash flows | 綜合現金流量表內所述的現金 及現金等價物 | | 1,520,397 | 1,738,963 |

Notes to Financial Statements

財務報表附註

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 12 February 2020. The registered office address of the Company is 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands.

The Company acts as an investment holding company of the Group and also engaged in provision of investment consultation services during the year. During the year, the Company's subsidiaries were principally involved in the design, development, manufacture and sale of a comprehensive suite of minimally invasive surgical instruments and accessories.

The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 June 2020 ("Listing").

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

| Name 名稱 | Place and date of incorporation/ registration and place of business 註冊成立/註冊的地點及日期以及營業地點 | Nominal value of issued shares/ registered share capital 已發行股份/註冊股本面值 | Percentage of equity interest attributable to the Company 本公司應佔股權百分比 | | Principal activities 主要活動 |
|---|---|---|---|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| Hangzhou Kangji Medical Instrument Co., Ltd ("Hangzhou Kangji")* | People's Republic of China ("PRC")/Chinese Mainland 24 August 2004 | RMB 500,000,000 | - | 100 | Manufacturing distribution and research and development 製造、經銷及研發 |
| 杭州康基醫療器械有限公司 ("杭州康基")* | 中華人民共和國 ("中國")/中國內地 2004年8月24日 | 人民幣500,000,000元 | | | |
| Hangzhou Weijing Medical Robot Co., Ltd ("Weijing Medical")* | PRC/Chinese Mainland 28 December 2021 | RMB 1,486,989 | - | 35 | Research and development 研發 |
| 杭州唯精醫療機器人有限公司 ("唯精醫療")* | 中國/中國內地 2021年12月28日 | 人民幣1,486,989元 | | | |
| Kangji Medical (Hong Kong) Limited ("Kangji Hong Kong") 康基醫療(香港)有限公司 ("康基香港") | Hong Kong 21 December 2015 香港 2015年12月21日 | United States dollars ("US\$") 158,407,643 158,407,643美元 ("美元") | 100 | - | Wholesale retail and distribution 批發、零售及經銷 |

* These entities are limited liability enterprises established under PRC law.

1. 公司資料

本公司是一家於2020年2月12日在開曼群島註冊成立的有限公司。本公司的註冊辦事處地址為71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands。

本公司為本集團的投資控股公司，亦於年內從事提供投資諮詢服務。於年內，本公司的附屬公司主要參與一整套微創外科手術器械及配件的設計、開發、製造及銷售。

本公司股份已於2020年6月29日在香港聯合交易所有限公司（「聯交所」）主板上市（「上市」）。

有關附屬公司的資料

本公司主要附屬公司的詳情載列如下：

* 該等實體為根據中國法律成立的有限責任公司。

Notes to Financial Statements

財務報表附註

1. CORPORATE INFORMATION *(continued)*

Information about subsidiaries *(continued)*

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

1. 公司資料 *(續)*

有關附屬公司的資料 *(續)*

上表所列本公司附屬公司乃為董事認為主要影響本年度的業績或構成本集團淨資產的很大一部分的公司。董事認為，提供其他附屬公司的詳情會導致篇幅過於冗長。

2.1 編製基準

該等財務報表乃按照香港會計師公會（「**香港會計師公會**」）頒佈的《香港財務報告準則》（「**《香港財務報告準則》**」）（包括所有《香港財務報告準則》、《香港會計準則》（「**《香港會計準則》**」）及詮釋）及香港《公司條例》的披露規定編製。該等財務報表乃按照歷史成本慣例編製，惟以公允價值計量且其變動計入當期損益的金融資產除外，該等金融資產以公允價值計量。持作出售的出售組別以其賬面價值與公允價值減出售成本後的較低者列賬，詳情載於附註2.4。該等財務報表以人民幣（「**人民幣**」）呈列，除另有指明外，所有價值均約整至最接近千元。

Notes to Financial Statements

財務報表附註

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 編製基準 (續)

綜合入賬基準

綜合財務報表包括本公司及其附屬公司(統稱為「本集團」)截至2023年12月31日止年度的財務報表。附屬公司指由本公司直接或間接控制的實體(包括結構性實體)。當本集團通過參與投資對象的相關活動而承擔可變回報的風險或有權享有可變回報,並且有能力運用對投資對象的權力(即賦予本集團現有能以主導投資對象的相關活動的既存權利)影響該等回報時,即取得控制權。

於一般情況下,大多數投票權均推定會形成控制權。倘本公司擁有少於投資對象大多數投票權或類似權利,則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況,包括:

- (a) 與投資對象其他投票權持有人的合約安排;
- (b) 其他合約安排產生的權利;及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃按與本公司於同一報告期一致的會計政策編製。附屬公司的業績自本集團取得控制權之日起綜合入賬,並持續至該控制權終止當日。

損益及其他全面收益的各組成部分屬本集團的母公司擁有人及非控股權益應佔部分,即使此導致非控股權益出現虧絀結餘。所有集團內與本集團成員公司間交易有關的資產及負債、權益、收入、開支及現金流量均於綜合入賬時全面抵銷。

Notes to Financial Statements

財務報表附註

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

| | |
|---|---|
| HKFRS 17 | <i>Insurance Contracts</i> |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | <i>Disclosure of Accounting Policies</i> |
| Amendments to HKAS 8 | <i>Definition of Accounting Estimates</i> |
| Amendments to HKAS 12 | <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> |
| Amendments to HKAS 12 | <i>International Tax Reform – Pillar Two Model Rules</i> |

2.1 編製基準 (續)

綜合入賬基準 (續)

倘有事實及情況顯示上述三項控制因素中有一項或以上出現變化，本集團會重新評估其是否對投資對象擁有控制權。並無喪失控制權的附屬公司之所有權權益變動會按權益交易入賬。

倘本集團失去對附屬公司的控制權，則其終止確認附屬公司的相關資產（包括商譽）、負債、任何非控股權益及外匯波動儲備；以及確認任何保留投資的公允價值及於損益中任何因此產生的盈餘或虧絀。本集團先前於其他全面收益中確認的分佔部分重新分類至損益或保留利潤（如適用），倘本集團直接出售有關資產或負債，則須以同一基準確認。

2.2 會計政策的變動及披露

本集團已於本年度的財務報表首次採納下列新訂及經修訂《香港財務報告準則》。

| | |
|----------------------------------|----------------------|
| 《香港財務報告準則》第17號 | 保險合約 |
| 《香港會計準則》第1號及《香港財務報告準則實務報告》第2號修訂本 | 會計政策的披露 |
| 《香港會計準則》第8號修訂本 | 會計估計的定義 |
| 《香港會計準則》第12號修訂本 | 與單一交易產生的資產及負債相關的遞延稅項 |
| 《香港會計準則》第12號修訂本 | 國際稅務改革—第二支柱示範規則 |

Notes to Financial Statements

財務報表附註

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

2.2 會計政策的變動及披露 (續)

適用於本集團的新訂及經修訂《香港財務報告準則》的性質及影響描述如下：

- (a) 《香港會計準則》第1號修訂本要求實體披露其重大會計政策資料，而非其重要會計政策。如果會計政策資料與實體財務報表中包含的其他資料一起考慮時，可合理預期會影響通用財務報表的主要使用者根據該等財務報表做出的決策，則該資料屬重大。《香港財務報告準則實務報告》第2號修訂本作出重大判斷就如何將重大性概念應用於會計政策披露提供非強制性指引。本集團已於財務報表附註2中披露重大會計政策資料。該等修訂對本集團財務報表內任何項目的計量、確認或呈列並無任何影響。
- (b) 《香港會計準則》第8號修訂本澄清了會計估計變更與會計政策變更之間的區別。會計估計被定義為財務報表中存在計量不確定性的貨幣金額。該等修訂亦闡明實體如何使用計量技術和輸入值來制定會計估計。由於本集團的方針及政策與該等修訂本一致，故該等修訂對本集團的財務報表並無影響。

Notes to Financial Statements

財務報表附註

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below: (continued)

- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the Group's financial statements.
- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

2.2 會計政策的變動及披露 (續)

適用於本集團的新訂及經修訂《香港財務報告準則》的性質及影響描述如下：(續)

- (c) 《香港會計準則》第12號修訂本與單一交易產生的資產及負債相關的遞延稅項縮小了《香港會計準則》第12號內初始確認例外的範圍，使其不再適用於產生相等應課稅和可扣除暫時差額的交易，例如租賃及退役責任。因此，實體須就該等交易產生的暫時差額確認遞延稅項資產（前提為有足夠的應課稅利潤）及遞延稅項負債。該等修訂並未對本集團財務報表產生重大影響。
- (d) 《香港會計準則》第12號修訂本國際稅務改革—第二支柱示範規則引入確認及披露實施經濟合作與發展組織公佈的第二支柱示範規則而產生的遞延稅項的強制性臨時豁免。該等修訂亦對受影響的實體提出披露要求，以讓財務報表的使用者能夠更了解該等實體所面臨的第二支柱所得稅風險，包括於第二支柱立法生效期間單獨披露與第二支柱所得稅相關的當期稅項，以及於第二支柱立法頒佈或實質上已頒佈惟尚未生效期間披露第二支柱所得稅風險的已知或可合理估計的資料。本集團已追溯應用該等修訂。由於本集團並不屬於第二支柱示範規則的範圍，因此該等修訂並不會對本集團產生任何影響。

Notes to Financial Statements

財務報表附註

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised HKFRSs, if applicable, when they become effective.

| | |
|------------------------------------|---|
| Amendments to HKFRS 10 and HKAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³ |
| Amendments to HKFRS 16 | <i>Lease Liability in a Sale and Leaseback</i> ¹ |
| Amendments to HKAS 1 | <i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i> ^{1, 4} |
| Amendments to HKAS 1 | <i>Non-current Liabilities with Covenants (the "2022 Amendments")</i> ^{1, 4} |
| Amendments to HKAS 7 and HKFRS 7 | <i>Supplier Finance Arrangements</i> ¹ |
| Amendments to HKAS 21 | <i>Lack of Exchangeability</i> ² |

- ¹ Effective for annual periods beginning on or after 1 January 2024
- ² Effective for annual periods beginning on or after 1 January 2025
- ³ No mandatory effective date yet determined but available for adoption
- ⁴ As a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

2.3 已頒佈但尚未生效的《香港財務報告準則》

本集團尚未於該等財務報表內應用下列已頒佈但尚未生效的經修訂《香港財務報告準則》。本集團擬於該等經修訂《香港財務報告準則》生效時予以應用（如適用）。

| | |
|--------------------------------|--|
| 《香港財務報告準則》第10號及《香港會計準則》第28號修訂本 | 投資者與其聯營公司或合營企業間資產出售或注資 ³ |
| 《香港財務報告準則》第16號修訂本 | 售後租回的租賃負債 ¹ |
| 《香港會計準則》第1號修訂本 | 負債分類為即期或非即期（「2020年修訂」） ^{1, 4} |
| 《香港會計準則》第1號修訂本 | 附帶契諾的非流動負債（「2022年修訂」） ^{1, 4} |
| 《香港會計準則》第7號及《香港財務報告準則》第7號修訂本 | 供應商融資安排 ¹ |
| 《香港會計準則》第21號修訂本 | 缺乏可兌換性 ² |

- ¹ 於2024年1月1日或之後開始的年度期間生效
- ² 於2025年1月1日或之後開始的年度期間生效
- ³ 尚無釐定強制生效日期，但可供採納
- ⁴ 由於2020年修訂及2022年修訂使然，《香港詮釋》第5號呈列財務報表一借款人對包含按要求償還條款的定期貸款的分類已獲修訂，以使相應措詞保持一致而結論不變

Notes to Financial Statements

財務報表附註

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of HKFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的《香港財務報告準則》(續)

有關預期適用於本集團的《香港財務報告準則》的進一步資料載列如下。

《香港財務報告準則》第10號及《香港會計準則》第28號修訂本針對《香港財務報告準則》第10號及《香港會計準則》第28號之間有關投資者與其聯營公司或合營企業之間的資產出售或注資兩者規定的不一致性。該修訂規定，當資產出售或注資構成一項業務時，須全數確認下游交易產生的收益或虧損。當交易涉及資產不構成一項業務時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。該等修訂將按前瞻基準應用。香港會計師公會取消了之前《香港財務報告準則》第10號和《香港會計準則》第28號修訂本的強制生效日期。然而，該等修訂可供現時採納。

《香港財務報告準則》第16號修訂本訂明賣方一承租人於計量售後回租交易產生的租賃負債所用的規定，以確保賣方一承租人不會確認與所保留使用權有關的任何損益金額。修訂於2024年1月1日或之後開始的年度期間生效，並須追溯應用於《香港財務報告準則》第16號首次應用日期（即2019年1月1日）之後簽訂的售後回租交易，亦可提早應用。預期修訂本對本集團的財務報表並無任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments to further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的《香港財務報告準則》(續)

2020年修訂澄清有關將負債分類為即期或非即期的規定，包括延遲清償權的含義，以及延遲清償權必須在報告期末存在。負債的分類不受實體行使其延遲清償權的可能性的影響。該等修訂亦澄清，負債可以用其自身的權益工具清償，以及只有當可轉換負債中的轉換選擇權本身作為權益工具入賬時，負債的條款才不會影響其分類。2022年修訂進一步澄清，在貸款安排產生的負債契約中，只有實體於報告日或之前必須遵守的契約才會影響負債分類為即期或非即期。對於實體於報告期後12個月內必須遵守未來契約的非流動負債，須進行額外披露。該等修訂應追溯應用，並允許提早應用。提早應用2020年修訂的實體必須同時應用2022年修訂，反之亦然。本集團目前正在評估該等修訂的影響以及現有貸款協議是否需要修訂。根據初步評估，預期該等修訂不會對本集團的財務報表產生任何重大影響。

《香港會計準則》第7號及《香港財務報告準則》第7號修訂本闡明供應商融資安排的特點，並規定須就該等安排作出額外披露。該等修訂的披露規定旨在協助財務報表使用者了解供應商融資安排對實體的負債、現金流量及流動資金風險的影響。允許提早應用該等修訂。該等修訂就於年度報告期及中期披露期初的比較資料及定量資料提供若干過渡性減免。預期該等修訂不會對本集團的財務報表產生任何重大影響。

Notes to Financial Statements

財務報表附註

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

2.3 已頒佈但尚未生效的《香港財務報告準則》(續)

《香港會計準則》第21號修訂本訂明實體應如何評估某種貨幣是否可兌換為另一種貨幣，以及在缺乏可兌換性的情況下，實體應如何估計於計量日期的即期匯率。該等修訂要求披露讓財務報表使用者能夠了解貨幣不可兌換的影響的資料，允許提早應用。於應用該等修訂時，實體不能重列比較資料。初始應用該等修訂的任何累計影響應於初始應用當日確認為對保留溢利期初結餘的調整或對權益單獨組成部分中累積的匯兌差額累計金額的調整(如適用)。預期該等修訂不會對本集團的財務報表產生任何重大影響。

2.4 重大會計政策

業務合併及商譽

業務合併乃以購買法入賬。轉讓的代價乃以收購日期的公允價值計算，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團自被收購方的前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公允價值或被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益。非控股權益的所有其他部份均按公允價值計量。有關收購成本按實際發生數作為費用列支。

當所收購的一組活動及資產包括一項投入及一項實質過程，而兩者對創造產出的能力有重大貢獻，則本集團認為其已收購一項業務。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 重大會計政策 (續)

業務合併及商譽 (續)

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及標示，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘業務合併分階段進行，先前持有的股權應按其收購日期的公允價值計量及其產生之任何收益或虧損於損益中確認。

收購方所轉讓的任何或然代價於收購日期按公允價值確認。分類為資產或負債的或然代價按公允價值計量，而公允價值變動於損益確認。歸類為權益之或然代價毋須重新計量，而後續結算於權益內入賬。

商譽起初按成本計量，即已轉讓代價、已確認非控股權益及本集團先前於被收購方持有的股權的任何公允價值總額，超逾與所收購可識別資產淨值及所承擔負債的差額。如此代價及其他項目之總和低於所收購之資產淨值的公允價值，於評估後有關差額將於損益內確認為議價收購收益。

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽每年進行減值測試，或於出現任何事件或情況改變顯示賬面值可能減少時則更頻密地進行檢核。本集團於12月31日進行商譽年度減值測試。就減值測試而言，因業務合併而收購的商譽自收購日期起分配至預期可自合併的協同效益中獲益的本集團各現金產生單位或各現金產生單位組別，而不論本集團其他資產或負債有否轉撥至該等單位或單位組別。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its unlisted investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 重大會計政策 (續)

業務合併及商譽 (續)

減值按有關商譽的現金產生單位 (或現金產生單位組別) 可收回款額的評估結果釐定。倘現金產生單位 (或現金產生單位組別) 的可收回款額低於賬面值，則確認減值虧損。就商譽確認的減值虧損不會於其後期間撥回。

倘商譽已分配至現金產生單位 (或現金產生單位組別)，則該單位部份業務出售時，與售出業務有關的商譽將計入業務賬面值以釐定出售業務盈虧。於該等情況售出的商譽，按售出業務及保留的現金產生單位部份的相對價值為基準計算。

公允價值計量

本集團於各有關期間末按公允價值計量其未上市投資。公允價值指市場參與者間於計量日期在有秩序交易中出售資產所收取或轉讓負債所支付的價格。公允價值計量基於假設出售資產或轉讓負債的交易於資產或負債的主要市場進行，或如並無主要市場，則於資產或負債的最有利市場進行。主要或最有利市場須為本集團可進入的市場。資產或負債的公允價值使用市場參與者為資產或負債定價時所採用的假設計量 (假設市場參與者以其最佳經濟利益行事)。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 重大會計政策 (續)

公允價值計量 (續)

非金融資產的公允價值計量須計及市場參與者透過使用該資產的最高及最佳用途，或將該資產出售予將使用其最高及最佳用途的另一市場參與者而產生經濟利益的能力。

本集團採用適用於不同情況且具備充分數據以供計量公允價值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有公允價值於財務報表計量或披露的資產及負債是基於對公允價值計量整體而言屬重大的最低層級輸入數據按以下公允價值等級分類：

- 第一級 – 基於相同資產或負債於活躍市場的報價 (未經調整)
- 第二級 – 基於對公允價值計量而言屬重大的可觀察 (直接或間接) 最低層級輸入數據的估值方法
- 第三級 – 基於對公允價值計量而言屬重大的不可觀察最低層級輸入數據的估值方法

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類 (基於對公允價值計量整體而言屬重大的最低層級輸入數據) 釐定等級架構內各層級間是否有轉移。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 重大會計政策 (續)

非金融資產減值

倘存在減值跡象，或須每年對資產減值測試時（存貨、遞延稅項資產、金融資產及分類為持作出售的出售組別除外），資產可收回金額會予以估計。資產可收回金額為該資產或現金產生單位的使用價值與其公允價值減出售成本兩者中的較高者，並就個別資產進行釐定，除非該資產並不產生在很大程度上獨立於其他資產或資產組別的現金流入（在此情況下會就資產所屬的現金產生單位釐定可收回金額）。

在對現金產生單位進行減值測試時，若公司資產（如總部大樓）的部分賬面值能夠在合理一致的基準上分配，將分配至單個現金產生單位，否則，將分配至最小的現金產生單位組別。

減值虧損僅於資產賬面值超過其可收回金額時，方會確認。評估使用價值時，會採用反映當前市場對貨幣時間值及資產特定風險的評估的稅前貼現率，將估計未來現金流量貼現至其現值。減值虧損於產生期間按與減值資產功能一致的該等開支類別自損益中扣除。

於各報告期末，會評估是否有跡象顯示先前確認的減值虧損可能不再存在或已減少。倘存在該等跡象，可收回金額會予以估計。僅在用於釐定資產的可收回金額的估計出現變動時，方可撥回先前確認的資產（商譽除外）減值虧損，惟該金額不得超過倘有關資產於過往年度如無確認減值虧損時應予釐定的賬面值（扣除任何折舊／攤銷）。該減值虧損的撥回於其產生期間計入損益。

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

The intangible assets related to in-process development of endoscopic surgical instruments control system that are not ready for use and the Group is continuing research and development work, it is subject to an annual impairment test based on the recoverable amount of the cash-generating unit to which the intangible asset is related to.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;

2.4 重大會計政策 (續)

非金融資產減值 (續)

無形資產與正在開發而尚未可以動用的內窺鏡手術器械控制系統有關，本集團正繼續進行研發工作，其須每年按與無形資產有關的現金產生單位的可收回金額進行減值測試。

關聯方

倘出現以下情況，則下列人士將被視為與本集團有關聯：

- (a) 該方為一名人士或為該名人士家族的直系親屬，而該名人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團具有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 該方為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 一家實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合資企業；
 - (iii) 該實體與本集團均為同一第三方的合資企業；

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES

(continued)

Related parties (continued)

- (b) the party is an entity where any of the following conditions applies: (continued)
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 重大會計政策 (續)

關聯方 (續)

- (b) 該方為符合下列任何條件的實體：(續)
 - (iv) 一家實體為第三方實體的合資企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為本集團或與本集團有關聯的實體就僱員利益設立的離職後福利計劃；
 - (vi) 該實體受(a)項所述人士控制或共同控制；
 - (vii) (a)(i)項所述人士對該實體具有重大影響力或屬該實體（或該實體的母公司）的主要管理人員之一；及
 - (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

物業、廠房及設備與折舊

物業、廠房及設備（在建工程除外）按成本減累計折舊及任何減值虧損列賬。倘一項物業、廠房及設備項目被分類為持作出售，或被分類為持作出售資產組合的一部分，則該項目不計提折舊，並根據《香港財務報告準則》第5號入賬，其進一步解釋載於「非流動資產及持作出售的資產組合」的會計政策。物業、廠房及設備項目的成本包括購買價及任何使資產達至其營運狀況及地點作擬定用途的直接應佔成本。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

| | |
|------------------------|---------------|
| Buildings | 5 to 20 years |
| Leasehold improvements | 3 to 5 years |
| Plant and machinery | 3 to 10 years |
| Furniture and fixtures | 3 to 5 years |
| Motor vehicles | 3 to 4 years |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 重大會計政策 (續)

物業、廠房及設備與折舊 (續)

物業、廠房及設備項目投入運作後產生的維修及保養等開支，一般於產生期間自損益中扣除。於符合確認標準的情況下，重大檢查開支會於資產賬面值中資本化為重置。倘須定期重置物業、廠房及設備的重要部分，則本集團會將該等部分確認為有特定可使用年期的個別資產，並相應予以折舊。

折舊按直線法於估計可使用年期撇銷物業、廠房及設備各項目的成本至剩餘價值計算。物業、廠房及設備的估計可使用年期如下：

| | |
|--------|-------|
| 樓宇 | 5至20年 |
| 租賃物業裝修 | 3至5年 |
| 機器及設備 | 3至10年 |
| 傢俬和裝置 | 3至5年 |
| 機動車 | 3至4年 |

倘物業、廠房及設備項目中部分之可使用年期不同，該項目之成本按合理基準分攤至有關部分，而各部分均單獨計提折舊。剩餘價值、可使用年期及折舊方法將至少於各財政年度末審核及作出調整(如適用)。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2.4 重大會計政策 (續)

物業、廠房及設備與折舊 (續)

物業、廠房及設備項目(包括任何已初步確認的重要部分)於出售或預期使用或出售有關項目不會產生未來經濟利益時終止確認。於終止確認資產的年度在損益中確認的出售或報廢的任何收益或虧損指有關資產銷售所得款項淨額與賬面值的差額。

在建工程按成本減任何減值虧損列賬而不計提折舊。在建工程於落成及可用時重新分類至物業、廠房及設備的適當類別。

非流動資產及持作出售的出售組別

倘非流動資產及持作出售的出售組別之賬面值將主要通過銷售交易，而非通過持續使用而收回，則非流動資產及持作出售的出售組別會歸類為持作出售。此條件僅於資產或出售組別可按其現況即時出售，出售條款僅屬出售該資產或出售組別之一般慣常條款，且極有可能出售時，方告達成。所有分類為出售組別之附屬公司資產及負債均重新分類為持作出售，不論本集團於銷售後有否保留其前附屬公司之非控股權益。

分類為持作出售的非流動資產及出售組別(金融資產除外)按其賬面值與公允價值減出售成本值兩者之較低者計量。分類為持作出售之物業、廠房及設備以及無形資產均不作折舊或攤銷。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

IPR&D

The Group obtained IPR&D through acquisition for the purpose of continuing the research and development work and commercialisation of the products, which are classified as intangible assets not ready for use.

Patents

Purchased patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 7 to 18 years.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 5 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.4 重大會計政策 (續)

無形資產 (商譽除外)

單獨購買的無形資產於初步確認時按成本計量。於業務合併中收購的無形資產成本為收購日的公允價值。無形資產的可使用年期評估為有限或無限。具有有限可使用年期的無形資產隨後在可使用的經濟年期內作攤銷，並在有跡象顯示無形資產可能減值時進行減值評估。具有有限可使用年期的無形資產的攤銷期和攤銷法至少於各財政年度末進行審核。

進行中的研發

本集團透過收購獲得進行中的研發以繼續進行有關產品的研發工作及商品化，其分類為尚未可以動用的無形資產。

專利

已購買的專利按成本減任何減值虧損列賬，並按直線法在其估計可使用年限7至18年內攤銷。

軟件

已購買的軟件按成本減任何減值虧損列賬，並按直線法在其估計可使用年限3至5年內攤銷。

研發成本

所有研究成本均在產生時於損益中扣除。

新產品開發項目產生的開支僅於本集團證明在技術上能夠完成無形資產供使用或出售、有意完成及有能力使用或出售該資產、該資產將帶來的未來經濟利益、具有完成項目所需的資源且能夠可靠地計量開發期間的開支時，方會撥充資本並以遞延方式入賬。未符合上述標準的產品開發開支於產生時支銷。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES

(continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

| | |
|-----------------|------------------|
| Leasehold land | 50 years |
| Office premises | 24 to 100 months |

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 重大會計政策 (續)

租賃

本集團在合約開始時評估合約是否為租賃或包含租賃。如果合約讓與一段時間控制已識別資產的使用的權利以換取對價，則合約為租賃或包含租賃。

本集團作為承租人

本集團對所有租賃(短期租賃除外)採用單一確認和計量方法。本集團確認用於支付租賃付款的租賃負債和代表相關資產使用權的使用權資產。

(a) 使用權資產

使用權資產乃於租賃開始日確認(即相關資產可供使用的日期)。使用權資產按成本減累計折舊及減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產的成本包括已確認的租賃負債金額、已產生的初始直接成本，以及在開始日期或之前作出的租賃付款減已收取的任何租賃優惠。使用權資產於租賃期及資產估計可使用年期的較短者內按直線法計提折舊如下：

| | |
|------|----------|
| 租賃土地 | 50年 |
| 辦公場所 | 24至100個月 |

如果租賃資產的所有權在租賃期結束時轉移至本集團或成本反映購買選擇權的行使，則使用資產的估計可使用年期計算折舊。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases that have a lease term of 12 months and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

2.4 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

(b) 租賃負債

租賃負債乃於租賃開始日期按於租賃期內將予作出之租賃付款之現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於指數或利率的可變租賃付款,以及預期根據剩餘價值擔保將予支付的金額。租賃付款亦包括合理確定本集團將予行使購買選擇權之行使價,及倘租賃期反映本集團行使終止租賃選擇權,則包括就終止租賃支付的罰款。並非取決於指數或利率的可變租賃付款將於觸發付款的事件或條件發生之期間確認為開支。

於計算租賃付款的現值時,倘租賃所隱含的利率不易釐定,則本集團使用於租賃開始日期之增量借貸利率。於開始日期後,租賃負債金額將會增加,以反映利息的增加及就已作出租賃付款而減少。此外,如有修改、租賃期變動、租賃付款變動(如因指數或利率變動而導致之未來租賃付款變動)或購買相關資產的選擇權的評估變動,則租賃負債的賬面值將重新計量。

(c) 短期租賃

本集團將短期租賃確認為免應用於其辦公場所的短期租賃(即租期為12個月且不包括購買選擇權的租賃)。短期租賃的租賃付款在租賃期內按直線法確認為開支。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2.4 重大會計政策 (續)

投資及其他金融資產

初步確認及計量

本集團於初步確認時將其金融資產分類為其後按攤銷成本計量的金融資產以及以公允價值計量且其變動計入當期損益的金融資產。

初步確認時的金融資產分類取決於金融資產的合約現金流量特徵以及本集團管理其的業務模式。除不包含重大融資成分或本集團已應用可行權宜之計不調整重大融資成分影響的貿易應收款項外，本集團初步以公允價值加(倘若金融資產並非以公允價值計量且其變動計入當期損益的金融資產)交易成本計量金融資產。不含重大融資成分或本集團已應用可行權宜之計的貿易應收款項，根據下文「收入確認」所載政策，按照《香港財務報告準則》第15號釐定之交易價計量。

為使金融資產按攤銷成本或按公允價值計入其他全面收益的方法分類及計量，需要產生對未償還本金的純粹作本金及利息的付款(「SPPI」)的現金流量。現金流量不是SPPI的金融資產以按公允價值計入損益分類及計量，而不考慮業務模式。

本集團管理金融資產的業務模式是指其如何管理金融資產以產生現金流量。業務模式確定現金流量是否因收取合約現金流量、出售金融資產或兩者兼之而產生。按攤銷成本分類和計量的金融資產以目的是持有金融資產以收取合約現金流量的商業模式持有，而按公允價值計入其他全面收益分類及計量的金融資產則以目的是既要收取合約現金流量又要出售的商業模式持有。不屬於上述業務模式的金融資產，按公允價值計入損益分類及計量。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

Purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

2.4 重大會計政策 (續)

投資及其他金融資產 (續)

初步確認及計量 (續)

購買或出售金融資產須於市場法規或慣例一般設定的期間內交付資產，其於交易日（即本集團承諾購買或出售資產的日期）確認。

後續計量

金融資產的後續計量取決於其如下分類：

按攤銷成本計量的金融資產 (債務工具)

按攤銷成本計量的金融資產其後以實際利率法計量，並且可能會出現減值。當資產終止確認、予以修改或出現減值時，收益及虧損於損益中確認。

以公允價值計量且其變動計入當期損益的金融資產

以公允價值計量且其變動計入當期損益的金融資產乃以公允價值於財務狀況表確認，而公允價值變動淨額則於損益確認。

確立付款權後，則股權投資股息亦於損益中確認為其他收入。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 重大會計政策 (續)

終止確認金融資產

金融資產(或(如適用)一項金融資產的一部分或一組同類金融資產的一部分)主要在下列情況下將終止確認(即從本集團的綜合財務狀況表剔除):

- 收取該項資產所得現金流量的權利已經到期;或
- 本集團已轉讓其收取該項資產所得現金流量的權利;或根據「過手」安排,在未出現嚴重延遲的情況下承擔向第三方全數支付所收取的現金流量的責任;且本集團(a)已轉讓該項資產的絕大部分風險及回報;或(b)並無轉讓或保留該項資產絕大部分風險及回報,但已轉讓該項資產的控制權。

凡本集團已轉讓其收取資產所得現金流量的權利或作出一項過手安排,其會評估是否以及在何種程度上保留資產所有權的風險及回報。如並無轉讓或保留該項資產的絕大部分風險及回報,亦無轉讓該項資產的控制權,則以本集團持續參與的程度為限繼續確認已轉讓的資產。在該情況下,本集團亦確認相關負債。已轉讓資產及相關負債乃按可反映本集團所保留權利及責任的基準計量。

所轉讓資產擔保形式的持續參與,以資產原賬面值與本集團可能須償還的最高對價金額中的較低者計量。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

2.4 重大會計政策 (續)

金融資產減值

本集團就不按公允價值計入損益的所有債務工具確認預期信貸虧損（「預期信貸虧損」）撥備。預期信貸虧損乃基於根據合約應付的合約現金流量與本集團預計將收到的全部現金流量之間的差額計算，該差額按與初始實際利率相若的利率進行貼現。預期的現金流量將包括出售持有抵押品或其他構成合約條款一部分的信貸增級所帶來的現金流量。

一般方法

預期信貸虧損分兩個階段確認。倘初步確認後信貸風險沒有顯著上升，預期信貸虧損會就其後12個月內可能發生的違約事件所導致的信貸虧損（12個月預期信貸虧損）計提撥備。倘初步確認後信貸風險顯著上升，則需要就該風險的餘下年期的預期信貸虧損作出虧損撥備，不論發生違約事件的時間（整個存續期預期信貸虧損）。

於各報告日期，本集團評估金融工具的信貸風險自初步確認以來是否顯著增加。進行評估時，本集團將就金融工具於報告日期發生違約的風險與金融工具於初步確認日期發生違約的風險進行比較，並考慮毋須付出過多成本或努力而可獲得的合理可靠資料（包括歷史及前瞻性資料）。本集團認為，當合約付款逾期超過30天，則信貸風險將顯著增加。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 重大會計政策 (續)

金融資產減值 (續)

一般方法 (續)

當合約款項已逾期180日，則本集團視金融資產已出現違約。然而，在若干情況下，當內部或外部資料指出於計及本集團所持任何信貸增級前本集團不可能全數收取未償還合約金額時，本集團亦可視金融資產已出現違約。

當並無合理預期能收回合約現金流量時，金融資產將予撇銷。

按攤銷成本計量的金融資產須根據一般方法予以減值，且其須於以下計量預期信貸虧損的各階段內分類，惟應用下文詳述的簡化方法的貿易應收款項則除外。

- 第1階段 – 信貸風險自初步確認以來並無大幅增加及虧損撥備按相等於12個月預期信貸虧損的金額計量的金融工具
- 第2階段 – 信貸風險自初步確認以來已大幅增加但並不屬於信貸減值金融資產及虧損撥備按相等於整個存續期預期信貸虧損的金額計量的金融工具
- 第3階段 – 於報告日期出現信貸減值(但亦非購入時或原先已出現信貸減值)及虧損撥備按相等於整個存續期預期信貸虧損的金額計量的金融資產

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, accruals and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

2.4 重大會計政策 (續)

金融資產減值 (續)

簡化方法

就並無包含重大融資成分或本集團已應用可行權宜之計不調整重大融資成分影響的貿易應收款項，本集團於計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並不追蹤信貸風險的變動，而是於各報告日期根據整個存續期預期信貸虧損確認虧損撥備。本集團已確立一套根據其歷史信貸虧損經驗作出的撥備矩陣，經對債務人及經濟環境特定適用的前瞻性因素作出調整。

金融負債

初步確認及計量

金融負債於首次確認時分類為應付款項。

所有金融負債初始時均按公允價值確認，倘為應付款項，則應扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、預提項目及租賃負債。

後續計量

金融負債的後續計量取決於其如下分類：

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Financial liabilities at amortised cost (trade and other payables)

After initial recognition, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.4 重大會計政策 (續)

金融負債 (續)

按攤銷成本計量的金融負債 (貿易及其他應付款項)

於初步確認後，貿易及其他應付款項其後按攤銷成本採用實際利率法計量，惟貼現的影響屬微不足道則除外，而在該情況下將按成本列賬。當負債終止確認且按實際利率攤銷過程計算時，收益及虧損於損益確認。

計算攤銷成本時已計及任何收購時的折讓或溢價，以及屬於實際利率一部分的費用或成本。實際利率攤銷已計入損益中的融資成本。

終止確認金融負債

金融負債於負債項下的責任已解除、取消或屆滿時終止確認。

當一項現有金融負債被來自同一貸款人但條款有重大差異的另一項金融負債所取代，或對現有負債的條款作出大幅修訂，則有關取代或修訂被視為終止確認原有負債及確認新負債，而各自賬面值之間的差額於損益中確認。

抵銷金融工具

倘現行存在一項可強制執行的合法權利以抵銷已確認金額，且有意以淨額基準進行結算或同時變現資產及清償負債，金融資產及金融負債可予抵銷，而淨額於財務狀況表呈報。

庫存股份

本公司或本集團重新購入而持有的自身權益工具 (庫存股份) 乃按成本直接從權益中確認。並無購回、出售、發行或註銷本集團自身權益工具的收益或虧損於損益中確認。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

2.4 重大會計政策 (續)

存貨

存貨按成本與可變現淨值兩者中的較低者入賬。成本以加權平均基準釐定，及如屬在製品及製成品，包括直接材料、直接勞工及適當比例的經常費用。可變現淨值按估計售價減完成及出售時將產生的任何估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時轉換為已知金額現金、所涉及價值變動風險不高及一般自購入後三個月內到期並構成本集團現金管理必不可少的一部分的短期高流通性投資。

就綜合財務狀況表而言，現金及現金等價物包括並無限制用途的手頭及銀行現金(包括定期存款)。

撥備

當一項現時義務(法定或推定)由於過往事件而產生且很可能需要未來資源外流來履行該項義務時，則確認一項撥備，前提是能夠可靠地估計該項義務的金額。

當折現影響重大時，就撥備確認的金額為預計結算該項義務所需的未來支出於報告期末的現值。隨時間推移而產生的折現現值金額的增加計入損益中的融資成本。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the country in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 重大會計政策 (續)

所得稅

所得稅包括即期及遞延稅項。與損益外確認項目有關的所得稅於損益外的其他全面收益內確認，或直接於權益內確認。

即期稅項資產及負債是根據於報告期結束時已頒佈或實際上已頒佈的稅率(及稅法)，按預期將自稅務機關收回或支付予稅務機關的金額計量並經考慮本集團業務所在國家的現行詮釋及慣例。

遞延稅項採用負債法就於報告期結束時資產及負債的稅基與兩者用作財務報告的賬面值之間的所有暫時差額計提撥備。

遞延稅項負債就所有應課稅暫時差額予以確認，惟以下情況除外：

- 倘遞延稅項負債因初步確認於一項交易(並非業務合併)中的資產或負債而產生，且於進行該交易時並無影響會計利潤或應課稅利潤或虧損，亦無產生等額的應課稅及可扣減暫時差額；及
- 就有關於附屬公司的投資的應課稅暫時差額而言，倘撥回暫時差額的時間可受控制，而暫時差額於可預見未來可能不會撥回。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.4 重大會計政策 (續)

所得稅 (續)

遞延稅項資產就所有可扣減暫時差額、未動用稅項抵免及任何未動用稅項虧損的結轉予以確認。倘可能有應課稅利潤用以抵銷可扣減暫時差額、未動用稅項抵免及未動用稅項虧損的結轉，則遞延稅項資產予以確認，惟以下情況除外：

- 有關可扣減暫時差額的遞延稅項資產因初步確認一項交易（並非業務合併）中的資產或負債而產生，且於進行該交易時並無影響會計利潤或應課稅利潤或虧損，亦無產生等額的應課稅及可扣減暫時差額；及
- 就有關於附屬公司的投資的可扣減暫時差額而言，遞延稅項資產僅於暫時差額於可預見未來可能撥回，而且具有應課稅利潤可用以抵銷暫時差額時，方會予以確認。

遞延稅項資產的賬面值於報告期結束時予以檢討，並於不再可能有足夠應課稅利潤以動用全部或部分遞延稅項資產時作出扣減。未確認的遞延稅項資產於年末予以重估，並於可能有足夠應課稅利潤用以收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債根據於報告期末前已頒佈或實際上已頒佈的稅率（及稅法），按預期於資產變現或負債獲清償期間適用的稅率計量。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

2.4 重大會計政策 (續)

所得稅 (續)

於及僅於本集團存在可依法強制行使權利，可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產及遞延稅項負債與同一課稅機關對同一應課稅實體或不同應課稅實體徵收的所得稅有關，並有意於預期清償或收回大額遞延稅項負債或資產的各未來期間，以淨額基準結算即期稅項負債及資產，或同時變現資產及清償負債，方會抵銷遞延稅項資產及遞延稅項負債。

政府補助

倘有合理保證將可獲得政府補助，且符合所有附帶條件，則政府補助可按公允價值確認。倘補助與開支項目有關，則補助於擬補償的成本支銷期間有系統地確認為收入。

倘補助與資產有關，則公允價值計入遞延收入賬，並按相關資產的預計可使用年期按年等額分期轉撥至損益，或自該資產的賬面值扣除相關公允價值，並透過扣減折舊開支方式計入損益。

收入確認

來自客戶合約的收入

來自客戶合約的收入於貨品的控制權已按可反映本集團預期有權就交換該等貨品所得對價的金額轉讓予客戶時確認。

當合約中的對價包括可變金額時，對價金額估計為本集團就轉讓貨品或服務至客戶而有權獲得的金額。可變對價於合約開始時進行估計並受約束，直至當可變對價的相關不確定因素其後獲解決，而確認的累計收入金額不大可能出現重大收入撥回時，約束解除。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on acceptance of the products.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

2.4 重大會計政策 (續)

收入確認 (續)

來自客戶合約的收入 (續)

倘合約包含為客戶提供轉移貨品的重大融資利益為期超過一年的融資部分，則收入按應收金額的現值計量，並採用在合約開始時本集團與客戶所訂立獨立融資交易可反映的貼現率貼現。倘合約包含為本集團提供重大融資利益為期超過一年的融資部分，則根據該合約確認的收入包括根據實際利率法就合約負債附有的利息開支。就客戶付款與轉移承諾貨品之間為一年或以下的合約而言，交易價格不會採用《香港財務報告準則》第15號的可行權宜方法就重大融資部分的影響作出調整。

銷售產品

來自銷售產品的收入乃按有關資產的控制權轉讓予客戶的時間點確認，該時間點一般為接收貨品之時。

其他收入

利息收入採用實際利率法按累計基準確認，所用的利率為於金融工具預定期限或較短期間（倘合適）將估計未來現金收入確切貼現至金融資產的賬面淨值的利率。

合約負債

在本集團轉移相關貨品之前，當收到客戶的付款或應從客戶收取付款（以較早者為準）時，確認合約負債。當本集團根據合約履行合約時（即將相關貨品的控制權轉移給客戶），合約負債確認為收入。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

The Company operates a share option plan and a restricted share unit plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 27 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of the reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 重大會計政策 (續)

以股份為基礎的付款

本公司實施一項購股權計劃及一項受限制股份單位計劃，旨在向對本集團之業務成就作出貢獻的合資格參與者，提供激勵與獎勵。本集團僱員（包括董事）按以股份為基礎的付款形式收取酬金，據此，僱員提供服務以換取獲取權益工具（「以權益結算的交易」）。就與僱員之間以權益結算的交易成本參考授出日期的公允價值計算。公允價值由外聘估值師使用二項式模型釐定，有關進一步詳情載於財務報表附註27。

以權益結算的交易成本連同權益的相應升幅會於達到表現及／或服務條件的期間於僱員福利開支內確認。於歸屬日期前於報告期末就以權益結算的交易確認的累計開支，反映已屆滿歸屬期限的程度及本集團對最終將歸屬的權益工具數目的最佳估計。某期間損益的扣減或進賬，指該期間期初及期末已確認累計開支的變動。

釐定獎勵的授出日公允價值並不考慮服務及非市場表現條件，惟能達成條件的可能性則被評定為將最終歸屬為本集團權益工具數目的最佳估計的一部分。市場表現條件將反映在授出日的公允價值內。附帶於獎勵但並無相關服務要求的其他任何條件皆視為非歸屬條件。除非有另外的服務及／或表現條件，否則非歸屬條件於獎勵的公允價值內反映，並將即時支銷獎勵。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments (continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding share options and restricted share units (“RSUs”) is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group’s subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Chinese Mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.4 重大會計政策 (續)

以股份為基礎的付款 (續)

因未能達至非市場表現及／或服務條件，而導致最終並無歸屬的獎勵並不會確認支銷，倘獎勵包括市場或非歸屬條件，則無論市場或非歸屬條件是否達成，交易均會被視為已歸屬，前提是所有其他表現及／或服務條件達成。

倘若以權益結算的獎勵條款被修訂，只要原訂獎勵條款達成，則仍會確認最小開支，猶如條款並無修訂。此外，倘任何修訂導致以股份為基礎的付款於修訂日期計量的公允價值總額增加或於其他方面對僱員有利，則就該等修訂確認開支。倘若註銷以權益結算的獎勵，則獎勵按註銷當日歸屬處理，尚未確認的獎勵開支將即時確認。

尚未行使購股權及受限制股份單位（「受限制股份單位」）的攤薄效應反映為計算每股盈利的額外股份攤薄。

其他僱員福利

退休金計劃

本集團於中國內地經營的附屬公司的僱員須參與地方市政府設立的中央退休金計劃。於中國內地經營的附屬公司須按薪酬成本的特定百分比向中央退休金計劃作出供款。有關供款根據中央退休金計劃的規則於應繳付時自損益中扣除。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the note 11 to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 重大會計政策 (續)

股息

末期股息經股東於股東大會批准後確認為負債。擬議末期股息於財務報表附註11中披露。中期股息乃同時建議派付及宣派，原因是本公司的章程大綱及組織章程細則授權董事宣派中期股息。因此，中期股息於建議派付及宣派時即時確認為負債。

外幣

該等財務報表以人民幣列值，其為本公司的功能貨幣。本集團內各實體自行釐定其功能貨幣，而已列於各實體綜合財務報表的項目使用該功能貨幣計量。本集團內實體所記錄的外幣交易於初步記錄時，使用彼等各自於交易日期適用的功能貨幣匯率。以外幣列值的貨幣資產及負債會按於報告期結束時適用的功能貨幣匯率換算。結算或換算貨幣項目產生的差額均於損益內確認。

以外幣歷史成本計量的非貨幣項目使用初始交易日期的匯率換算。按外幣公允價值計量的非貨幣項目使用公允價值釐定日期的匯率換算。換算按公允價值計量的非貨幣項目產生的收益或虧損視為與該項目已確認的公允價值變動所產生的收益或虧損一致（即公允價值收益或虧損於其他全面收益或損益內確認的項目，其匯兌差額亦分別於其他全面收益或損益內確認）。

Notes to Financial Statements

財務報表附註

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the non-PRC established subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the non-PRC established subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the Company and non-PRC established subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2.4 重大會計政策 (續)

外幣 (續)

為釐定初步確認與預付對價相關的非貨幣資產或非貨幣負債於終止確認時的有關資產、開支或收入時的匯率，首次交易日期為本集團初步確認預付對價產生的非貨幣資產或非貨幣負債的日期。倘預付或預收多筆款項，則本集團釐定每筆預付或預收對價的交易日期。

於境外成立的附屬公司的功能貨幣為除人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末當時的匯率換算為人民幣，其損益按與交易日當時匯率近似的匯率換算為人民幣。

所產生的匯兌差額於其他全面收益確認，並於匯兌波動儲備累計，惟非控股權益應佔的差額除外。於出售海外業務時，與該特定海外業務有關的儲備累計金額於損益確認。

就綜合現金流量表而言，於境外成立的附屬公司的現金流量按現金流量發生當日的匯率換算為人民幣。本公司及於境外成立的附屬公司年內經常發生的現金流量則按年內加權平均匯率換算為人民幣。

Notes to Financial Statements

財務報表附註

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make significant judgements and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Consolidation of Weijing Medical

At 31 December 2023, the Group owned a 35% equity interest in Weijing Medical. According to the equity investment agreement and Weijing Medical's articles of association, the Group has power over Weijing Medical upon acquisition when it has existing rights that give it the current ability to direct the relevant activities, ie the activities that significantly affect Weijing Medical's returns, through its existing rights over Weijing Medical's board meetings as well as shareholders' meetings. Therefore, the directors of the Company believe the Group has control over Weijing Medical upon acquisition and consolidated its financial statements from the date the Group obtained control.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on aging for groupings of various customer segments that have similar loss patterns.

3. 重要會計判斷及估計

編製本集團財務報表時，管理層須作出重大判斷及估計，而該等判斷及估計影響收入、開支、資產及負債的呈報金額及其隨附披露以及或然負債的披露。有關該等假設及估計的不確定因素可能會導致日後須對受影響資產或負債的賬面值作出重大調整。

判斷

於應用本集團會計政策的過程中，除該等涉及估計的判斷外，管理層已作出以下對財務報表內已確認金額造成最重大影響的判斷：

合併唯精醫療

於2023年12月31日，本集團於唯精醫療擁有35%股權。根據股權投資協議及唯精醫療的組織章程細則，本集團於收購後在唯精醫療擁有權力，前提為其現有權利使其目前有能力主導相關活動，即透過其於唯精醫療董事會會議及股東大會上的現有權利而對唯精醫療回報有重大影響的活動。因此，本公司董事相信本集團於收購後在唯精醫療擁有控制權，並自本集團取得控制權當日起合併其財務報表。

估計不確定因素

下文闡述於報告期末時有關未來的主要假設及估計不確定因素的其他主要來源，其具有可能導致於下一個財政年度須對資產及負債的賬面值作出重大調整的重大風險。

貿易應收款項的預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率乃根據具備類似虧損模式的不同客戶分部的組別的賬齡計算。

Notes to Financial Statements

財務報表附註

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables (continued)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the distribution sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 18 to the financial statements.

Impairment testing of intangible assets not ready for use

Intangible assets not ready for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group obtained IPR&D through acquisition for the purpose of continuing the research and development work and commercialisation of the products, which are classified as intangible assets not ready for use.

An impairment loss is recognised for the amount by which the intangible asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an intangible asset's fair value less costs of disposal and value in use. The carrying amount of IPR&D is disclosed in note 16 to the financial statements. Further details about the impairment assessment are included in note 15 to the financial statements.

3. 重要會計判斷及估計 (續)

估計不確定因素 (續)

貿易應收款項的預期信貸虧損撥備 (續)

該撥備矩陣乃初步根據本集團的歷史觀察所得違約率作出。本集團將使用前瞻性資料調校該矩陣以調整歷史信貸虧損經驗。舉例而言，倘預測經濟狀況預期於下一年轉差，可能導致經銷行業違約數目增加，則將調整歷史違約率。於各報告日期，歷史觀察違約率將予更新，並分析前瞻性估計的變動。

對過往觀察到的違約率、預測經濟狀況及預期信貸虧損之間的相關性的評估是一項重要的估計。預期信貸虧損的金額容易受到環境變化和預測經濟狀況的影響。歷史信貸虧損經驗及對經濟狀況的預測亦未必代表客戶未來實際的違約情況。有關本集團貿易應收款項預期信貸虧損的資料披露於財務報表附註18。

尚未可以動用的無形資產減值測試

尚未可以動用的無形資產毋須攤銷，惟須每年進行減值測試，或於事件或情況變化表明其可能減值時更頻繁地進行減值測試。本集團透過收購獲得進行中的研發以繼續進行有關產品的研發工作及商品化，其分類為尚未可以動用的無形資產。

當無形資產的賬面值超出其可收回金額時，則就其差額確認減值虧損。可收回金額為無形資產的公允價值減處置成本與使用價值中的較高者。進行中的研發的賬面值於財務報表附註16中披露。有關減值評估的進一步詳情載於財務報表附註15。

Notes to Financial Statements

財務報表附註

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires estimations of the recoverable amount of the cash-generating unit to which the goodwill is allocated, which is the higher of the cash-generating unit's value in use and its fair value less costs of disposal using cash flow projections based on a financial budget. Estimating the recoverable amount requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2023 was RMB167,209,000 (2022: RMB167,209,000). Further details are given in note 15 to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographic information

(a) Revenue from external customers

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|------------------|------|-----------------------------------|-----------------------------------|
| Chinese Mainland | 中國內地 | 840,066 | 715,097 |
| Other | 其他 | 85,957 | 71,270 |
| Total revenue | 總收入 | 926,023 | 786,367 |

The revenue information is based on the locations of the customers.

3. 重要會計判斷及估計 (續)

估計不確定因素 (續)

商譽減值

本集團至少每年釐定商譽是否出現減值。其需要根據財務預算使用現金流量預測對商譽已獲分配的現金產生單位的可收回金額作出的估計，即現金產生單位的使用價值與其公允價值減處置成本中的較高者。估計可收回金額需要本集團估計來自現金產生單位的預期未來現金流量，並選擇合適的貼現率以計算該等現金流量的現值。於2023年12月31日，商譽的賬面值為人民幣167,209,000元（2022年：人民幣167,209,000元）。進一步詳情載於財務報表附註15。

4. 經營分部資料

為便於管理，本集團並無根據產品劃分為業務單位，而是僅有一個須予報告經營分部。管理層會監察本集團經營分部的整體業績，以便就資源分配作出決策以及進行表現評估。

地區資料

(a) 外部客戶收入

收入資料乃基於客戶位置得出。

Notes to Financial Statements

財務報表附註

4. OPERATING SEGMENT INFORMATION (continued)

Geographic information (continued)

(b) Non-current assets

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---------------------------------|----------------|-----------------------------------|-----------------------------------|
| Chinese Mainland | 中國內地 | 737,831 | 720,939 |
| Other | 其他 | 262 | 660 |
| Total non-current assets | 非流動資產總值 | 738,093 | 721,599 |

The non-current asset information above is based on the locations of assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the year is set out below:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|------------|-----|-----------------------------------|-----------------------------------|
| Customer A | 客戶A | 123,194 | N/A* 不適用* |
| Customer B | 客戶B | N/A* 不適用* | 93,084 |

* Less than 10% of the Group's revenue

* 佔本集團收入10%以下

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---------------------------------------|-----------|-----------------------------------|-----------------------------------|
| Revenue from contracts with customers | 來自客戶合約的收入 | 926,023 | 786,367 |

4. 經營分部資料 (續)

地區資料 (續)

(b) 非流動資產

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---------------------------------|----------------|-----------------------------------|-----------------------------------|
| Chinese Mainland | 中國內地 | 737,831 | 720,939 |
| Other | 其他 | 262 | 660 |
| Total non-current assets | 非流動資產總值 | 738,093 | 721,599 |

以上非流動資產資料乃基於有關資產所處位置且不包括金融工具及遞延稅項資產。

有關主要客戶的資料

年內各主要客戶產生的佔本集團收入10%或以上收入載列如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|------------|-----|-----------------------------------|-----------------------------------|
| Customer A | 客戶A | 123,194 | N/A* 不適用* |
| Customer B | 客戶B | N/A* 不適用* | 93,084 |

* 佔本集團收入10%以下

5. 收入、其他收入及收益

收入的分析如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---------------------------------------|-----------|-----------------------------------|-----------------------------------|
| Revenue from contracts with customers | 來自客戶合約的收入 | 926,023 | 786,367 |

Notes to Financial Statements

財務報表附註

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers

(a) Disaggregated revenue information

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--------------------------------------|---------------|-----------------------------------|-----------------------------------|
| Type of goods | 貨品類型 | | |
| Sale of medical instruments | 銷售醫療器械 | 926,023 | 786,367 |
| Geographical markets | 地區市場 | | |
| Chinese Mainland | 中國內地 | 840,066 | 715,097 |
| Other | 其他 | 85,957 | 71,270 |
| Total | 總計 | 926,023 | 786,367 |
| Timing of revenue recognition | 收入確認時間 | | |
| Goods transferred at a point in time | 於某一時間點轉讓的貨品 | 926,023 | 786,367 |

The following table shows the amounts in the current reporting period of revenue recognised that was included in the contract liabilities at the beginning of the reporting period:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|-------------------|-----------------------------------|-----------------------------------|
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period: | 計入報告期初合約負債的已確認收入： | | |
| Sale of medical instruments | 銷售醫療器械 | 740 | 2,758 |

5. 收入、其他收入及收益 (續)

來自客戶合約的收入

(a) 細分收入資料

下表顯示於本報告期確認並於報告期初計入合約負債的收入金額：

Notes to Financial Statements

財務報表附註

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(b) Performance obligation

Information about the Group's performance obligation is summarised below:

Sale of medical instruments

The performance obligation, which is part of a contract that has an original expected duration of one year or less, is satisfied upon acceptance of the goods and payment is generally due within one month, extending up to two months for certain customers.

An analysis of other income and gains is as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|-------------------------------|-----------------------------------|-----------------------------------|
| Other income | 其他收入 | | |
| Government grants* | 政府補助* | 57,444 | 52,945 |
| Bank interest income | 銀行利息收入 | 91,832 | 70,003 |
| Investment income from financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產的投資收入 | 58 | - |
| Others | 其他 | 423 | 828 |
| Total other income | 其他收入總額 | 149,757 | 123,776 |
| Gains | 收益 | | |
| Fair value gains on financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產的公允價值收益 | 5,560 | 22,705 |
| Gains on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目的收益 | 48 | 191 |
| Total gains | 總收益 | 5,608 | 22,896 |
| Total other income and gains | 其他收入及收益總額 | 155,365 | 146,672 |

* The government grants mainly represent subsidies received from the local governments for the purposes of compensation for expenses arising from research activities, reward for financial contribution and capital expenditure incurred on certain projects.

5. 收入、其他收入及收益 (續)

來自客戶合約的收入 (續)

(b) 履約責任

有關本集團履約責任的資料概述如下：

銷售醫療器械

履約責任(原定預定期限為一年或更短的合約的一部分)在接受貨物時履行，付款通常於一個月內到期，若干客戶最多可延長兩個月。

其他收入及收益的分析如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|-------------------------------|-----------------------------------|-----------------------------------|
| Other income | 其他收入 | | |
| Government grants* | 政府補助* | 57,444 | 52,945 |
| Bank interest income | 銀行利息收入 | 91,832 | 70,003 |
| Investment income from financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產的投資收入 | 58 | - |
| Others | 其他 | 423 | 828 |
| Total other income | 其他收入總額 | 149,757 | 123,776 |
| Gains | 收益 | | |
| Fair value gains on financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產的公允價值收益 | 5,560 | 22,705 |
| Gains on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目的收益 | 48 | 191 |
| Total gains | 總收益 | 5,608 | 22,896 |
| Total other income and gains | 其他收入及收益總額 | 155,365 | 146,672 |

* 政府補助主要是從地方政府獲得的補貼，用於補償研究活動產生的開支、對財政貢獻的獎勵和若干項目的資本開支。

Notes to Financial Statements

財務報表附註

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/ (crediting):

6. 稅前利潤

本集團的稅前利潤乃經扣除／（計入）以下各項後得出：

| | | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|----------------------------------|-------|-----------------------------------|-----------------------------------|
| Cost of inventories sold | 已售存貨成本 | | 182,223 | 149,468 |
| Depreciation of property, plant and equipment* | 物業、廠房及設備折舊* | 13 | 21,918 | 14,514 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 14(a) | 10,777 | 6,896 |
| Amortisation of intangible assets** | 無形資產攤銷** | 16 | 259 | 221 |
| Impairment of trade receivables, net | 貿易應收款項減值淨額 | 18 | 1,064 | (1,054) |
| Write-down of inventories to net realisable value**** | 存貨撇減至可變現淨值**** | | 2,601 | 1,652 |
| Lease payments not included in the measurement of lease liabilities | 並未計入租賃負債計量的租賃付款 | 14(c) | 737 | 421 |
| Auditor's remuneration | 核數師酬金 | | 2,750 | 2,750 |
| Research and development costs | 研發成本 | | 127,554 | 66,019 |
| Government grants | 政府補助 | | (57,444) | (52,945) |
| Bank interest income | 銀行利息收入 | | (91,832) | (70,003) |
| Investment (income)/losses from financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產的投資(收入)／虧損 | | (58) | 23,469 |
| Foreign exchange losses | 匯兌虧損 | | 3,095 | 3,197 |
| Gains on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目的收益 | | (48) | (191) |
| Fair value gains on financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產的公允價值收益 | | (5,560) | (22,705) |
| Employee benefit expense* (excluding directors' and chief executive's remuneration (note 8)): | 僱員福利開支* (不包括董事及最高行政人員的酬金(附註8)): | | | |
| Wages and salaries | 工資及薪金 | | 121,604 | 90,983 |
| Pension scheme contributions*** | 退休金計劃供款*** | | 10,315 | 8,714 |
| Staff welfare expenses | 員工福利開支 | | 14,613 | 11,527 |
| Share-based payment expense | 以股份為基礎的付款開支 | | 7,220 | 8,845 |
| Total | 總計 | | 153,752 | 120,069 |

Notes to Financial Statements

財務報表附註

6. PROFIT BEFORE TAX (continued)

- * The depreciation of property, plant and equipment and employee benefit expense are included in “Cost of sales”, “Selling and distribution expenses”, “Administrative expenses” and “Research and development costs” on the face of the consolidated statement of profit or loss and other comprehensive income and in “Inventories” on the face of the consolidated statement of financial position.
- ** The amortisation of intangible assets is included in “Administrative expenses” and “Research and development costs” on the face of the consolidated statement of profit or loss and other comprehensive income.
- *** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.
- **** The write-down of inventories to net realisable value is included in “Cost of sales” on the face of the consolidated statement of profit or loss and other comprehensive income.

7. FINANCE COSTS

An analysis of finance costs is as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|------------------|-----------------------------------|-----------------------------------|
| Interest on other loans | 其他貸款利息 | - | 263 |
| Interest on lease liabilities (note 14(b)) | 租賃負債利息 (附註14(b)) | 2,257 | 1,612 |
| Total | 總計 | 2,257 | 1,875 |

6. 稅前利潤 (續)

- * 物業、廠房及設備折舊以及僱員福利開支在綜合損益及其他全面收益表中計入「銷售成本」、「銷售及經銷開支」、「行政開支」及「研發成本」以及在綜合財務狀況表中計入「存貨」。
- ** 無形資產攤銷在綜合損益及其他全面收益表中計入「行政開支」及「研發成本」。
- *** 概無已沒收供款可供本集團 (作為僱主) 用於削減現時供款水平。
- **** 存貨撇減至可變現淨值計入綜合損益及其他全面收益表的「銷售成本」內。

7. 財務成本

財務成本的分析如下：

Notes to Financial Statements

財務報表附註

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|-----------------|-----------------------------------|-----------------------------------|
| Fees | 袍金 | 306 | 306 |
| Other emoluments: | 其他酬金： | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 7,344 | 5,048 |
| Pension scheme contributions | 退休金計劃供款 | 249 | 259 |
| Share-based payment expense | 以股份為基礎的 付款開支 | 1,403 | 2,121 |
| Subtotal | 小計 | 8,996 | 7,428 |
| Total | 總計 | 9,302 | 7,734 |

Mr. ZHONG Ming served as the chairman of the board and the chief executive officer of the Company.

8. 董事及最高行政人員薪酬

根據《上市規則》及香港《公司條例》第383(1) (a)、(b)、(c)及(f)條以及《公司(披露董事利益資料)規例》第2部，年內董事及最高行政人員薪酬披露如下：

鍾鳴先生擔任本公司董事長及首席執行官。

Notes to Financial Statements

財務報表附註

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|----------------|-------|-----------------------------------|-----------------------------------|
| Mr. JIANG Feng | 姜峰先生 | 102 | 102 |
| Mr. GUO Jian | 郭建先生 | 102 | 102 |
| Mr. CHEN Weibo | 陳衛波先生 | 102 | 102 |
| Total | 總計 | 306 | 306 |

There were no other emoluments payable to the independent non-executive directors during the year (2022: Nil).

8. 董事及最高行政人員薪酬 (續)

(a) 獨立非執行董事

年內向獨立非執行董事支付的袍金如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|----------------|-------|-----------------------------------|-----------------------------------|
| Mr. JIANG Feng | 姜峰先生 | 102 | 102 |
| Mr. GUO Jian | 郭建先生 | 102 | 102 |
| Mr. CHEN Weibo | 陳衛波先生 | 102 | 102 |
| Total | 總計 | 306 | 306 |

年內並無應付予獨立非執行董事的其他酬金 (2022年：零)。

Notes to Financial Statements

財務報表附註

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors

8. 董事及最高行政人員薪酬 (續)

(b) 執行董事及非執行董事

| | | Fees | Salaries, allowances and benefits in kind | Pension scheme contributions | Share-based payment expense | Total |
|-----------------------------|---------------------------------|---------|---|------------------------------|-----------------------------|---------|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | 袍金 | 薪金、津貼及實物福利 | 退休金計劃供款 | 以股份為基礎的付款開支 | 總計 |
| 2023 | 2023年 | | | | | |
| Executive directors: | 執行董事： | | | | | |
| Mr. ZHONG Ming | 鍾鳴先生 | - | 1,185 | 47 | - | 1,232 |
| Ms. SHENTU Yinguang | 申屠銀光女士 | - | 981 | 44 | - | 1,025 |
| Ms. Frances Fang CHOVANEC** | Frances Fang CHOVANEC (陳芳) 女士** | - | 4,369 | 140 | 292 | 4,801 |
| Mr. YIN Zixin | 尹自鑫先生 | - | 809 | 18 | 1,111 | 1,938 |
| Subtotal | 小計 | - | 7,344 | 249 | 1,403 | 8,996 |
| Non-executive director: | 非執行董事： | | | | | |
| Ms. CAI Li | 蔡俐女士 | - | - | - | - | - |
| Total | 總計 | - | 7,344 | 249 | 1,403 | 8,996 |
| 2022 | 2022年 | | | | | |
| Executive directors: | 執行董事： | | | | | |
| Mr. ZHONG Ming | 鍾鳴先生 | - | 1,081 | 46 | - | 1,127 |
| Ms. SHENTU Yinguang | 申屠銀光女士 | - | 880 | 46 | - | 926 |
| Ms. Frances Fang CHOVANEC | Frances Fang CHOVANEC (陳芳) 女士 | - | 2,363 | 134 | 1,314 | 3,811 |
| Mr. YIN Zixin | 尹自鑫先生 | - | 724 | 33 | 807 | 1,564 |
| Subtotal | 小計 | - | 5,048 | 259 | 2,121 | 7,428 |
| Non-executive directors: | 非執行董事： | | | | | |
| Ms. CAI Li | 蔡俐女士 | - | - | - | - | - |
| Mr. CHEN Gang* | 陳剛先生* | - | - | - | - | - |
| Subtotal | 小計 | - | - | - | - | - |
| Total | 總計 | - | 5,048 | 259 | 2,121 | 7,428 |

* Mr. CHEN Gang ceased to be a non-executive director of the Company on 28 April 2022.

* 陳剛先生於2022年4月28日不再擔任本公司非執行董事。

** Ms. Frances Fang CHOVANEC ceased to be an executive director of the Company on 15 September 2023.

** Frances Fang CHOVANEC (陳芳) 女士於2023年9月15日不再擔任本公司執行董事。

Notes to Financial Statements

財務報表附註

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors (continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

On 6 May 2020, one director was granted underlying shares under the Pre-IPO Share Option Plan (the "Option Plan") and one director was granted restricted share units under the restricted share unit plan (the "RSU Plan"), in respect of their services rendered to the Group, further details of which are set out in note 27 to the financial statements. The fair values of such shares determined as at the date of grant or modification, which were recognised to profit or loss over the vesting period, were included in the above directors' and chief executive's remuneration disclosures.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2022: two), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2022: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|-----------------|-----------------------------------|-----------------------------------|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 3,660 | 3,413 |
| Pension scheme contributions | 退休金計劃供款 | 96 | 96 |
| Share-based payment expense | 以股份為基礎的 付款開支 | 4,287 | 4,957 |
| Total | 總計 | 8,043 | 8,466 |

8. 董事及最高行政人員薪酬 (續)

(b) 執行董事及非執行董事 (續)

於年內，概無有關董事或最高行政人員放棄或同意放棄任何薪酬的安排。

於2020年5月6日，就其向本集團所提供的服務，一名董事根據首次公開發售前購股權計劃（「購股權計劃」）獲授相關股份以及一名董事根據受限制股份單位計劃（「受限制股份單位計劃」）獲授受限制股份單位，有關詳情載於財務報表附註27。該等股份於授出或修改日期所釐定的公允價值（其於歸屬期內在損益中確認）已載入上述董事及最高行政人員薪酬披露內。

9. 五名最高薪酬僱員

年內五名最高薪酬僱員包括2名董事（2022年：2名），其薪酬詳情載列於上文附註8。年內，餘下3名（2022年：3名）最高薪酬僱員（並非本公司董事或最高行政人員）的薪酬詳情如下：

Notes to Financial Statements

財務報表附註

9. FIVE HIGHEST PAID EMPLOYEES (continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

| HK\$2,000,0001 to HK\$2,500,000 | 2,000,0001 港元至 2,500,000 港元 |
|---------------------------------|--------------------------------|
| HK\$2,500,0001 to HK\$3,000,000 | 2,500,0001 港元至 3,000,000 港元 |
| HK\$5,000,0001 to HK\$5,500,000 | 5,000,0001 港元至 5,500,000 港元 |
| Total | 總計 |

In prior years, RSUs were granted to three non-director and non-chief executive highest paid employees (2022: three) in respect of their services to the Group, further details of which are included in note 27 to the financial statements. The fair value of such RSUs, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the consolidated financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in this jurisdiction.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The first HK\$2,000,000 (2022: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (2022: 16.5%).

9. 五名最高薪酬僱員 (續)

薪酬位於下列區間的非董事及非最高行政人員的最高薪酬僱員人數如下：

| Number of employees 僱員人數 | |
|-----------------------------|---------------|
| 2023 2023年 | 2022 2022年 |
| - | 2 |
| 3 | - |
| - | 1 |
| 3 | 3 |

就3名非董事及非最高行政人員的最高薪酬僱員 (2022年：3名) 向本集團提供的服務而言，該等最高薪酬僱員已於過往年度獲授受限制股份單位，更多詳情載於財務報表附註27。該等受限制股份單位的公允價值已於歸屬期在損益內確認，於授出日期釐定，且計入本年度綜合財務報表的金額已納入上述非董事及非最高行政人員的最高薪酬僱員之薪酬披露資料。

10. 所得稅

本集團須按實體基準就來自或源自本集團成員公司所處或經營所在司法管轄區的利潤繳納所得稅。

根據開曼群島的規則及法規，本公司在該司法管轄區無需繳納任何所得稅。

根據香港特別行政區的相關稅法，香港利得稅乃就年內於香港產生的估計應課稅利潤按稅率16.5% (2022年：16.5%) 作出撥備。該附屬公司的首2,000,000港元 (2022年：2,000,000港元) 應課稅利潤按8.25% (2022年：8.25%) 稅率繳稅，餘下應課稅利潤按16.5% (2022年：16.5%) 稅率繳稅。

Notes to Financial Statements

財務報表附註

10. INCOME TAX (continued)

Pursuant to the rules and regulations of Singapore, Singapore profits tax has been provided at the rate of 17% (2022: 17%) on the estimated assessable profits arising in Singapore during the year. No provision for Singapore profits tax has been made for the year ended 31 December 2023 as the Group did not generate any assessable profits arising in Singapore during the year (2022: Nil).

The provision for current income tax in Chinese Mainland is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Chinese Mainland which are granted tax concessions and are taxed at preferential tax rates.

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, preferential tax treatment is available to Hangzhou Kangji, since it was recognised as a High and New Technology Enterprise and was entitled to a preferential tax rate of 15% (2022: 15%) during the year. Jiangxi Kanghuan Medical Instrument Co., Ltd, Hangzhou Kangji Suixi Medical Instrument Co., Ltd, Hangzhou Kangqu Medical Instruments Co., Ltd and Changzhou Weijing Medical Medical Robot Co., Ltd, which operate in Chinese Mainland, were identified as a Small and Micro Enterprise and was entitled to a preferential tax rate of 5.0% (2022: 2.5%) during the year.

The income tax expense of the Group is analysed as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--------------------------------|-------------|-----------------------------------|-----------------------------------|
| Current tax – Chinese Mainland | 即期稅項－中國內地 | | |
| Charge for the year | 年內扣除 | 114,799 | 98,852 |
| Current tax – Hong Kong | 即期稅項－香港 | 114 | - |
| Deferred tax (note 25) | 遞延稅項 (附註25) | 21,563 | 3,118 |
| Total tax charge for the year | 年內稅項開支總額 | 136,476 | 101,970 |

10. 所得稅 (續)

根據新加坡的規則及法規，新加坡利得稅乃就年內於新加坡產生的估計應課稅利潤按稅率17%（2022年：17%）作出撥備。由於本集團於截至2023年12月31日止年度並無於新加坡產生任何應課稅利潤，故並無就新加坡利得稅作出撥備（2022年：無）。

中國內地即期所得稅撥備乃根據於2008年1月1日批准生效的《中華人民共和國企業所得稅法》就本集團若干中國附屬公司的應課稅利潤按25%的法定稅率計提，惟本集團於中國內地的若干附屬公司獲授稅務優惠並按優惠稅率繳稅除外。

根據《中華人民共和國企業所得稅法》及相關法規，杭州康基可享受稅收優惠待遇，因為其被認定為高新技術企業，並在年內享有15%（2022年：15%）的優惠稅率。在中國內地經營的江西省康歡醫療器械有限公司、杭州康基隨喜醫療器械有限公司、杭州康渠醫療器械有限公司及常州唯精醫療機器人有限公司被認定為小微企業，在年內享有5.0%（2022年：2.5%）的優惠稅率。

本集團的所得稅開支分析如下：

Notes to Financial Statements

財務報表附註

10. INCOME TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory tax rate in Chinese Mainland to the tax expense at the effective tax rate is as follows:

10. 所得稅 (續)

使用中國內地法定稅率將適用於稅前利潤的稅項開支與按實際稅率計算的稅項開支進行的對賬如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|--------------------------------------|-----------------------------------|-----------------------------------|
| Profit before tax | 稅前利潤 | 588,771 | 563,144 |
| Tax at the statutory tax rate of 25% in Chinese Mainland | 按中國內地法定稅率25%計算的稅項 | 147,193 | 140,787 |
| Preferential tax rates enacted by local authority | 當地部門實施的優惠稅率 | (61,491) | (54,806) |
| Additional deductible allowance for research and development expenses | 研發開支的額外可扣減撥備 | (25,076) | (6,486) |
| Additional deductible allowance for depreciation of property, plant and equipment | 物業、廠房及設備折舊的額外可扣減撥備 | - | (3,459) |
| Tax losses not recognised | 未確認的稅項虧損 | 36,246 | 4,445 |
| Non-deductible expenses for tax purposes | 不可扣稅開支 | 2,535 | 1,199 |
| Effect of withholding tax at 5% and 10% on the distributable profits of the Group's PRC subsidiaries (note 25) | 就本集團中國附屬公司的可分派利潤徵收5%及10%預扣稅的影響(附註25) | 48,526 | 21,332 |
| Effect of tax rate differences in other jurisdictions | 其他司法管轄區稅率差異的影響 | (11,457) | (1,042) |
| Tax charge at the Group's effective tax rate | 按本集團實際稅率計算的稅項開支 | 136,476 | 101,970 |

Notes to Financial Statements

財務報表附註

11. DIVIDENDS

On 27 May 2023, the final dividend of RMB18.45 cents per ordinary share, amounting to a total of approximately RMB224,498,000 was approved by the Company's shareholders at the annual general meeting and was fully paid on 10 July 2023.

On 25 May 2022, the final dividend of HK17.23 cents per ordinary share, amounting to a total of approximately HK\$214,544,000 (equivalent to approximately RMB181,920,000) was approved by the Company's shareholders at the annual general meeting and was fully paid on 8 July 2022.

The proposed final dividend of RMB41 cents per ordinary share (2022: RMB18.45 cents per ordinary share) and a special dividend of RMB99 cents per ordinary share for the year ended 31 December 2023 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent of RMB504,021,000 (2022: RMB478,735,000), and the weighted average number of ordinary shares of 1,170,013,655 (2022: 1,207,994,251) in issue during the year, as adjusted to reflect shares repurchased in 2023.

The calculation of the diluted earnings per share amount is based on the profit for the year ended 31 December 2023 attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares arising from RSUs granted by the Company.

The calculation of diluted earnings per share for the year ended 31 December 2022 does not assume the exercise of all dilutive potential ordinary shares arising from share options and RSUs granted by the Company because the exercise price of these share options and RSUs was higher than the average market price for shares for the year.

11. 股息

於2023年5月27日，末期股息每股普通股人民幣18.45分，總額約人民幣224,498,000元獲本公司股東於股東週年大會上批准並已於2023年7月10日悉數派付。

於2022年5月25日，末期股息每股普通股17.23港仙，合共約214,544,000港元（相當於約人民幣181,920,000元）已於股東週年大會上獲本公司股東批准並已於2022年7月8日悉數派付。

截至2023年12月31日止年度建議派發的末期股息每股普通股人民幣41分（2022年：每股普通股人民幣18.45分）及特別股息每股普通股人民幣99分，須經本公司股東於即將召開的股東週年大會上批准。

12. 母公司普通股持有人應佔每股盈利

每股基本盈利金額乃根據年內母公司普通股持有人應佔利潤人民幣504,021,000元（2022年：人民幣478,735,000元）及年內已發行普通股加權平均數1,170,013,655股（2022年：1,207,994,251股）計算，已作出調整以反映2023年購回的股份。

每股攤薄盈利金額乃根據母公司普通股持有人應佔截至2023年12月31日止年度利潤計算。計算中所用的普通股加權平均數為年內已發行普通股數目（用於計算每股基本盈利），並假設因本公司授出的受限制股份單位產生的所有攤薄潛在普通股視同獲行使後已無償發行的普通股加權平均數計算。

截至2022年12月31日止年度的每股攤薄盈利的計算並無假設本公司授予的購股權及受限制股份單位產生的所有攤薄潛在普通股獲行使，是由於該等購股權及受限制股份單位的行使價高於年內股份的平均市價。

Notes to Financial Statements

財務報表附註

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

The calculations of basic and diluted earnings per share are based on:

12. 母公司普通股持有人應佔每股盈利 (續)

每股基本及攤薄盈利的計算乃基於：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|------------------------------|-----------------------------------|-----------------------------------|
| Earnings | 盈利 | | |
| Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation: | 用於計算每股基本及攤薄盈利的母公司普通股持有人應佔利潤： | 504,021 | 478,735 |
| | | Number of shares 股份數目 | |
| | | 2023 2023年 | 2022 2022年 |
| Shares | 股份 | | |
| Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation | 用於計算每股基本盈利之年內已發行普通股加權平均數 | 1,170,013,655 | 1,207,994,251 |
| Effect of dilution – weighted average number of ordinary shares arising from RSUs | 攤薄影響—因受限制股份單位產生的普通股加權平均數 | 2,387,909 | - |
| Total | 總計 | 1,172,401,564 | 1,207,994,251 |

Notes to Financial Statements

財務報表附註

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

| | | Buildings | Leasehold Improvements | Plant and machinery | Furniture and fixtures | Motor vehicles | Construction in progress | Total |
|---|---------------------|-----------|------------------------|---------------------|------------------------|----------------|--------------------------|----------|
| | | 樓宇 | 租賃物業裝修 | 機器及設備 | 傢俬和裝置 | 機動車 | 在建工程 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 31 December 2023 | 2023年12月31日 | | | | | | | |
| At 1 January 2023: | 於2023年1月1日： | | | | | | | |
| Cost | 成本 | 58,848 | 7,453 | 74,168 | 20,751 | 15,500 | 52,501 | 229,221 |
| Accumulated depreciation | 累計折舊 | (19,308) | (1,130) | (21,856) | (10,127) | (7,780) | - | (60,201) |
| Net carrying amount | 賬面淨值 | 39,540 | 6,323 | 52,312 | 10,624 | 7,720 | 52,501 | 169,020 |
| At 1 January 2023, net of accumulated depreciation | 於2023年1月1日，扣除累計折舊 | 39,540 | 6,323 | 52,312 | 10,624 | 7,720 | 52,501 | 169,020 |
| Additions | 添置 | - | 2,141 | 8,085 | 3,348 | 1,312 | 66,495 | 81,381 |
| Transfers | 轉撥 | 15,825 | - | 165 | - | - | (15,990) | - |
| Disposal | 出售 | - | - | (49) | (487) | (66) | - | (602) |
| Exchange realignment | 匯兌調整 | - | - | - | 3 | - | - | 3 |
| Assets included in the disposal group held for sale (note 33) | 列入持作出售的出售組別資產(附註33) | (347) | - | - | (74) | - | (6,589) | (7,010) |
| Depreciation provided during the year (note 6) | 於年內計提折舊(附註6) | (4,409) | (2,152) | (8,037) | (4,440) | (2,880) | - | (21,918) |
| At 31 December 2023, net of accumulated depreciation | 於2023年12月31日，扣除累計折舊 | 50,609 | 6,312 | 52,476 | 8,974 | 6,086 | 96,417 | 220,874 |
| At 31 December 2023: | 於2023年12月31日： | | | | | | | |
| Cost | 成本 | 74,265 | 9,594 | 82,217 | 22,930 | 15,479 | 96,417 | 300,902 |
| Accumulated depreciation | 累計折舊 | (23,656) | (3,282) | (29,741) | (13,956) | (9,393) | - | (80,028) |
| Net carrying amount | 賬面淨值 | 50,609 | 6,312 | 52,476 | 8,974 | 6,086 | 96,417 | 220,874 |

Notes to Financial Statements

財務報表附註

13. PROPERTY, PLANT AND EQUIPMENT (continued)

13. 物業、廠房及設備 (續)

| | | Buildings 樓宇 RMB'000 人民幣千元 | Leasehold Improvements 租賃物業裝修 RMB'000 人民幣千元 | Plant and machinery 機器及設備 RMB'000 人民幣千元 | Furniture and fixtures 傢俬和裝置 RMB'000 人民幣千元 | Motor vehicles 機動車 RMB'000 人民幣千元 | Construction in progress 在建工程 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|-------------------------|-------------------------------------|---|---|--|--|---|---------------------------------|
| 31 December 2022 | 2022年12月31日 | | | | | | | |
| At 1 January 2022: | 於2022年1月1日： | | | | | | | |
| Cost | 成本 | 58,785 | - | 43,177 | 13,015 | 12,479 | 7,770 | 135,226 |
| Accumulated depreciation | 累計折舊 | (15,253) | - | (17,874) | (6,963) | (7,551) | - | (47,641) |
| Net carrying amount | 賬面淨值 | 43,532 | - | 25,303 | 6,052 | 4,928 | 7,770 | 87,585 |
| At 1 January 2022, net of accumulated depreciation | 於2022年1月1日， 扣除累計折舊 | 43,532 | - | 25,303 | 6,052 | 4,928 | 7,770 | 87,585 |
| Additions | 添置 | 63 | 6,426 | 24,180 | 6,113 | 5,024 | 53,277 | 95,083 |
| Acquisition of a subsidiary | 收購一間附屬公司 | - | 635 | 84 | 294 | - | - | 1,013 |
| Transfers | 轉撥 | - | - | 7,352 | 1,194 | - | (8,546) | - |
| Disposal | 出售 | - | - | (47) | - | (119) | - | (166) |
| Exchange realignment | 匯兌調整 | - | - | - | 19 | - | - | 19 |
| Depreciation provided during the year (note 6) | 於年內計提折舊 (附註6) | (4,055) | (738) | (4,560) | (3,048) | (2,113) | - | (14,514) |
| At 31 December 2022, net of accumulated depreciation | 於2022年12月31日， 扣除累計折舊 | 39,540 | 6,323 | 52,312 | 10,624 | 7,720 | 52,501 | 169,020 |
| At 31 December 2022: | 於2022年12月31日： | | | | | | | |
| Cost | 成本 | 58,848 | 7,453 | 74,168 | 20,751 | 15,500 | 52,501 | 229,221 |
| Accumulated depreciation | 累計折舊 | (19,308) | (1,130) | (21,856) | (10,127) | (7,780) | - | (60,201) |
| Net carrying amount | 賬面淨值 | 39,540 | 6,323 | 52,312 | 10,624 | 7,720 | 52,501 | 169,020 |

Notes to Financial Statements

財務報表附註

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of office premises used in its operations. Lump sum payments were made upfront to acquire the leased land from the government with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of office premises generally have lease terms between 24 and 100 months. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

| | | Leasehold land 租賃土地 RMB'000 人民幣千元 | Office premises 辦公場所 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|----------------------------|---|--|---------------------------------|
| As at 1 January 2022 | 於2022年1月1日 | 16,240 | 3,556 | 19,796 |
| Additions | 添置 | 37,890 | 47,070 | 84,960 |
| Acquisition of a subsidiary | 收購一間附屬公司 | - | 1,707 | 1,707 |
| Depreciation charge (note 6) | 折舊開支 (附註6) | (782) | (6,114) | (6,896) |
| Exchange realignment | 匯兌調整 | - | 4 | 4 |
| As at 31 December 2022 and 1 January 2023 | 於2022年12月31日及 2023年1月1日 | 53,348 | 46,223 | 99,571 |
| Additions | 添置 | 854 | 4,186 | 5,040 |
| Depreciation charge (note 6) | 折舊開支 (附註6) | (1,155) | (9,622) | (10,777) |
| Assets included in the disposal group held for sale (note 33) | 列入持作出售的出售 組別資產 (附註33) | (28,469) | (172) | (28,641) |
| Lease modification | 租賃修改 | - | (295) | (295) |
| Exchange realignment | 匯兌調整 | - | 6 | 6 |
| As at 31 December 2023 | 於2023年12月31日 | 24,578 | 40,326 | 64,904 |

14. 租賃

本集團作為承租人

本集團就其經營中使用的各種辦公場所項目擁有租賃合約。支付一筆一次性前期付款以從政府獲得租賃期為50年的租賃土地，並且將不會根據該等土地租賃的條款持續支付款項。辦公場所的租賃通常具有24至100個月的租賃期。一般而言，本集團不得向本集團以外轉讓和轉租租賃資產。

(a) 使用權資產

年內本集團使用權資產的賬面值和變動情況如下：

Notes to Financial Statements

財務報表附註

14. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Carrying amount at 1 January | 於1月1日的賬面值 | 49,019 | 4,046 |
| New leases | 新租賃 | 4,186 | 47,070 |
| Additions as a result of acquisition of a subsidiary | 因收購一間附屬公司而添置 | - | 2,100 |
| Lease modification | 租賃修改 | (599) | - |
| Liabilities included in the disposal group held for sale (note 33) | 列入持作出售的出售組別負債(附註33) | (277) | - |
| Accretion of interest recognised during the year (note 7) | 年內確認的利息增量(附註7) | 2,257 | 1,612 |
| Exchange realignment | 匯兌調整 | 7 | 9 |
| Payments | 付款 | (10,603) | (5,818) |
| Carrying amount at 31 December | 於12月31日的賬面值 | 43,990 | 49,019 |
| Analysed into: | 分析為: | | |
| Current portion | 即期部分 | 6,107 | 6,696 |
| Non-current portion | 非即期部分 | 37,883 | 42,323 |

Non-current portion of lease liabilities is further analysed as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-------------------|-----------|-----------------------------------|-----------------------------------|
| Repayable within: | 於以下時間內償還: | | |
| 1 to 2 years | 1至2年 | 8,887 | 6,217 |
| 2 to 5 years | 2至5年 | 28,996 | 36,106 |
| Total | 總計 | 37,883 | 42,323 |

The maturity analysis of lease liabilities is disclosed in note 36 to the financial statements.

14. 租賃 (續)

本集團作為承租人 (續)

(b) 租賃負債

於年內租賃負債的賬面值和變動情況如下:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Carrying amount at 1 January | 於1月1日的賬面值 | 49,019 | 4,046 |
| New leases | 新租賃 | 4,186 | 47,070 |
| Additions as a result of acquisition of a subsidiary | 因收購一間附屬公司而添置 | - | 2,100 |
| Lease modification | 租賃修改 | (599) | - |
| Liabilities included in the disposal group held for sale (note 33) | 列入持作出售的出售組別負債(附註33) | (277) | - |
| Accretion of interest recognised during the year (note 7) | 年內確認的利息增量(附註7) | 2,257 | 1,612 |
| Exchange realignment | 匯兌調整 | 7 | 9 |
| Payments | 付款 | (10,603) | (5,818) |
| Carrying amount at 31 December | 於12月31日的賬面值 | 43,990 | 49,019 |
| Analysed into: | 分析為: | | |
| Current portion | 即期部分 | 6,107 | 6,696 |
| Non-current portion | 非即期部分 | 37,883 | 42,323 |

租賃負債的非即期部分進一步分析如下:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-------------------|-----------|-----------------------------------|-----------------------------------|
| Repayable within: | 於以下時間內償還: | | |
| 1 to 2 years | 1至2年 | 8,887 | 6,217 |
| 2 to 5 years | 2至5年 | 28,996 | 36,106 |
| Total | 總計 | 37,883 | 42,323 |

租賃負債的到期日分析在財務報表的附註36中披露。

Notes to Financial Statements

財務報表附註

14. LEASES (continued)

The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|---|-----------------------------------|-----------------------------------|
| Interest on lease liabilities | 租賃負債的利息 | 2,257 | 1,612 |
| Depreciation charge of right-of-use assets | 使用權資產的折舊開支 | 10,777 | 6,896 |
| Expense relating to short-term leases (included in administrative expenses and selling and distribution expenses) (note 6) | 與短期租賃有關的開支 (計入行政開支以及銷 售及分銷開支) (附註6) | 737 | 421 |
| Total amount recognised in profit or loss | 於損益確認的總額 | 13,771 | 8,929 |

(d) The total cash outflow for leases is disclosed in note 29(c) to the financial statements.

14. 租賃 (續)

本集團作為承租人 (續)

(c) 就租賃在損益中確認的金額如下：

(d) 租賃現金流出總額於財務報表附註29(c)中披露。

15. GOODWILL

| | | RMB'000 人民幣千元 |
|---|--|------------------|
| Cost and net carrying amount as at 1 January 2022 | 於2022年1月1日的成本及賬面淨值 | - |
| Acquisition of a subsidiary | 收購一間附屬公司 | 167,209 |
| Cost and net carrying amount as at 1 January 2023, 31 December 2022 and 31 December 2023 | 於2023年1月1日、2022年12月31日及 2023年12月31日的成本及賬面淨值 | 167,209 |

Impairment testing of goodwill and IPR&D

Goodwill and IPR&D acquired through the business combination is allocated to Weijing Medical cash-generating unit (“**Weijing Medical unit**”) for impairment testing, which is primarily engaged in the research and development and production of the endoscopic surgical instruments control system.

15 商譽

商譽及進行中的研發的減值測試

透過企業合併取得的商譽及進行中的研發獲分配予唯精醫療現金產生單位(「**唯精醫療單位**」，其主要從事內窺鏡手術器械控制系統的研發及生產)以進行減值測試。

Notes to Financial Statements

財務報表附註

15. GOODWILL (continued)

Impairment testing of goodwill and IPR&D (continued)

The recoverable amount of the cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on a financial budget/forecast covering a 9-year period approved by senior management. Management considers that using a 9-year forecast period for a financial budget/forecast in the goodwill impairment test is appropriate because the useful life of Weijing Medical's relevant intellectual property is longer than ten years, and it generally takes longer for a medical device company to reach a perpetual growth mode, compared to companies in other industries, especially when its product is still under clinical trial and the commercialisation of such products has not been commenced while the market of such products has substantial growth potential. Hence, a financial budget/forecast covering a 9-year period was used as management believes that a forecasted period longer than five years is feasible and reflects a more accurate entity value.

Key assumptions used in the calculation are as follows:

15 商譽 (續)

商譽及進行中的研發的減值測試 (續)

現金產生單位的可收回金額按使用價值計算方法釐定，該計算方法使用根據高級管理層批准的9年期財務預算／預測得出的現金流量預測。管理層認為，在商譽減值測試中就財務預算／預測使用9年預測期屬適當，原因為唯精醫療的相關知識產權可使用年期超過十年，且與其他行業的公司相比，醫療器械公司通常需要更長時間方能達到永續增長模式，尤其是在其產品尚處於臨床試驗階段以及有關產品的市場擁有龐大發展潛力，惟有關產品的商品化尚未展開。因此，管理層認為超過五年的預測期屬可行，並可更準確地反映實體價值，故使用涵蓋9年期間的財務預算／預測。

於計算中所用的主要假設如下：

| | | 2023 2023年 | 2022 2022年 |
|----------------------------------|---------------|---------------|---------------|
| Revenue (% compound growth rate) | 收入 (複合增長率百分比) | 64.8% | 64.8% |
| Gross margin rate | 毛利率 | -11.4%~71.4% | 21.4% ~ 71.9% |
| Terminal growth rate | 終端增長率 | 2.0% | 2.3% |
| Pre-tax discount rate | 稅前貼現率 | 17.6% | 17.8% |

Notes to Financial Statements

財務報表附註

15. GOODWILL (continued)

Impairment testing of goodwill and IPR&D (continued)

Assumptions were used in the value in use calculation of the cash-generating unit as at 31 December 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and IPR&D:

Revenue – The basis used to determine the budgeted revenue is based on management's expectation of when to launch Weijing Medical's product and also expectation of the future market. Weijing Medical's product candidate is at clinical trial stage and expected to commence commercialisation in 2025. The compound growth rate of revenue was estimated based on information available at the time of assessment, disregarding information that became available after the assessment. Such information includes current industry overview and estimated market development of related products.

Gross margin – The basis used to determine the value assigned to the budgeted gross margin is the average gross margin expected to achieve in the year when to launch Weijing Medical's Product, increased for expected efficiency improvements and expected market development.

Terminal growth rate – The forecasted terminal growth rate is based on management expectations and does not exceed the long-term average growth rate for the industry relevant to the cash-generating unit.

Pre-tax discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The values assigned to the key assumptions on market development of related products and the pre-tax discount rate are consistent with external information sources.

With regards to the assessment of the value in use of the Weijing Medical unit, the directors of the Company believe that reasonable possible changes in above key assumptions would not lead to the carrying value, including goodwill and IPR&D, of the Weijing Medical unit to exceed the recoverable amount as at 31 December 2023.

15 商譽 (續)

商譽及進行中的研發的減值測試 (續)

於2023年12月31日的現金產生單位使用價值計算中使用了假設。下文載述管理層根據其現金流量預測對商譽及進行中的研發進行減值測試所依據的各主要假設：

收入 – 用於釐定預算收入的基準乃基於管理層預期何時推出唯精醫療產品以及對未來市場的預期。唯精醫療的在研產品處於臨床試驗階段，預期將於2025年開始商業化。收入的複合增長率乃根據評估時可獲得的資料而估計得出，並無考慮評估後可獲得的資料。有關資料包括當前行業概況及相關產品的估計市場發展。

毛利率 – 用於釐定分配予預算毛利率的價值的基準為於推出唯精醫療產品當年預期將達至的平均毛利率，因預期的效率提高及預期市場發展而增加。

終端增長率 – 預測終端增長率乃基於管理層的預期，共不超過與現金產生單位相關的行業的長期平均增長率。

稅前貼現率 – 所採用的貼現率為除稅前的貼現率，且反映與相關單位有關的特定風險。

分配至相關產品的市場發展及稅前貼現率的主要假設的價值與外部資料來源一致。

就對唯精醫療單位使用價值的評估而言，本公司董事認為上述關鍵假設的合理可能變動將不會導致唯精醫療單位的賬面值（包括商譽及進行中的研發）超過於2023年12月31日的可收回金額。

Notes to Financial Statements

財務報表附註

16. OTHER INTANGIBLE ASSETS

16. 其他無形資產

| | | Software 軟件 RMB'000 人民幣千元 | Patent 專利 RMB'000 人民幣千元 | IPR&D 進行中的研發 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|--------------------------|------------------------------------|----------------------------------|-------------------------------------|---------------------------------|
| 31 December 2023 | 2023年12月31日 | | | | |
| Cost at 1 January 2023, net of accumulated amortisation | 於2023年1月1日的成本， 扣除累計攤銷 | 64 | 1,368 | 283,280 | 284,712 |
| Additions | 添置 | 241 | - | - | 241 |
| Amortisation provided during the year (note 6) | 於年內計提的攤銷 (附註6) | (66) | (193) | - | (259) |
| At 31 December 2023 | 於2023年12月31日 | 239 | 1,175 | 283,280 | 284,694 |
| At 31 December 2023: Cost | 於2023年12月31日： 成本 | 1,108 | 1,534 | 283,280 | 285,922 |
| Accumulated amortisation | 累計攤銷 | (869) | (359) | - | (1,228) |
| Net carrying amount | 賬面淨值 | 239 | 1,175 | 283,280 | 284,694 |
| 31 December 2022 | 2022年12月31日 | | | | |
| Cost at 1 January 2022, net of accumulated amortisation | 於2022年1月1日的成本， 扣除累計攤銷 | 119 | - | - | 119 |
| Additions | 添置 | - | 1,534 | - | 1,534 |
| Acquisition of a subsidiary | 收購一間附屬公司 | - | - | 283,280 | 283,280 |
| Amortisation provided during the year (note 6) | 於年內計提的攤銷 (附註6) | (55) | (166) | - | (221) |
| At 31 December 2022 | 於2022年12月31日 | 64 | 1,368 | 283,280 | 284,712 |
| At 31 December 2022: Cost | 於2022年12月31日： 成本 | 867 | 1,534 | 283,280 | 285,681 |
| Accumulated amortisation | 累計攤銷 | (803) | (166) | - | (969) |
| Net carrying amount | 賬面淨值 | 64 | 1,368 | 283,280 | 284,712 |

The IPR&D which is not ready for use has not been amortised yet, because the Group is still continuing the research and development work. As at 31 December 2023, IPR&D was tested for impairment (note 15).

由於本集團仍在繼續進行研發工作，故尚未可以動用的進行中的研發尚未攤銷。於2023年12月31日，已對進行中的研發進行減值測試(附註15)。

Notes to Financial Statements

財務報表附註

17. INVENTORIES

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|------------------|-----|-----------------------------------|-----------------------------------|
| Raw materials | 原材料 | 56,641 | 63,320 |
| Work in progress | 在製品 | 12,053 | 10,081 |
| Finished goods | 成品 | 36,511 | 31,998 |
| Total | 總計 | 105,205 | 105,399 |

17. 存貨

18. TRADE RECEIVABLES

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---------------------|--------|-----------------------------------|-----------------------------------|
| Trade receivables | 貿易應收款項 | 229,614 | 166,245 |
| Impairment | 減值 | (4,080) | (3,100) |
| Net carrying amount | 賬面淨值 | 225,534 | 163,145 |

18. 貿易應收款項

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month, extending up to two months for certain customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團與其客戶的貿易條款主要為信貸。信貸期一般為一個月，對若干客戶可延長最多兩個月。本集團致力嚴格監控未收回的應收款項，並由高級管理層定期覆核逾期結餘。鑒於以上所述及本集團的貿易應收款項涉及大量多元化的客戶，因此並不存在信貸風險高度集中的情況。本集團並無就其貿易應收款項結餘持有任何抵押品或採取其他信貸增強措施。貿易應收款項為免息。

Notes to Financial Statements

財務報表附註

18. TRADE RECEIVABLES (continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-----------------|--------|-----------------------------------|-----------------------------------|
| Within 3 months | 3個月內 | 184,728 | 135,002 |
| 3 to 6 months | 3至6個月 | 26,414 | 20,410 |
| 6 to 12 months | 6至12個月 | 12,207 | 6,132 |
| 1 to 2 years | 1至2年 | 2,144 | 1,552 |
| Over 2 years | 2年以上 | 41 | 49 |
| Total | 總計 | 225,534 | 163,145 |

The movements in the loss allowance for impairment of trade receivables are as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| At beginning of year | 年初 | 3,100 | 4,154 |
| Impairment losses, net (note 6) | 減值虧損淨額(附註6) | 1,064 | (1,054) |
| Impairment included in the disposal group held for sale (note 33) | 列入持作出售的出售組別減值(附註33) | (84) | - |
| At end of year | 年末 | 4,080 | 3,100 |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

18. 貿易應收款項 (續)

於報告期末，貿易應收款項(扣除虧損撥備)按發票日期劃分的賬齡分析如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-----------------|--------|-----------------------------------|-----------------------------------|
| Within 3 months | 3個月內 | 184,728 | 135,002 |
| 3 to 6 months | 3至6個月 | 26,414 | 20,410 |
| 6 to 12 months | 6至12個月 | 12,207 | 6,132 |
| 1 to 2 years | 1至2年 | 2,144 | 1,552 |
| Over 2 years | 2年以上 | 41 | 49 |
| Total | 總計 | 225,534 | 163,145 |

貿易應收款項減值虧損撥備的變動情況如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| At beginning of year | 年初 | 3,100 | 4,154 |
| Impairment losses, net (note 6) | 減值虧損淨額(附註6) | 1,064 | (1,054) |
| Impairment included in the disposal group held for sale (note 33) | 列入持作出售的出售組別減值(附註33) | (84) | - |
| At end of year | 年末 | 4,080 | 3,100 |

本公司將於各報告日期採用撥備矩陣以進行減值分析，以計量預期信貸虧損。撥備率乃根據具備類似虧損模式的不同客戶分部的組別的賬齡計算。該計算反映有關過往事件、當時狀況及預測未來經濟狀況的機會率加權結果、金錢的時間價值及於報告日期可獲得的合理及可支持資料。

Notes to Financial Statements

財務報表附註

18. TRADE RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix based on the invoice date:

As at 31 December 2023

| | | Gross carrying amount 賬面總額 RMB'000 人民幣千元 | Expected credit loss rate 預期信貸虧損率 % | Expected credit loss 預期信貸虧損 RMB'000 人民幣千元 |
|------------------|------|---|---|--|
| Less than 1 year | 1年內 | 225,195 | 0.82 | 1,845 |
| 1 to 2 years | 1至2年 | 3,544 | 39.49 | 1,400 |
| 2 to 3 years | 2至3年 | 522 | 92.24 | 482 |
| Over 3 years | 3年以上 | 353 | 100.00 | 353 |
| Total | 總計 | 229,614 | | 4,080 |

As at 31 December 2022

| | | Gross carrying amount 賬面總額 RMB'000 人民幣千元 | Expected credit loss rate 預期信貸虧損率 % | Expected credit loss 預期信貸虧損 RMB'000 人民幣千元 |
|------------------|------|---|---|--|
| Less than 1 year | 1年內 | 163,056 | 0.93 | 1,512 |
| 1 to 2 years | 1至2年 | 2,386 | 34.95 | 834 |
| 2 to 3 years | 2至3年 | 408 | 87.99 | 359 |
| Over 3 years | 3年以上 | 395 | 100.00 | 395 |
| Total | 總計 | 166,245 | | 3,100 |

18. 貿易應收款項 (續)

以下載列使用撥備矩陣提供的有關本集團貿易應收款項按發票日期劃分的信貸風險敞口資料：

於2023年12月31日

於2022年12月31日

Notes to Financial Statements

財務報表附註

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-------------------|--------|-----------------------------------|-----------------------------------|
| Prepayments | 預付款項 | 2,070 | 10,910 |
| Other receivables | 其他應收款項 | 3,727 | 11,369 |
| Prepaid expenses | 預付開支 | 3,914 | 3,421 |
| Total | 總計 | 9,711 | 25,700 |

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2023 and 2022, the loss allowance was assessed to be minimal.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-------------------------------------|---------------|-----------------------------------|-----------------------------------|
| Current | 流動 | | |
| Unlisted investments, at fair value | 非上市投資，按公允價值計量 | 11,449 | 11,156 |

The current unlisted investments represented certain financial products issued by commercial banks. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

19. 預付款項、其他應收款項及其他資產

上述結餘所包含的金融資產與近期並無拖欠款項及逾期款項記錄的應收款項有關。於2023年及2022年12月31日，虧損撥備被評定為微小。

20. 以公允價值計量且其變動計入當期損益的金融資產

流動非上市投資是指由商業銀行發行的若干金融產品。其被分類為以公允價值計量且其變動計入當期損益的金融資產，因為其合約現金流量不只是本金和利息的付款。

Notes to Financial Statements

財務報表附註

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

20. 以公允價值計量且其變動計入當期損益的金融資產 (續)

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|------------------------|-----------------------------------|-----------------------------------|
| Non-current | 非流動 | | |
| Unlisted equity investments, at fair value | 非上市股權投資，按公允價值計量 | | |
| Shenzhen Edge Medical Co., Ltd. | 深圳市精鋒醫療科技股份有限公司 | 139,369 | 133,937 |
| Wuxi Qingsong Medical and Health Industry Investment Partnership (Limited Partnership) | 無錫清松醫療健康產業投資合夥企業(有限合夥) | 2,349 | 2,500 |
| | | 141,718 | 136,437 |

The above investments were classified as financial asset at fair value through profit or loss as it was mandatorily designated as such.

上述投資被分類為以公允價值計量且其變動計入當期損益的金融資產，乃由於其被強制指定。

21. CASH AND CASH EQUIVALENTS

21. 現金及現金等價物

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---------------------------------|----------|-----------------------------------|-----------------------------------|
| Cash and bank balances | 現金及銀行結餘 | 893,171 | 887,621 |
| Time deposits | 定期存款 | 1,783,417 | 1,930,739 |
| Cash and cash equivalents | 現金及現金等價物 | 2,676,588 | 2,818,360 |
| Denominated in RMB | 以人民幣計值 | 1,533,309 | 2,198,489 |
| Denominated in US\$ | 以美元計值 | 1,135,716 | 606,656 |
| Denominated in HK\$ | 以港元計值 | 6,677 | 13,117 |
| Denominated in other currencies | 以其他貨幣計值 | 886 | 98 |
| Cash and cash equivalents | 現金及現金等價物 | 2,676,588 | 2,818,360 |

Notes to Financial Statements

財務報表附註

21. CASH AND CASH EQUIVALENTS (continued)

The RMB is not freely convertible into other currencies. However, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

22. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

| | |
|-----------------|--------|
| Within 3 months | 3個月內 |
| 3 to 6 months | 3至6個月 |
| 6 to 12 months | 6至12個月 |
| Over 12 months | 超過12個月 |
| Total | 總計 |

Trade payables are non-interest-bearing and are normally settled on 30 to 45 day terms.

21. 現金及現金等價物 (續)

人民幣不能自由兌換為其他貨幣，然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權開展外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金根據每日銀行存款利率按浮動利率計息。視乎本集團的即時現金需求，定期存款的期限有所不同，並按各自的定期存款利率計息。銀行結餘乃存放於信譽良好且近期並無違約記錄的銀行。

22. 貿易應付款項

於報告期末，貿易應付款項按發票日期的賬齡分析如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-----------------|--------|-----------------------------------|-----------------------------------|
| Within 3 months | 3個月內 | 27,130 | 19,151 |
| 3 to 6 months | 3至6個月 | 1,517 | 611 |
| 6 to 12 months | 6至12個月 | 3,708 | 708 |
| Over 12 months | 超過12個月 | 1,791 | 282 |
| Total | 總計 | 34,146 | 20,752 |

貿易應付款項不計息，通常按30天至45天的期限結算。

Notes to Financial Statements

財務報表附註

23. OTHER PAYABLES AND ACCRUALS

23. 其他應付款項及預提項目

| | | Notes | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-----------------------------|-----------|-------|-----------------------------------|-----------------------------------|
| | | 附註 | | |
| Contract liabilities | 合約負債 | (a) | 2,142 | 846 |
| Payroll payables | 應付工資 | | 23,683 | 23,593 |
| Other payables | 其他應付款項 | (b) | 25,428 | 40,361 |
| Taxes other than income tax | 所得稅以外的稅項 | | 20,792 | 13,400 |
| Accrued expenses | 應計開支 | | 10,039 | 4,742 |
| Total | 總計 | | 82,084 | 82,942 |

Notes:

附註：

(a) Details of contract liabilities are as follows:

(a) 合約負債的詳情如下：

| | | 31 December 2023 2023年 12月31日 RMB'000 人民幣千元 | 31 December 2022 2022年 12月31日 RMB'000 人民幣千元 | 1 January 2022 2022年 1月1日 RMB'000 人民幣千元 |
|--|----------------|--|--|--|
| <i>Short-term advances received from customers</i> | 自客戶收取的短期 墊款 | | | |
| Sale of goods | 商品銷售 | 2,142 | 846 | 2,902 |

(b) Other payables are non-interest-bearing and repayable on demand.

(b) 其他應付款項不計息，並按要求償還。

Notes to Financial Statements

財務報表附註

24. DEFERRED INCOME

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-------------------|------|-----------------------------------|-----------------------------------|
| Government grants | 政府補助 | 636 | 1,272 |

The movements in government grants of the Group during the year are as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--------------------------------------|----------|-----------------------------------|-----------------------------------|
| At the beginning of the year | 於年初 | 1,272 | 1,908 |
| Recognised as income during the year | 於年內確認為收入 | (636) | (636) |
| At the end of the year | 於年末 | 636 | 1,272 |
| Current | 即期 | 636 | 636 |
| Non-current | 非即期 | - | 636 |
| Total | 總計 | 636 | 1,272 |

The grant is related to the subsidy received from the government for the purpose of rewarding the Group for its capital expenditure incurred on certain projects.

24. 遞延收入

本集團政府補助於年內的變動情況如下：

補助與從政府獲得的補貼有關，用以獎勵本集團在若干項目上產生的資本開支。

Notes to Financial Statements

財務報表附註

25. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

2023

| | | Depreciation allowance in excess of related depreciation | Withholding taxes | Fair value adjustments arising from acquisition of a subsidiary | Right-of use assets | Total |
|--|-------------------------|--|-------------------|---|---------------------|---------|
| | | 超過有關折舊的折舊免稅額 | 預扣稅 | 公允價值調整 | 使用權資產 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 31 December 2022 | 於2022年12月31日 | 3,455 | - | 66,020 | - | 69,475 |
| Effect of adoption of amendments to HKAS 12 | 採納香港會計準則第12號修訂本之影響 | - | - | - | 11,429 | 11,429 |
| At 1 January 2023 (restated) | 於2023年1月1日(經重列) | 3,455 | - | 66,020 | 11,429 | 80,904 |
| Deferred tax charged/ (credited) to profit or loss during the year (note 10) | 於年內損益扣除/(計入)的遞延稅項(附註10) | (486) | 22,276 | - | (1,006) | 20,784 |
| Gross deferred tax liabilities at 31 December 2023 | 於2023年12月31日的遞延稅項負債總額 | 2,969 | 22,276 | 66,020 | 10,423 | 101,688 |

25. 遞延稅項

遞延稅項負債和遞延稅項資產於年內的變動如下：

遞延稅項負債

2023年

Notes to Financial Statements

財務報表附註

25. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

2022

| | | Depreciation allowance in excess of related depreciation | Withholding taxes | Fair value adjustments arising from acquisition of a subsidiary | Right-of use assets | Total |
|---|----------------------------------|--|-------------------|---|---------------------|---------|
| | | 超過有關折舊的折舊免稅額 | 預扣稅 | 公允價值調整 | 使用權資產 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 31 December 2021 | 於2021年12月31日 | - | 9,748 | - | - | 9,748 |
| Effect of adoption of amendments to HKAS 12 | 採納香港會計準則第12號修訂本之影響 | - | - | - | 509 | 509 |
| At 1 January 2022 (restated) | 於2022年1月1日 (經重列) | - | 9,748 | - | 509 | 10,257 |
| Acquisition of a subsidiary | 收購一間附屬公司 | - | - | 66,020 | - | 66,020 |
| Deferred tax charged/ (credited) to profit or loss during the year (note 10) (restated) | 於年內損益扣除/ (計入) 的遞延稅項 (附註10) (經重列) | 3,455 | (9,748) | - | 10,920 | 4,627 |
| Gross deferred tax liabilities at 31 December 2022 (restated) | 於2022年12月31日的遞延稅項負債總額 (經重列) | 3,455 | - | 66,020 | 11,429 | 80,904 |

25. 遞延稅項 (續)

遞延稅項負債 (續)

2022年

Notes to Financial Statements

財務報表附註

25. DEFERRED TAX (continued)

Deferred tax assets

2023

| | | Share-based payment expense | Lease liabilities | Impairment of trade receivables | Impairment of inventories | Accrued expenses | Deferred income | Fair Value adjustments arising from financial assets at fair value through profit or loss 以公允價值 計量且其變動 計入當期損益 的金融資產 所產生的 公允價值調整 | Total |
|--|---------------------------------|-------------------------------------|--------------------------|---------------------------------------|---------------------------------|--------------------------|--------------------------|--|------------------------|
| | | 以股份為基礎 的付款開支 RMB'000 人民幣千元 | 租賃負債 RMB'000 人民幣千元 | 貿易應收款項 減值 RMB'000 人民幣千元 | 存貨減值 RMB'000 人民幣千元 | 應計開支 RMB'000 人民幣千元 | 遞延收入 RMB'000 人民幣千元 | 公允價值調整 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| At 31 December 2022 | 於2022年12月31日 | 1,397 | - | 283 | 500 | 695 | 191 | - | 3,066 |
| Effect of adoption of amendments to HKAS 12 | 採納香港會計準則 第12號修訂本之 影響 | - | 11,478 | - | - | - | - | - | 11,478 |
| At 1 January 2023 (restated) | 於2023年1月1日 (經重列) | 1,397 | 11,478 | 283 | 500 | 695 | 191 | - | 14,544 |
| Deferred tax included in the disposal group held for sale | 列入持作出售的出售 組別遞延稅項 | - | (3) | (21) | - | - | - | - | (24) |
| Deferred tax credited/ (charged) to profit or loss during the year (note 10) | 於年內損益計入/ (扣除)的遞延稅項 (附註10) | 340 | (979) | 238 | 390 | (695) | (96) | 23 | (779) |
| Gross deferred tax assets at 31 December 2023 | 於2023年12月31日的 遞延稅項資產總額 | 1,737 | 10,496 | 500 | 890 | - | 95 | 23 | 13,741 |

2022

2022年

| | | Share-based payment expense | Lease liabilities | Impairment of trade receivables | Impairment of inventories | Accrued expenses | Deferred income | Total |
|--|----------------------------------|-------------------------------------|--------------------------|---------------------------------------|------------------------------|--------------------------|--------------------------|------------------------|
| | | 以股份為基礎 的付款開支 RMB'000 人民幣千元 | 租賃負債 RMB'000 人民幣千元 | 貿易應收款項 減值 RMB'000 人民幣千元 | 存貨減值 RMB'000 人民幣千元 | 應計開支 RMB'000 人民幣千元 | 遞延收入 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| At 31 December 2021 | 於2021年12月31日 | 571 | - | 471 | 260 | 1,107 | 287 | 2,696 |
| Effect of adoption of amendments to HKAS 12 | 採納香港會計準則第12號修訂 本之影響 | - | 591 | - | - | - | - | 591 |
| At 1 January 2022 (restated) | 於2022年1月1日(經重列) | 571 | 591 | 471 | 260 | 1,107 | 287 | 3,287 |
| Deferred tax credited/(charged) to profit or loss during the year (note 10) (restated) | 於年內損益計入/(扣除)的遞延 稅項(附註10)(經重列) | 826 | 10,887 | (188) | 240 | (412) | (96) | 11,257 |
| Gross deferred tax assets at 31 December 2022 (restated) | 於2022年12月31日的遞延稅項 資產總額(經重列) | 1,397 | 11,478 | 283 | 500 | 695 | 191 | 14,544 |

Notes to Financial Statements

財務報表附註

25. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Net deferred tax assets recognised in the consolidated statement of financial position | 於綜合財務狀況表中確認的遞延稅項資產淨值 | 3,318 | 3,115 |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | 於綜合財務狀況表中確認的遞延稅項負債淨額 | (91,265) | (69,475) |
| Net deferred tax liabilities | 遞延稅項負債淨額 | (87,947) | (66,360) |

The Group has tax losses arising in Chinese Mainland of RMB189,392,000 (2022: RMB38,164,000) that will expire in one to five years for offsetting against taxable profits.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group.

The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB4,695,000 (2022: RMB438,416,000). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future due to the Group's business development in Mainland China.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

25. 遞延稅項 (續)

就呈報而言，若干遞延稅項資產及負債已在綜合財務狀況表中被抵銷。以下為就財務報告而言對本集團遞延稅項結餘的分析：

本集團在中國內地產生的稅項虧損人民幣189,392,000元（2022年：人民幣38,164,000元）將在一至五年內到期以抵銷應課稅利潤。

遞延稅項資產並無就該等虧損而獲確認，原因為該等虧損發生於已虧損一段時間的附屬公司，且認為其不大可能將可利用應課稅利潤抵銷稅項虧損。

本集團須對該等於中國內地成立的附屬公司就自2008年1月1日起產生的盈利所分派的股息繳納預扣稅。本集團的適用稅率為5%或10%。

未確認遞延稅項負債的中國內地附屬公司投資相關的暫時差額合共約人民幣4,695,000元（2022年：人民幣438,416,000元）。董事認為，由於本集團在中國內地的業務發展，該等附屬公司在可預見的未來不太可能派發相關收益。

本公司向股東支付股息不會產生所得稅。

Notes to Financial Statements

財務報表附註

26. SHARE CAPITAL

26. 股本

| | | 2023 2023年 | 2022 2022年 |
|--|---|---------------|---------------|
| Authorised: | 法定： | | |
| 5,000,000,000 (2022: 5,000,000,000) ordinary shares of US\$0.00001 each | 5,000,000,000股 (2022年：5,000,000,000股) 每股0.00001美元的普通股 | | |
| US\$ | 美元 | 50,000 | 50,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| 1,216,792,000 (2022: 1,219,313,000) ordinary shares of US\$0.00001 each | 1,216,792,000股 (2022年：1,219,313,000股) 每股0.00001美元的普通股 | | |
| US\$ | 美元 | 12,168 | 12,193 |
| RMB | 人民幣 | 85,511 | 85,688 |

A summary of movements in the Company's issued share capital, share premium, share held for share award arrangement and treasury shares is as follows:

本公司已發行股本、股份溢價、就股份獎勵安排持有的股份及庫存股份變動概述如下：

| | | Notes 附註 | Number of shares in issue 已發行 股份數目 | Share capital 股本 RMB'000 人民幣千元 | Share premium account 股份溢價賬 RMB'000 人民幣千元 | Share held for share award arrangement 就股份獎勵安排 持有的股份 RMB'000 人民幣千元 | Treasury shares 庫存股份 RMB'000 人民幣千元 |
|--|------------------------|-------------|--|--|--|---|--|
| At 1 January 2022 | 於2022年1月1日 | | 1,245,876,500 | 88 | 2,762,034 | (2) | (4,288) |
| Shares purchased for share award arrangement | 就股份獎勵安排購買的股份 | (a) | - | - | (110,153) | (1) | - |
| Shares repurchased | 已購回股份 | (b) | - | - | - | - | (171,610) |
| Shares cancelled | 已註銷股份 | (b) | (26,563,500) | (2) | (170,401) | - | 170,403 |
| At 31 December 2022 and 1 January 2023 | 於2022年12月31日及2023年1月1日 | | 1,219,313,000 | 86 | 2,481,480 | (3) | (5,495) |
| Shares repurchased | 已購回股份 | (c) | - | - | - | - | (16,580) |
| Shares cancelled | 已註銷股份 | (c) | (2,521,000) | - | (19,202) | - | 19,202 |
| At 31 December 2023 | 於2023年12月31日 | | 1,216,792,000 | 86 | 2,462,278 | (3) | (2,873) |

Notes to Financial Statements

財務報表附註

26. SHARE CAPITAL (continued)

- (a) Fortune Spring Kangji 1 Limited (“**ESOP BVI**”), which is an incentive platform in British Virgin Islands (“**BVI**”) and controlled by the Company, purchased 20,000,000 of the Company’s shares on the Stock Exchange at a total cash consideration of HK\$125,462,000 (equivalent to approximately RMB110,154,000) for the purpose of incentivising the employees of the Group in the future.
- (b) The Company purchased 26,604,000 of its shares on the Stock Exchange at a total cash consideration of HK\$188,791,000 (equivalent to approximately RMB171,610,000), of which 25,863,500 shares were cancelled during the year ended 31 December 2022 (equivalent to approximately RMB166,115,000). The remaining of 740,500 shares were cancelled on 10 February 2023.
- (c) The Company purchased 2,261,000 of its shares on the Stock Exchange at a total cash consideration of HK\$188,867,000 (equivalent to approximately RMB16,580,000), of which 1,780,500 shares with an amount equivalent to approximately RMB13,708,000 were cancelled during the year ended 31 December 2023. The remaining of 480,500 shares were cancelled on 31 January 2024.

27. SHARE-BASED PAYMENTS

On 6 May 2020, the Company approved and adopted the RSU Plan and the Option Plan to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected directors, senior management and employees and to promote the success of the Company’s business by granting these individuals RSUs and share options.

The RSU Plan and Option Plan shall be subject to the administration of the board of directors of the Company (the “**Administrator**”) whose decision shall be final and binding on all parties. The board may by resolution authorise a committee comprising any three directors of the Company to exercise any or all of its powers in the administration of the RSU Plan and Option Plan.

26. 股本 (續)

- (a) Fortune Spring Kangji 1 Limited (“**ESOP BVI**”)，一個位於英屬維爾京群島 (“**英屬維爾京群島**”) 及由本公司控制的激勵平台) 以現金代價總額125,462,000港元 (相當於約人民幣110,154,000元) 在聯交所購買20,000,000股本公司股份，以於未來獎勵本公司僱員。
- (b) 本公司以現金代價總額188,791,000港元 (相當於約人民幣171,610,000元) 在聯交所購買26,604,000股本公司股份，其中25,863,500股股份於截至2022年12月31日止年度已註銷 (相當於約人民幣166,115,000元)。餘下740,500股股份已於2023年2月10日註銷。
- (c) 本公司於聯交所購買其2,261,000股股份，總現金代價為188,867,000港元 (相當於約人民幣16,580,000元)，其中1,780,500股股份 (相當於約人民幣13,708,000元) 已於截至2023年12月31日止年度註銷。餘下480,500股股份已於2024年1月31日註銷。

27. 以股份為基礎的付款

2020年5月6日，本公司批准及採納受限制股份單位計劃及購股權計劃，旨在吸引及保留擔任重要職位的最優人才，透過向選定董事、高級管理層及僱員授予受限制股份單位及購股權，為該等人士提供額外獎勵以及促進本公司取得業務成功。

受限制股份單位計劃及購股權計劃由本公司董事會 (“**管理者**”) 管理，董事會的決定屬最終決定且對各方具有約束力。董事會可透過決議案授權由本公司任意三名董事組成的委員會來行使其管理受限制股份單位計劃及購股權計劃的任何或全部權力。

Notes to Financial Statements

財務報表附註

27. SHARE-BASED PAYMENTS (continued)

The participants of the RSU Plan and Option Plan (the “Participants”) are the employees, directors of the Company and/or any of its subsidiaries as selected by the Administrator at its discretion.

The maximum number of underlying shares of the RSU Plan is the number of ordinary shares held by the ESOP BVI. The overall limit on the number of underlying shares to be granted under the RSU Plan is expected to be 26,810,000 shares with a par value of US\$0.00001 each, which have been reserved by ESOP BVI. On 25 May 2022, the shareholders of the Company approved the increase of limit on the number of shares to be granted under the RSU Plan from 26,810,000 shares to 46,810,000 Shares.

The maximum number of underlying shares that may be granted and sold under the Option Plan is 4,120,000 with a par value of US\$0.00001 each. The number of shares that are subject to options outstanding under the Option Plan at any time shall not exceed the aggregate number of shares that then remain available for issuance under the Option Plan.

The RSU Plan and Option Plan will expire on, and no RSU and option may be granted pursuant to the RSU Plan and Option Plan after, the sixth anniversary of the date that the RSU Plan and Option Plan are adopted and approved by the shareholders of the Company. In addition, the term of any RSU and option granted under the RSU Plan and Option Plan shall not exceed six years. All the granted but unvested RSUs and unexercised options shall expire on the sixth anniversary of the grant date.

RSUs granted under the RSU Plan shall only be vested at such time and upon such terms and conditions as determined by the RSU Plan and/or subject to the approval of the Administrator. Options granted under the Option Plan shall only be exercisable at such time and upon such terms and conditions as may be determined by the option agreement. Exercisable options within the same grant may be exercised in whole or in part. However, it shall not be exercisable with respect to fractional shares and the Administrator may require that, by the terms of the option agreement, a partial exercise must be with respect to a minimum number of shares.

27. 以股份為基礎的付款 (續)

受限制股份單位計劃及購股權計劃參與者(「參與者」)為管理者酌情選定的本公司及／或其任何附屬公司僱員、董事。

受限制股份單位計劃的相關股份之最高數目為ESOP BVI持有的普通股數目。根據受限制股份單位計劃將予授出的相關股份數目的總限額預計將為每股面值0.00001美元的26,810,000股，其已由ESOP BVI保留。於2022年5月25日，本公司股東批准將根據受限制股份單位計劃將予授出的股份數目限額由26,810,000股增加至46,810,000股股份。

可根據購股權計劃授出及出售的相關股份之最高數目為每股面值0.00001美元的4,120,000股股份。於任何時候購股權計劃項下未行使購股權所涉及的股份數目不得超過當時根據購股權計劃可供發行的股份總數。

受限制股份單位計劃及購股權計劃將於該等計劃獲本公司股東採納及批准之日的第六週年日屆滿，此後不得根據受限制股份單位計劃及購股權計劃授出受限制股份單位及購股權。此外，根據受限制股份單位計劃及購股權計劃授出的任何受限制股份單位及購股權期限不得超過六年。所有已授出但未歸屬的受限制股份單位及未行使的購股權須於授出日期的第六週年日屆滿。

根據受限制股份單位計劃授出的受限制股份單位僅可根據受限制股份單位計劃及受限制股份單位協議決定及／或管理者批准的時間以及條款及條件進行歸屬。根據購股權計劃授出的購股權僅可在購股權協議可決定的時間以及條款及條件下行使。於同一授予內的可行使購股權可全部或部分行使。然而，其不得就零碎股份予以行使，且管理者可要求，根據購股權協議之條款，必須就最低股份數目進行部分行使。

Notes to Financial Statements

財務報表附註

27. SHARE-BASED PAYMENTS (continued)

Pursuant to the terms of the RSU Plan, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the RSUs, notwithstanding the vesting of the RSUs. The shares underlying the Option Plan shall rank pari passu in all respects with the other fully paid shares in issue.

On 6 May 2020, 4,120,000 options under the Option Plan and a total of 21,190,000 underlying shares under the RSU Plan were granted to an executive director and six management team members, respectively. Pursuant to the RSU Plan, RSUs were fully vested upon Listing. Pursuant to the share option agreement, options granted will be vested according to the following vesting schedule: 580,000 shares upon Listing; 1,180,000 shares on the first anniversary of the vesting commencement date; 1,180,000 shares on the second anniversary of the vesting commencement date; and 1,180,000 shares on the third anniversary of the vesting commencement date.

On 26 March 2021, a total of 5,620,000 underlying shares under the RSU Plan were granted to a management team member and 56 employees. Pursuant to the RSU Plan, RSUs will be vested according to the following vesting schedule: 1,124,000 shares on the first anniversary of the vesting commencement date; 1,124,000 shares on the second anniversary of the vesting commencement date; 1,124,000 shares on the third anniversary of the vesting commencement date; 1,124,000 shares on the fourth anniversary of the vesting commencement date; and 1,124,000 shares on the fifth anniversary of the vesting commencement date.

27. 以股份為基礎的付款 (續)

儘管受限制股份單位存在歸屬，根據受限制股份單位計劃的條款，受限制股份單位概不涉及投票或收取股息之權利或任何其他股東權利。購股權計劃相關股份在所有方面與其他已發行的繳足股份享有同等地位。

於2020年5月6日，購股權計劃項下4,120,000份購股權以及受限制股份單位計劃項下合共21,190,000股相關股份分別授予一名執行董事及六名管理團隊成員。根據受限制股份單位計劃，受限制股份單位在上市後全部歸屬。根據購股權協議，已授出的購股權將按照以下歸屬時間表歸屬：於上市後歸屬580,000股股份；於歸屬開始日期的首個週年日歸屬1,180,000股股份；於歸屬開始日期的第二個週年日歸屬1,180,000股股份；及於歸屬開始日期的第三個週年日歸屬1,180,000股股份。

於2021年3月26日，受限制股份單位計劃項下合共5,620,000股相關股份已授予一名管理團隊成員及56名僱員。根據受限制股份單位計劃，受限制股份單位將按照以下歸屬時間表歸屬：於歸屬開始日期的首個週年日歸屬1,124,000股股份；於歸屬開始日期的第二個週年日歸屬1,124,000股股份；於歸屬開始日期的第三個週年日歸屬1,124,000股股份；於歸屬開始日期的第四個週年日歸屬1,124,000股股份；及於歸屬開始日期的第五個週年日歸屬1,124,000股股份。

Notes to Financial Statements

財務報表附註

27. SHARE-BASED PAYMENTS (continued)

The following share options and RSUs were outstanding under the Option Plan and RSU Plan during the year:

27. 以股份為基礎的付款 (續)

以下為年內購股權計劃及受限制股份單位計劃項下尚未行使的購股權及受限制股份單位：

| | | Options 購股權 | |
|--|----------------------------|----------------|--|
| | | Number 數目 | Weighted average exercise price 加權平均行使價 RMB per share 每股人民幣元 |
| At 31 December 2022 and 1 January 2023 | 於2022年12月31日及 2023年1月1日 | 4,120,000 | 6.79 |
| Forfeited during the year | 年內沒收 | (4,120,000) | 6.79 |
| At 31 December 2023 | 於2023年12月31日 | - | |

| | | RSUs 受限制股份單位 | |
|--|------------------------------|-----------------|--|
| | | Number 數目 | Weighted average exercise price 加權平均行使價 RMB per share 每股人民幣元 |
| At 31 December 2022 and 31 December 2023 | 於2022年12月31日及 2023年12月31日 | 26,810,000 | 6.99 |

The Group recognised corresponding share-based payment expenses of RMB292,000 (2022: RMB1,313,000) and RMB2,267,000 (2022: RMB3,590,000) during the year for the options granted on 6 May 2020 and the RSUs granted on 26 March 2021, respectively.

On 24 January 2021, the Administrator determined to extend the share purchase date of the RSUs granted on 6 May 2020 from 29 January 2021 to 29 January 2022. The incremental fair value resulting from the extension at the modification date was RMB1,413,000, which were recognised immediately to profit or loss during the year ended 31 December 2021.

本集團於年內分別就於2020年5月6日授出的購股權及於2021年3月26日授出的受限制股份單位確認相關以股份為基礎的付款開支人民幣292,000元(2022年:人民幣1,313,000元)及人民幣2,267,000元(2022年:人民幣3,590,000元)。

於2021年1月24日,管理者決定將於2020年5月6日授出的受限制股份單位的購股日期由2021年1月29日延長至2022年1月29日。於修改日期因延期而增加的公允價值為人民幣1,413,000元,其於截至2021年12月31日止年度即時於損益中確認。

Notes to Financial Statements

財務報表附註

27. SHARE-BASED PAYMENTS (continued)

On 12 January 2022, the Administrator determined to extend the share purchase date of the RSUs granted on 6 May 2020 from 29 January 2022 to 29 January 2023 and the share purchase date of all the RSUs granted on 26 March 2021 from “within three months after each vesting date” to “within nine months after each vesting date”. The incremental fair values resulting from the extension at the modification date were RMB4,146,000 and RMB869,000, respectively, which were recognised immediately to profit or loss during the year ended 31 December 2022.

On 26 December 2022, the Administrator determined to extend the share purchase date of 1,124,000 shares of the RSUs granted on 26 March 2021 from “within nine months after each vesting date” to “within twenty-one months after each vesting date”. The incremental fair value resulting from the extension at the modification date was RMB1,048,000, which was recognised immediately to profit or loss during the year ended 31 December 2022.

On 17 January 2023, the Administrator determined to extend the share purchase date of the RSUs granted on 6 May 2020 from 29 January 2023 to 29 January 2024. The incremental fair values resulting from the extension at the modification date were RMB5,709,000, which was recognised immediately to profit or loss during the year.

On 21 December 2023, the Administrator determined to extend the share purchase date of 1,124,000 shares of the first tranche of the RSUs granted on 26 March 2021 from “within twenty-one months after each vesting date” to “within thirty-three months after each vesting date”, and extend the share purchase date of 1,124,000 shares of the second tranche of the RSUs from “within nine months after each vesting date” to “within twenty-one months after each vesting date”. The incremental fair value resulting from the extension at the modification date was RMB355,000, which was recognised immediately to profit or loss during the year.

27. 以股份為基礎的付款 (續)

於2022年1月12日，管理者決定將於2020年5月6日授出的受限制股份單位的購股日期從2022年1月29日延長至2023年1月29日以及將於2021年3月26日授出的所有受限制股份單位的購股日期從「各歸屬日期後三個月內」延長至「各歸屬日期後九個月內」。於修改日期因延期而增加的公允價值分別為人民幣4,146,000元及人民幣869,000元，其於截至2022年12月31日止年度即時於損益中確認。

於2022年12月26日，管理者決定將於2021年3月26日授出的1,124,000股受限制股份單位的購股日期從「各歸屬日期後九個月內」延長至「各歸屬日期後二十一個月內」。於修改日期因延期而增加的公允價值為人民幣1,048,000元，其於截至2022年12月31日止年度即時於損益中確認。

於2023年1月17日，管理者決定將於2020年5月6日授出的受限制股份單位的購股日期由2023年1月29日延長至2024年1月29日。於修改日期因延期而增加的公允價值為人民幣5,709,000元，其於年內即時於損益中確認。

於2023年12月21日，管理者決定將於2021年3月26日授出的第一批受限制股份單位的1,124,000股股份的購股日期由「各歸屬日期後二十一個月內」延長至「各歸屬日期後三十三個月內」，並將第二批受限制股份單位的1,124,000股股份的購股日期由「各歸屬日期後九個月內」延長至「各歸屬日期後二十一個月內」。於修改日期因延期而增加的公允價值為人民幣355,000元，其於年內即時於損益中確認。

Notes to Financial Statements

財務報表附註

27. SHARE-BASED PAYMENTS (continued)

The fair values of the RSUs were estimated as at the date of modification using a binomial option-pricing model, based on fair value of the underlying ordinary shares. The following table lists the key inputs to the models used:

| | | 2023 2023年 | 2022 2022年 |
|-----------------------------|----------|---------------|---------------|
| Expected volatility (%) | 預期波幅(%) | 31.85-38.31 | 25.60-39.48 |
| Risk-free interest rate (%) | 無風險利率(%) | 3.71-4.07 | 0.08-4.77 |
| Early exercise multiple | 提早行使倍數 | 2.2-2.8 | 2.2-2.8 |

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The fair value measurement has incorporated the effect of expected dividend by adjusting the fair value of underlying ordinary shares.

28. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

Capital reserve

The capital reserve of the Group represents the paid-up capital of the subsidiaries comprising the Group prior to the incorporation of the Company. Details of the movements in the capital reserve are set out in the consolidated statement of changes in equity.

Share option and award reserve

The Group's share option and award reserve represents the share-based compensation reserve, details of the movements are set out in the consolidated statement of changes in equity.

27. 以股份為基礎的付款 (續)

受限制股份單位的公允價值乃於修改日期根據相關普通股的公允價值使用二項式期權定價模型而估計得出。下表列出該模型所用的主要輸入值：

| | 2023 2023年 | 2022 2022年 |
|----------|---------------|---------------|
| 預期波幅(%) | 31.85-38.31 | 25.60-39.48 |
| 無風險利率(%) | 3.71-4.07 | 0.08-4.77 |
| 提早行使倍數 | 2.2-2.8 | 2.2-2.8 |

預期波幅反映歷史波幅指示未來趨勢的假設，其亦非必定為實際結果。公允價值計量已透過調整相關普通股的公允價值計入預期股息的影響。

28. 儲備

本集團於當年及過往年度的儲備金額和其變動在財務報表的綜合權益變動表中列示。

資本儲備

本集團的資本儲備指本公司註冊成立前組成本集團的附屬公司的實繳資本。資本儲備變動的詳情載於綜合權益變動表。

購股權及獎勵儲備

本集團的購股權及獎勵儲備為以股份為基礎的補償儲備，其變動詳情載於綜合權益變動表。

Notes to Financial Statements

財務報表附註

28. RESERVES (continued)

Statutory surplus reserve

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserves may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of financial statements of the entities of which the functional currency is not RMB.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB4,186,000 (2022: RMB47,070,000) and RMB4,186,000 (2022: RMB47,070,000), respectively, in respect of lease arrangements for office premises.

28. 儲備 (續)

法定盈餘儲備

根據中國《公司法》，本集團若干附屬公司為內資企業，須將根據相關中國會計準則釐定的除稅後利潤的10%分配至其各自的法定盈餘儲備，直至儲備達至其各自註冊資本的50%。在中國《公司法》所載若干限制的規限下，部分法定盈餘儲備可轉增股本，惟前提條件是資本化後的餘下結餘不得少於註冊資本的25%。

匯率波動儲備

匯率波動儲備用於記錄換算實體（其功能貨幣並非人民幣）財務報表所產生的匯兌差額。

29. 綜合現金流量表附註

(a) 主要非現金交易

年內，本集團與辦公場所租賃安排的使用權資產及租賃負債有關的非現金添額分別為人民幣4,186,000元（2022年：人民幣47,070,000元）及人民幣4,186,000元（2022年：人民幣47,070,000元）。

Notes to Financial Statements

財務報表附註

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

29. 綜合現金流量表附註 (續)

(b) Changes in liabilities arising from financing activities:

(b) 融資活動產生的負債變動：

| 2023 | 2023年 | Lease liabilities 租賃負債 RMB'000 人民幣千元 |
|--|----------------------|---|
| At 1 January 2023 | 於2023年1月1日 | 49,019 |
| Changes from financing cash flows | 融資現金流量變動 | (10,603) |
| New leases | 新租賃 | 4,186 |
| Lease modification | 租賃修改 | (599) |
| Liabilities included in the disposal group held for sale (note 33) | 列入持作出售的出售組別負債 (附註33) | (277) |
| Interest expense | 利息開支 | 2,257 |
| Exchange realignment | 匯兌調整 | 7 |
| At 31 December 2023 | 於2023年12月31日 | 43,990 |
| 2022 | 2022年 | Lease liabilities 租賃負債 RMB'000 人民幣千元 |
| At 1 January 2022 | 於2022年1月1日 | 4,046 |
| Changes from financing cash flows | 融資現金流量變動 | (5,818) |
| New leases | 新租賃 | 47,070 |
| Additions as a result of acquisition of a subsidiary | 因收購一間附屬公司而添置 | 2,100 |
| Interest expense | 利息開支 | 1,612 |
| Exchange realignment | 匯兌調整 | 9 |
| At 31 December 2022 | 於2022年12月31日 | 49,019 |

Notes to Financial Statements

財務報表附註

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-----------------------------|--------|-----------------------------------|-----------------------------------|
| Within operating activities | 於經營活動內 | 737 | 421 |
| Within financing activities | 於融資活動內 | 10,603 | 5,818 |
| Total | 總計 | 11,340 | 6,239 |

30. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---------------------|-------|-----------------------------------|-----------------------------------|
| Buildings | 樓宇 | 45,708 | 68,489 |
| Plant and machinery | 機器及設備 | 84 | - |
| Total | 總計 | 45,792 | 68,489 |

29. 綜合現金流量表附註 (續)

(c) 租賃現金流出總額

綜合現金流量表所載的租賃現金流出總額如下：

30. 承擔

本集團於報告期末的合約承擔如下：

Notes to Financial Statements

財務報表附註

31. RELATED PARTY TRANSACTIONS

Details of the Group's principal related party are as follows:

| Name 名稱 | Relationship 關係 |
|--|---|
| Hangzhou Kangyin Investment Ltd. ("Kangyin Investment") 杭州康銀投資管理有限公司 (「康銀投資」) | An entity controlled by a director 董事控制的實體 |

(a) During the year, a subsidiary of the Group entered into an lease agreement to rent office premises from Kangyin Investment for a period of three years commencing from 1 January 2023, with an annual rental fee of RMB1,200,000 for the first year, RMB1,320,000 for the second year and RMB1,452,000 for the third year.

(b) Compensation of key management personnel of the Group:

31. 關聯方交易

本集團主要關聯方的詳情如下：

(a) 年內，本集團一間附屬公司訂立租賃協議，自2023年1月1日起為期三年向康銀投資租用辦公室物業，第一年租金為人民幣1,200,000元，第二年租金為人民幣1,320,000元，第三年租金為人民幣1,452,000元。

(b) 本集團主要管理人員的薪酬：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|----------------|-----------------------------------|-----------------------------------|
| Short-term employee benefits | 僱員短期福利 | 12,962 | 9,235 |
| Pension scheme contributions | 退休金計劃供款 | 397 | 389 |
| Share-based payment expense | 以股份為基礎的付款開支 | 5,996 | 7,300 |
| Total compensation paid to key management personnel | 支付予主要管理人員的薪酬總額 | 19,355 | 16,924 |

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

有關董事及最高行政人員酬金的詳情載於財務報表附註8。

Notes to Financial Statements

財務報表附註

32. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that have material non-controlling interests are set out below:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|------------------|-----------------------------------|-----------------------------------|
| <u>Weijing Medical</u> | <u>唯精醫療</u> | | |
| Percentage of equity interest held by non-controlling interests: | 非控股權益持有的股權百分比： | 65% | 65% |
| Loss for the year allocated to non-controlling interests: | 分配予非控股權益的年內虧損： | 51,726 | 17,561 |
| Accumulated balances of non-controlling interests at the reporting date: | 於報告日期的非控股權益累計結餘： | 294,084 | 345,810 |

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-------------------------|-------|-----------------------------------|-----------------------------------|
| Current assets | 流動資產 | 232,598 | 307,572 |
| Non-current assets | 非流動資產 | 336,158 | 340,138 |
| Current liabilities | 流動負債 | (14,789) | (9,236) |
| Non-current liabilities | 非流動負債 | (101,530) | (106,459) |

32. 擁有重大非控股權益的部分擁有附屬公司

本集團擁有重大非控股權益的附屬公司的詳情載列如下：

下表闡明上述附屬公司的財務資料概要。所披露金額未扣除任何公司間對銷項目：

下表闡明上述附屬公司的財務資料概要。所披露金額未扣除任何公司間對銷項目：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-------------------------|-------|-----------------------------------|-----------------------------------|
| Current assets | 流動資產 | 232,598 | 307,572 |
| Non-current assets | 非流動資產 | 336,158 | 340,138 |
| Current liabilities | 流動負債 | (14,789) | (9,236) |
| Non-current liabilities | 非流動負債 | (101,530) | (106,459) |

Notes to Financial Statements

財務報表附註

32. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

32. 擁有重大非控股權益的部分擁有附屬公司 (續)

| | | 2023 | From the date of acquisition to 31 December 2022 |
|--|----------------------|----------|--|
| | | 2023年 | 收購日期至 |
| | | RMB'000 | 2022年12月31日 |
| | | 人民幣千元 | RMB'000 |
| | | | 人民幣千元 |
| Other income | 其他收入 | 3,325 | 7,988 |
| Total expenses | 開支總額 | (82,902) | (33,404) |
| Loss for the period | 期內虧損 | (79,577) | (27,018) |
| Net cash flows used in operating activities | 經營活動所用現金流量淨額 | (61,413) | (34,737) |
| Net cash flows used in investing activities | 投資活動所用現金流量淨額 | (24,728) | (14,705) |
| Net cash flows from financing activities | 融資活動所得現金流量淨額 | 43,138 | 93,184 |
| Net (decrease)/increase in cash and cash equivalents | 現金及現金等價物 (減少) / 增加淨額 | (43,003) | 43,742 |

Notes to Financial Statements

財務報表附註

33. A Disposal Group Classified as Held for Sale

On 28 December 2023, Hangzhou Kangji entered into the equity transfer agreement to dispose of its entire equity interest in Hangzhou Kangji Qipu Medical Instrument Co., Ltd. ("Qipu"), a wholly-owned subsidiary of Hangzhou Kangji, to an independent third party for an aggregate consideration of RMB366 million. Qipu is principally engaged in distribution, research and development of medical instruments. As at 31 December 2023, Qipu was classified as a disposal group held for sale. The disposal of Qipu is due to be completed in April 2024.

The major classes of assets and liabilities of Qipu classified as held for sale as at 31 December 2023 are as follows:

33. 分類為持作出售的出售組別

於2023年12月28日，杭州康基訂立股權轉讓協議，以向獨立第三方出售杭州康基的全資附屬公司Hangzhou Kangji Qipu Medical Instrument Co., Ltd.* (「Qipu」) 的全部股權，總代價為人民幣366百萬元。Qipu主要從事醫療器械的分銷及研發。於2023年12月31日，Qipu被分類為持作出售的出售組別。出售Qipu將於2024年4月完成。

於2023年12月31日，Qipu被分類為持作出售的資產及負債的主要類別如下：

| | | 2023 2023年 RMB'000 人民幣千元 |
|---|--------------------|-----------------------------------|
| <i>Assets</i> | <i>資產</i> | |
| Property, plant and equipment | 物業、廠房及設備 | 7,010 |
| Right-of-use assets | 使用權資產 | 28,641 |
| Deferred tax assets | 遞延稅項資產 | 24 |
| Trade receivables | 貿易應收款項 | 10,771 |
| Prepayments, other receivables and other assets | 預付款項、其他應收款項及其他資產 | 8,892 |
| Cash and cash equivalents | 現金及現金等價物 | 296,864 |
| Assets classified as held for sale | 分類為持作出售的資產 | 352,202 |
| <i>Liabilities*</i> | <i>負債*</i> | |
| Other payables and accruals | 其他應付款項及預提項目 | (2,510) |
| Income taxes payable | 應付所得稅 | (1,853) |
| Lease liabilities | 租賃負債 | (277) |
| Liabilities directly associated with the assets classified as held for sale | 與分類為持作出售的資產直接相關的負債 | (4,640) |
| Net assets directly associated with the disposal group | 與出售組別直接相關的資產淨值 | 347,562 |

* The amounts disclosed are after some inter-company eliminations of RMB22,942,000.

* 所披露的金額已扣除若干公司間的對銷人民幣22,942,000元。

Notes to Financial Statements

財務報表附註

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2023

Financial assets

| | | Financial assets at fair value through profit or loss 以公允價值計量且其變動計入當期損益的金融資產 RMB'000 人民幣千元 | Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|-------------------------|---|--|---------------------------------|
| Cash and cash equivalents | 現金及現金等價物 | - | 2,676,588 | 2,676,588 |
| Trade receivables | 貿易應收款項 | - | 225,534 | 225,534 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款項、其他應收款項及其他資產的金融資產 | - | 3,727 | 3,727 |
| Financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產 | 153,167 | - | 153,167 |
| Total | 總計 | 153,167 | 2,905,849 | 3,059,016 |

Financial Liabilities

| | | Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元 |
|---|--------------------|---|
| Trade payables | 貿易應付款項 | 34,146 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及預提項目的金融負債 | 35,467 |
| Total | 總計 | 69,613 |

34. 按類別劃分的金融工具

於報告期末，各類別金融工具的賬面值如下：

2023年

金融資產

| | Financial assets at fair value through profit or loss 以公允價值計量且其變動計入當期損益的金融資產 RMB'000 人民幣千元 | Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|---|--|---------------------------------|
| Cash and cash equivalents | - | 2,676,588 | 2,676,588 |
| Trade receivables | - | 225,534 | 225,534 |
| Financial assets included in prepayments, other receivables and other assets | - | 3,727 | 3,727 |
| Financial assets at fair value through profit or loss | 153,167 | - | 153,167 |
| Total | 153,167 | 2,905,849 | 3,059,016 |

金融負債

| | Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元 |
|---|---|
| Trade payables | 34,146 |
| Financial liabilities included in other payables and accruals | 35,467 |
| Total | 69,613 |

Notes to Financial Statements

財務報表附註

34. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2022

Financial assets

| | | Financial assets at fair value through profit or loss 以公允價值計量且其變動計入當期損益的金融資產 RMB'000 人民幣千元 | Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|-------------------------|---|--|---------------------------------|
| Cash and cash equivalents | 現金及現金等價物 | - | 2,818,360 | 2,818,360 |
| Trade receivables | 貿易應收款項 | - | 163,145 | 163,145 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款項、其他應收款項及其他資產的金融資產 | - | 11,369 | 11,369 |
| Financial assets at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的金融資產 | 147,593 | - | 147,593 |
| Total | 總計 | 147,593 | 2,992,874 | 3,140,467 |

Financial liabilities

| | | Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元 |
|---|--------------------|---|
| Trade payables | 貿易應付款項 | 20,752 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及預提項目的金融負債 | 45,103 |
| Total | 總計 | 65,855 |

34. 按類別劃分的金融工具 (續)

於報告期末，各類別金融工具的賬面值如下：

2022年

金融資產

| | Financial assets at fair value through profit or loss 以公允價值計量且其變動計入當期損益的金融資產 RMB'000 人民幣千元 | Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|---|--|---------------------------------|
| Cash and cash equivalents | - | 2,818,360 | 2,818,360 |
| Trade receivables | - | 163,145 | 163,145 |
| Financial assets included in prepayments, other receivables and other assets | - | 11,369 | 11,369 |
| Financial assets at fair value through profit or loss | 147,593 | - | 147,593 |
| Total | 147,593 | 2,992,874 | 3,140,467 |

金融負債

| | Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元 |
|---|---|
| Trade payables | 20,752 |
| Financial liabilities included in other payables and accruals | 45,103 |
| Total | 65,855 |

Notes to Financial Statements

財務報表附註

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in unlisted wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of non-current unlisted equity investments have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the senior management to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to book value ("P/B") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by a book value measure.

35. 金融工具的公允價值及公允價值層級

管理層經評估後認為，現金及現金等價物、貿易應收款項、計入預付款項、其他應收款項及其他資產的金融資產、貿易應付款項及計入其他應付款項及預提項目的金融負債的公允價值與其賬面值大致相若，主要是由於該等工具的到期時間短。

金融資產及負債的公允價值按自願雙方在當前交易（強迫或清盤出售除外）中交換工具可得的金額入賬。以下方法及假設乃用於估計公允價值：

本集團投資於中國內地銀行發行的非上市理財產品。本集團已根據具有類似條款及風險的工具的市場利率，採用折現現金流估值模型估計該等非上市投資的公允價值。

非流動非上市股權投資的公允價值乃使用基於市場資料的估值技術（基於不受可觀察市場價格或利率支持的假設）而估計得出。估值需要高級管理層根據行業、規模、影響力及策略釐定可資比較上市公司（同業），並就已識別的各可資比較公司計算適當的價格倍數，如市賬率（「市賬率」）倍數。該倍數乃按可資比較公司的企業價值除以一項賬面值指標而計算得出。

Notes to Financial Statements

財務報表附註

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable input to the valuation of financial instrument together with a quantitative sensitivity analysis as at 31 December 2023:

| | Significant unobservable input 重大不可觀察輸入值 | Rate 範圍 | Sensitivity of fair value to the input 輸入值的公允價值敏感性 |
|----------------------------|---|---------------------|--|
| Unlisted equity investment | Discount for lack of marketability ("DLOM") | 14% (2022: 14%) | 5% (2022: 5%) decrease/increase in DLOM would result in increase/decrease in fair value by RMB1,134,000 (2022: RMB1,044,000) |
| 非上市股權投資 | 缺乏適銷性的折讓 ("DLOM") | 14% (2022年: 14%) | DLOM下降/上升5% (2022年: 5%) 將導致公允價值增加/減少人民幣1,134,000元 (2022年: 人民幣1,044,000元) |

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

| | Fair value measurement using 公允價值採用以下方式計量 | | | Total 總計 |
|---|---|---|--|-------------|
| | Quoted prices in active markets (Level 1) 活躍市場報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察輸入值 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察輸入值 (第三級) RMB'000 人民幣千元 | |
| Financial assets at fair value through profit or loss | | | | |
| | | 以公允價值計量且其變動計入當期損益的金融資產 | | |
| | - | 11,449 | 141,718 | 153,167 |

As at 31 December 2022

| | Fair value measurement using 公允價值採用以下方式計量 | | | Total 總計 |
|---|---|---|--|-------------|
| | Quoted prices in active markets (Level 1) 活躍市場報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察輸入值 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察輸入值 (第三級) RMB'000 人民幣千元 | |
| Financial assets at fair value through profit or loss | | | | |
| | | 以公允價值計量且其變動計入當期損益的金融資產 | | |
| | - | 13,656 | 133,937 | 147,593 |

35. 金融工具的公允價值及公允價值層級 (續)

以下為於2023年12月31日對金融工具估值的重大不可觀察輸入值的概要以及量化敏感性分析：

公允價值層級

下表闡述本集團金融工具的公允價值計量層級：

按公允價值計量的資產：

於2023年12月31日

於2022年12月31日

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35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy

The movements in fair value measurements within Level 3 during the year are as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Equity investments at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的股權投資 | | |
| At 1 January | 於1月1日 | 133,937 | 111,233 |
| Transfer from Level 2 | 自第二級轉撥 | 2,500 | - |
| Total gains recognised in profit or loss | 於損益中確認的總收益 | 5,281 | 22,704 |
| At 31 December | 於12月31日 | 141,718 | 133,937 |

The Group did not have any financial liabilities measured at fair value as at 31 December 2023 and 2022.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 for both financial assets and financial liabilities (2022: Nil).

During the year, there were transfers into Level 3 for financial assets (2022: Nil) and there were no transfers into or out of Level 3 for financial liabilities (2022: Nil).

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

35. 金融工具的公允價值及公允價值層級 (續)

公允價值層級

於本年度，公允價值計量在第三級間的變動如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Equity investments at fair value through profit or loss | 以公允價值計量且其變動計入當期損益的股權投資 | | |
| At 1 January | 於1月1日 | 133,937 | 111,233 |
| Transfer from Level 2 | 自第二級轉撥 | 2,500 | - |
| Total gains recognised in profit or loss | 於損益中確認的總收益 | 5,281 | 22,704 |
| At 31 December | 於12月31日 | 141,718 | 133,937 |

於2023年及2022年12月31日，本集團並無任何以公允價值計量的金融負債。

於年內，金融資產及金融負債概無在第一級與第二級公允價值計量之間轉移 (2022年：無)。

於年內，金融資產轉入第三級 (2022年：無)，而金融負債並無轉入或轉出第三級 (2022年：無)。

36. 金融風險管理目標及政策

本集團的主要金融工具包括現金及現金等價物。該等金融工具的主要目的是為本集團的業務融資。本集團擁有因其業務而直接產生的多項其他金融資產及負債，例如貿易應收款項及貿易應付款項。

本集團金融工具產生的主要風險為外幣風險、信貸風險及流動性風險。董事會審閱並同意管理各項有關風險的政策，概述如下。

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財務報表附註

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

During the years ended 31 December 2022 and 2023, the Group purchased certain financial products (structured products linked to exchange rates, in particular) issued by other financial institutions with the aim of hedging against potential depreciation of US\$ against RMB.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax and the Group's equity.

36. 金融風險管理目標及政策 (續)

外幣風險

外幣風險是指因外幣匯率變動而造成損失的風險。人民幣與本集團經營業務所用的其他貨幣之間的匯率波動可能會影響本集團的財務狀況及經營業績。本集團力求通過最大限度地減少外幣淨頭寸來限制所承受的外幣風險。

於截至2022年及2023年12月31日止年度，本集團購入其他金融機構發行的若干金融產品（尤其是與匯率掛鈎的結構性產品），以對沖美元兌人民幣的潛在貶值。

下表闡述於各報告期末，所有其他變量保持不變，本集團稅前利潤及本集團股權對外幣匯率合理可能變動的敏感度。

| | | Increase/ (decrease) in rate of foreign currency 外幣匯率 上升/(下跌) % | Increase/ (decrease) in profit before tax 稅前利潤 增加/(減少) RMB'000 人民幣千元 | Increase/ (decrease) in equity* 股權 增加/(減少)* RMB'000 人民幣千元 |
|---|-------------------------|--|---|---|
| Year ended 31 December 2023 | 截至2023年12月31日止年度 | | | |
| If the RMB weakens against the US\$ | 倘人民幣兌美元貶值 | 5 | 35,223 | 5,312 |
| If the RMB strengthens against the US\$ | 倘人民幣兌美元升值 | (5) | (35,223) | (5,312) |
| If the RMB weakens against the HK\$ | 倘人民幣兌港元貶值 | 5 | 333 | 306 |
| If the RMB strengthens against the HK\$ | 倘人民幣兌港元升值 | (5) | (333) | (306) |
| Year ended 31 December 2022 | 截至2022年12月31日止年度 | | | |
| If the RMB weakens against the US\$ | 倘人民幣兌美元貶值 | 5 | 30,142 | 477 |
| If the RMB strengthens against the US\$ | 倘人民幣兌美元升值 | (5) | (30,142) | (477) |
| If the RMB weakens against the HK\$ | 倘人民幣兌港元貶值 | 5 | 655 | 116 |
| If the RMB strengthens against the HK\$ | 倘人民幣兌港元升值 | (5) | (655) | (116) |
| * Excluding retained profits | | | * 不包括保留利潤 | |

Notes to Financial Statements

財務報表附註

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades on credit terms only with recognised and creditworthy third parties. It is the Group's policy that all traders who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

36. 金融風險管理目標及政策 (續)

信貸風險

本集團僅與經認可及信譽良好的第三方按信貸期交易。本集團政策規定所有擬按信貸期交易的交易商須接受信用審計程序。此外，本集團會持續監察應收款項結餘且本集團的壞賬風險並不重大。

最高風險及年結階段

下表顯示基於本集團信貸政策的信貸質素及最高信貸風險（主要按逾期資料得出，除非其他可得資料無需付出過度成本或努力），以及於12月31日的年結階段分類。

所呈列金額為金融資產的賬面總值。

於2023年12月31日

| | | 12-month ECLs | Lifetime ECLs | | | Total |
|--|-------------------------|---------------|---------------|---------|---------------------|-----------|
| | | 12個月預期信貸虧損 | 整個存續期預期信貸虧損 | | | |
| | | Stage 1 | Stage 2 | Stage 3 | Simplified approach | |
| | | 第一階段 | 第二階段 | 第三階段 | 簡化方法 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Trade receivables* | 貿易應收款項* | - | - | - | 229,614 | 229,614 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款項、其他應收款項及其他資產的金融資產 | | | | | |
| - Normal** | - 正常** | 3,727 | - | - | - | 3,727 |
| Cash and cash equivalents - Not yet past due | 現金及現金等價物 - 尚未逾期 | 2,676,588 | - | - | - | 2,676,588 |
| Total | 總計 | 2,680,315 | - | - | 229,614 | 2,909,929 |

Notes to Financial Statements

財務報表附註

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

As at 31 December 2022

| | | 12-month ECLs 12個月 預期信貸虧損 | Lifetime ECLs 整個存續期預期信貸虧損 | | | Total |
|--|-----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|---------------------------------|
| | | Stage 1 第一階段 RMB'000 人民幣千元 | Stage 2 第二階段 RMB'000 人民幣千元 | Stage 3 第三階段 RMB'000 人民幣千元 | Simplified approach 簡化方法 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Trade receivables* | 貿易應收款項* | - | - | - | 166,245 | 166,245 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款項、其他應收款項及 其他資產的金融資產 | | | | | |
| - Normal** | - 正常** | 11,369 | - | - | - | 11,369 |
| Cash and cash equivalents - Not yet past due | 現金及現金等價物 - 尚未逾期 | 2,818,360 | - | - | - | 2,818,360 |
| Total | 總計 | 2,829,729 | - | - | 166,245 | 2,995,974 |

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the financial statements

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. There are no significant concentrations of credit risk.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 18 to the financial statements.

36. 金融風險管理目標及政策 (續)

信貸風險 (續)

於2022年12月31日

* 就貿易應收款項(當中本集團就減值應用簡化方法)而言,基於撥備矩陣之資料於財務報表附註18中披露。

** 倘計入預付款項、其他應收款項及其他資產的金融資產尚未逾期及並無資料指明金融資產之信貸風險自初始確認以來顯著增加,其信貸質素被視為「正常」。否則,金融資產之信貸質素被視為「呆賬」。

由於本集團僅與經認可及信譽良好的第三方進行交易,因此無需抵押品。概無重大的信貸集中風險。

有關本集團因貿易應收款項而產生的信貸風險的進一步定量數據於財務報表附註18中披露。

Notes to Financial Statements

財務報表附註

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

| | | 31 December 2023 2023年12月31日 | | | | |
|---|--------------------|---------------------------------|-----------|---------|---------|---------|
| | | On demand | Less than | 3 to 12 | 1 to 5 | Total |
| | | 按要求 | 3 months | months | years | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Trade payables | 貿易應付款項 | 7,016 | 27,130 | - | - | 34,146 |
| Lease liabilities | 租賃負債 | - | 4,987 | 5,412 | 41,510 | 51,909 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及預提項目的金融負債 | 35,467 | - | - | - | 35,467 |
| Total | 總計 | 42,483 | 32,117 | 5,412 | 41,510 | 121,522 |

| | | 31 December 2022 2022年12月31日 | | | | |
|---|--------------------|---------------------------------|-----------|---------|---------|---------|
| | | On demand | Less than | 3 to 12 | 1 to 5 | Total |
| | | 按要求 | 3 months | months | years | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Trade payables | 貿易應付款項 | 1,601 | 19,151 | - | - | 20,752 |
| Lease liabilities | 租賃負債 | - | 4,288 | 5,630 | 47,941 | 57,859 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及預提項目的金融負債 | 45,103 | - | - | - | 45,103 |
| Total | 總計 | 46,704 | 23,439 | 5,630 | 47,941 | 123,714 |

36. 金融風險管理目標及政策 (續)

流動性風險

本集團監察及維持現金及現金等價物於本集團管理層視作充足之水平，以為營運提供資金及減少現金流量波動影響。

本集團金融負債於報告期末按合約未貼現付款呈列的到期情況如下：

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財務報表附註

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure, which includes equity attributable to owners of the parent, and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a gearing ratio, which is debt divided by total assets. Debt includes trade payables, other payables and accruals and lease liabilities. The gearing ratios as at the end of the reporting periods were as follows:

| | | As at 31 December 2023 於2023年 12月31日 RMB'000 人民幣千元 | As at 31 December 2022 於2022年 12月31日 RMB'000 人民幣千元 |
|-----------------------------|-------------|--|--|
| Trade payables | 貿易應付款項 | 34,146 | 20,752 |
| Other payables and accruals | 其他應付款項及預提項目 | 82,084 | 82,942 |
| Lease liabilities | 租賃負債 | 43,990 | 49,019 |
| Debt | 債務 | 160,220 | 152,713 |
| Total assets | 資產總值 | 4,263,818 | 3,984,911 |
| Gearing ratio | 資本負債比率 | 3.8% | 3.8% |

36. 金融風險管理目標及政策 (續)

資本管理

本集團資本管理的主要目標為保障本集團的持續經營能力及維持穩健的資本比率，以支持其業務並將股東價值最大化。

本集團根據經濟環境變化及相關資產的風險特徵來管理及調整資本架構（包括母公司擁有人應佔權益）。為維持或調整資本架構，本集團會調整向股東派發的股息、向股東發還資本或發行新股。本集團無須遵循任何外部施加的資本要求。截至2023年12月31日及2022年12月31日止年度，資本管理的目標、政策或流程並無變動。

本集團使用資本負債比率（負債除以資產總值）監控資金。負債包括貿易應付款項、其他應付款項及預提項目以及租賃負債。於報告期末的資本負債比率如下：

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財務報表附註

37. EVENTS AFTER THE REPORTING PERIOD

On 20 March 2024, the shareholders of Weijing Medical have approved certain amendments to the articles of association and the change in board composition of Weijing Medical. Upon the amendments becoming effective, the Group loses control of Weijing Medical and thus Weijing Medical ceased to be a subsidiary of the Company. As a result, the Company's retained interests in Weijing Medical is accounted for as an investment in an associate in the consolidated financial statements of the Company since then.

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

37. 報告期後事項

於2024年3月20日，唯精醫療的股東已批准唯精醫療組織章程細則的若干修訂及董事會成員組成的變動。於修訂生效後，本集團失去對唯精醫療的控制權，因此唯精醫療將不再為本公司的附屬公司。因此，公司於唯精醫療的保留權益自此於本公司綜合財務報表中入賬列作於一間聯營公司的投資。

38. 本公司財務狀況表

本公司於報告期末的財務狀況表資料如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---------------------------------------|-------------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Investments in subsidiaries | 投資於附屬公司 | 7,889,709 | 7,831,378 |
| Total non-current assets | 非流動資產總值 | 7,889,709 | 7,831,378 |
| CURRENT ASSETS | 流動資產 | | |
| Due from subsidiaries | 應收附屬公司款項 | 383,027 | 108,981 |
| Cash and cash equivalents | 現金及現金等價物 | 1,614,324 | 1,674,679 |
| Total current assets | 流動資產總值 | 1,997,351 | 1,783,660 |
| CURRENT LIABILITIES | 流動負債 | | |
| Due to a subsidiary | 應付一間附屬公司款項 | 1,136 | 1,136 |
| Other payables and accruals | 其他應付款項及預提項目 | - | 222 |
| Total current liabilities | 流動負債總額 | 1,136 | 1,358 |
| NET CURRENT ASSETS | 流動資產淨值 | 1,996,215 | 1,782,302 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | 9,885,924 | 9,613,680 |
| Net assets | 資產淨值 | 9,885,924 | 9,613,680 |
| EQUITY | 權益 | | |
| Share capital | 股本 | 86 | 86 |
| Reserves (note) | 儲備 (附註) | 9,885,838 | 9,613,594 |
| Total equity | 權益總額 | 9,885,924 | 9,613,680 |

Notes to Financial Statements

財務報表附註

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

| At 1 January 2022 | 於2022年1月1日 | (4,288) | 2,762,034 | 6,787,000 | 26,286 | (240,491) | (2,961) | 9,327,580 |
|--|-----------------|-----------|-----------|-----------|---------|-----------|-----------|-----------|
| Profit for the year | 年內利潤 | - | - | - | - | - | 546,394 | 546,394 |
| Other comprehensive income for the year: | 年內其他全面收益： | | | | | | | |
| Exchange differences | 匯兌差額 | - | - | - | - | 82,182 | - | 82,182 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | 82,182 | 546,394 | 628,576 |
| Shares repurchased | 已購回股份 | (171,610) | - | - | - | - | - | (171,610) |
| Shares cancelled | 已註銷股份 | 170,403 | (170,401) | - | - | - | - | 2 |
| Dividend declared | 已宣派股息 | - | - | - | - | - | (181,920) | (181,920) |
| Share-based payments | 以股份為基礎的付款 | - | - | - | 10,966 | - | - | 10,966 |
| At 31 December 2022 | 於2022年12月31日 | (5,495) | 2,591,633 | 6,787,000 | 37,252 | (158,309) | 361,513 | 9,613,594 |
| At 1 January 2023 | 於2023年1月1日 | (5,495) | 2,591,633 | 6,787,000 | 37,252 | (158,309) | 361,513 | 9,613,594 |
| Profit for the year | 年內利潤 | - | - | - | - | - | 504,699 | 504,699 |
| Other comprehensive income for the year: | 年內其他全面收益： | | | | | | | |
| Exchange differences | 匯兌差額 | - | - | - | - | - | - | - |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | - | 504,699 | 504,699 |
| Shares repurchased | 已購回股份 | (16,580) | - | - | - | - | - | (16,580) |
| Shares cancelled | 已註銷股份 | 19,202 | (19,202) | - | - | - | - | - |
| Dividend declared | 已宣派股息 | - | - | - | - | - | (224,498) | (224,498) |
| Transfer of share option reserve upon the forfeiture of share option | 於購股權被沒收時轉撥購股權儲備 | - | - | - | (9,175) | - | 9,175 | - |
| Share-based payments | 以股份為基礎的付款 | - | - | - | 8,623 | - | - | 8,623 |
| At 31 December 2023 | 於2023年12月31日 | (2,873) | 2,572,431 | 6,787,000 | 36,700 | (158,309) | 650,889 | 9,885,838 |

39. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 20 March 2024.

38. 本公司財務狀況表 (續)

附註：

本公司儲備概要如下：

| Treasury shares | Share premium | Capital reserves | Share option and award reserves | Exchange fluctuation reserve | Retained profits | Total | | |
|--|-----------------|------------------|---------------------------------|------------------------------|------------------|-----------|-----------|-----------|
| 庫存股份 | 股份溢價 | 資本儲備 | 購股權及獎勵儲備 | 匯率波動儲備 | 保留利潤 | 總計 | | |
| RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | | |
| 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | | |
| At 1 January 2022 | 於2022年1月1日 | (4,288) | 2,762,034 | 6,787,000 | 26,286 | (240,491) | (2,961) | 9,327,580 |
| Profit for the year | 年內利潤 | - | - | - | - | - | 546,394 | 546,394 |
| Other comprehensive income for the year: | 年內其他全面收益： | | | | | | | |
| Exchange differences | 匯兌差額 | - | - | - | - | 82,182 | - | 82,182 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | 82,182 | 546,394 | 628,576 |
| Shares repurchased | 已購回股份 | (171,610) | - | - | - | - | - | (171,610) |
| Shares cancelled | 已註銷股份 | 170,403 | (170,401) | - | - | - | - | 2 |
| Dividend declared | 已宣派股息 | - | - | - | - | - | (181,920) | (181,920) |
| Share-based payments | 以股份為基礎的付款 | - | - | - | 10,966 | - | - | 10,966 |
| At 31 December 2022 | 於2022年12月31日 | (5,495) | 2,591,633 | 6,787,000 | 37,252 | (158,309) | 361,513 | 9,613,594 |
| At 1 January 2023 | 於2023年1月1日 | (5,495) | 2,591,633 | 6,787,000 | 37,252 | (158,309) | 361,513 | 9,613,594 |
| Profit for the year | 年內利潤 | - | - | - | - | - | 504,699 | 504,699 |
| Other comprehensive income for the year: | 年內其他全面收益： | | | | | | | |
| Exchange differences | 匯兌差額 | - | - | - | - | - | - | - |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | - | 504,699 | 504,699 |
| Shares repurchased | 已購回股份 | (16,580) | - | - | - | - | - | (16,580) |
| Shares cancelled | 已註銷股份 | 19,202 | (19,202) | - | - | - | - | - |
| Dividend declared | 已宣派股息 | - | - | - | - | - | (224,498) | (224,498) |
| Transfer of share option reserve upon the forfeiture of share option | 於購股權被沒收時轉撥購股權儲備 | - | - | - | (9,175) | - | 9,175 | - |
| Share-based payments | 以股份為基礎的付款 | - | - | - | 8,623 | - | - | 8,623 |
| At 31 December 2023 | 於2023年12月31日 | (2,873) | 2,572,431 | 6,787,000 | 36,700 | (158,309) | 650,889 | 9,885,838 |

39. 批准綜合財務報表

董事會已於2024年3月20日批准及授權刊發綜合財務報表。

Definition

釋義

| | | |
|---|---|--|
| “AGM” 「股東週年大會」 | 指 | the annual general meeting of the Company 本公司股東週年大會 |
| “Audit Committee” 「審核委員會」 | 指 | the audit committee of the Board 董事會審核委員會 |
| “Board of Directors” or “Board” 「董事會」 | 指 | the board of directors of the Company 本公司董事會 |
| “CG Code” 「《企業管治守則》」 | 指 | Corporate Governance Code applicable during the Reporting Period 報告期內適用的《企業管治守則》 |
| “China”, “PRC”, “mainland China” 「中國」或「中國內地」 | 指 | People’s Republic of China, excluding, for the purposes of this annual report and for geographical reference only and except where the context requires otherwise, Hong Kong, Macau and Taiwan 中華人民共和國，除文義另有所指外，就本年報及僅就地域參考而言，不包括香港、澳門及台灣 |
| “Company” 「本公司」 | 指 | Kangji Medical Holdings Limited (康基医疗控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability on February 12, 2020, and, except where the context otherwise requires, all of its subsidiaries 康基医疗控股有限公司，於2020年2月12日根據開曼群島法律註冊成立的有限公司，及（除文義另有所指外）其全部附屬公司 |
| “Controlling Shareholder(s)” 「控股股東」 | 指 | has the meaning ascribed thereto in the Listing Rules and unless the context requires otherwise, refers to Mr. Zhong, Ms. Shentu, Fortune Spring ZM B Limited and Fortune Spring YG B Limited 具有《上市規則》賦予該詞的涵義，且除文義另有指明外，指鍾先生、申屠女士、Fortune Spring ZM B Limited及Fortune Spring YG B Limited |
| “COVID” 「COVID」 | 指 | an infectious disease caused by a newly discovered coronavirus (severe acute respiratory syndrome coronavirus) and was first reported in Wuhan, China 一種新發現的冠狀病毒（嚴重急性呼吸綜合徵冠狀病毒）所引致的傳染病，最早在中國武漢報告 |
| “Director(s)” 「董事」 | 指 | the directors of the Company, including all executive, non-executive and independent non-executive directors 本公司董事，包括所有執行董事、非執行董事及獨立非執行董事 |
| “ESG” 「ESG」 | 指 | environmental, social and governance 環境、社會及管治 |
| “ESOP BVI” 「ESOP BVI」 | 指 | Fortune Spring KangJi 1 Limited Fortune Spring KangJi 1 Limited |
| “Global Offering” 「全球發售」 | 指 | the Hong Kong public offering and the international offering of the Company 本公司香港公開發售及國際發售 |

Definition

釋義

| | | |
|--------------------|---|--|
| “Group” | | the Company and all of its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be) |
| 「本集團」 | 指 | 本公司及其所有附屬公司，或如文義所指，於本公司成為其現有附屬公司的控股公司之前的期間，則指該等附屬公司或其前身公司（視情況而定）經營的業務 |
| “Hangzhou Kangji” | | Hangzhou Kangji Medical Instrument Ltd. (杭州康基醫療器械有限公司), a limited liability company established in the PRC on August 24, 2004 |
| 「杭州康基」 | 指 | 杭州康基醫療器械有限公司，一家於2004年8月24日在中國成立的有限責任公司 |
| “HKD” or “HK\$” | | Hong Kong dollars, the lawful currency of Hong Kong |
| 「港元」 | 指 | 香港法定貨幣港元 |
| “HKFRS” | | Hong Kong Financial Reporting Standards |
| 「《香港財務報告準則》」 | 指 | 《香港財務報告準則》 |
| “Hong Kong” | | the Hong Kong Special Administrative Region of the PRC |
| 「香港」 | 指 | 中國香港特別行政區 |
| “IPO” | | initial public offering |
| 「首次公開發售」 | 指 | 首次公開發售 |
| “Kangji Hong Kong” | | Kangji Medical (Hong Kong) Limited, a wholly-owned subsidiary of the Company established under the laws of Hong Kong |
| 「康基香港」 | 指 | 康基醫療(香港)有限公司，根據香港法律成立，為本公司的全資附屬公司 |
| “Listing” | | the listing of the Shares on the Main Board of the Stock Exchange on June 29, 2020 |
| 「上市」 | 指 | 股份於2020年6月29日於聯交所主板上市 |
| “Listing Date” | | June 29, 2020, being the date on which dealings in Shares first commenced on the Main Board |
| 「上市日期」 | 指 | 2020年6月29日，即股份首次於主板開始買賣的日期 |
| “Listing Rules” | | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time |
| 「《上市規則》」 | 指 | 《香港聯合交易所有限公司證券上市規則》(經不時修訂或補充) |
| “Main Board” | | the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market of the Stock Exchange |
| 「主板」 | 指 | 由聯交所營運的證券交易所(不包括期權市場)，獨立於聯交所GEM，並與其並行運作。為免生疑問，主板不包括聯交所GEM |
| “MISIA” | | minimally invasive surgical instruments and accessories |
| 「MISIA」 | 指 | 微創外科手術器械及配件 |

Definition

釋義

| | | |
|---|---|---|
| “Model Code” 「《標準守則》」 | 指 | the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules 《上市規則》附錄C3所載《上市發行人董事進行證券交易的標準守則》 |
| “OBGYN” 「婦產科」 | 指 | obstetrics and gynecology 產科及婦科 |
| “ODM” 「ODM」 | 指 | original design manufacture 原設計製造 |
| “Option(s)” 「購股權」 | 指 | the option(s) to purchase Shares under the Pre-IPO Share Option Plan 根據首次公開發售前購股權計劃購買股份的購股權 |
| “Pre-IPO Share Option Plan” 「首次公開發售前購股權計劃」 | 指 | the employees’ share incentive plan of the Company as adopted on May 6, 2020. 於2020年5月6日採納的本公司僱員股份獎勵計劃 |
| “Prospectus” 「招股章程」 | 指 | the Company’s prospectus dated June 16, 2020 本公司日期為2020年6月16日的招股章程 |
| “R&D” 「研發」 | 指 | research and development 研究及開發 |
| “Reporting Period” 「報告期」 | 指 | the year from January 1, 2023 to December 31, 2023 自2023年1月1日起至2023年12月31日止年度 |
| “Renminbi” or “RMB” 「人民幣」 | 指 | the lawful currency of the PRC 中國的法定貨幣 |
| “RSU(s)” 「受限制股份單位」 | 指 | restricted share units 受限制股份單位 |
| “RSU Plan” 「受限制股份單位計劃」 | 指 | the restricted share unit plan of the Company as adopted on May 6, 2020 本公司於2020年5月6日採納的受限制股份單位計劃 |
| “SFO” 「《證券及期貨條例》」 | 指 | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time 香港法例第571章《證券及期貨條例》，經不時修訂、補充或以其他方式修改 |
| “Share(s)” 「股份」 | 指 | ordinary shares in the share capital of the Company of US\$0.00001 each 本公司股本中每股面值0.00001美元的普通股 |
| “Shareholder(s)” 「股東」 | 指 | holder(s) of the Share(s) 股份持有人 |
| “Stock Exchange” 「聯交所」 | 指 | The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited 香港聯合交易所有限公司，為香港交易及結算有限公司的全資附屬公司 |
| “Substantial Shareholder(s)” 「主要股東」 | 指 | has the meaning ascribed to it under the Listing Rules 具有《上市規則》賦予該詞的涵義 |

Definition

釋義

| | | |
|-----------------------------------|---|---|
| “U.S.” or “United States” 「美國」 | 指 | the United States of America, its territories, its possessions and all areas subject to its jurisdiction 美利堅合眾國，其國土、屬地及受其司法管轄的所有地區 |
| “USD” or “US\$” 「美元」 | 指 | US dollars, the lawful currency of the U.S. 美國法定貨幣美元 |
| “VBP(s)” 「集採」 | 指 | volume-based procurement 集中帶量採購 |
| “Weijing Medical” 「唯精醫療」 | 指 | Hangzhou Weijing Medical Robot Co., Ltd. (杭州唯精醫療機器人有限公司), a limited liability company established in the PRC on December 28, 2021 杭州唯精醫療機器人有限公司，一家於2021年12月28日在中國成立的有限責任公司 |

KANGJI 康基

康基医疗控股有限公司
Kangji Medical Holdings Limited