



康臣药業集團有限公司

CONSUN PHARMACEUTICAL GROUP 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：1681

皮膚科藥物 Dermatologic Medicines



肝膽藥物 Hepatobiliary Medicines



骨科藥物 Orthopedics Medicines



對比劑 Contrast Medium



腎科藥物 Kidney Medicines



消化系統藥物 Gastroenterology Medicines



婦兒藥物 Gynaecology and Paediatric Medicines



年度報告 Annual Report 2023



康臣药业集团有限公司
CONSUN PHARMACEUTICAL GROUP LIMITED

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Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. An Meng (*Chairman, and appointed as the Chief Executive Officer on 17 January 2024*)
Ms. Li Qian (*Vice Chairlady and Chief Executive Officer (resigned, effective from 17 January 2024)*)
Professor Zhu Quan
Mr. Xu Hanxing

Non-Executive Director

Dr. Zhang Lihua

Independent Non-Executive Directors

Mr. Feng Zhongshi
Ms. Chen Yujun
Mr. Su Yuanfu (*resigned, effective from 25 March 2024*)

AUDIT COMMITTEE

Ms. Chen Yujun (*Committee Chairlady*)
Dr. Zhang Lihua (*appointed on 25 March 2024*)
Mr. Feng Zhongshi
Mr. Su Yuanfu (*resigned, effective from 25 March 2024*)

NOMINATION COMMITTEE

Mr. Feng Zhongshi (*Committee Chairman (appointed on 25 March 2024)*)
Mr. An Meng
Ms. Chen Yujun
Mr. Su Yuanfu (*Committee Chairman (resigned, effective from 25 March 2024)*)

REMUNERATION COMMITTEE

Mr. Feng Zhongshi (*Committee Chairman*)
Mr. An Meng
Ms. Chen Yujun (*appointed on 25 March 2024*)
Mr. Su Yuanfu (*resigned, effective from 25 March 2024*)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. An Meng (*Committee Chairman*)
Mr. Feng Zhongshi
Ms. Chen Yujun

董事

執行董事

安猛先生 (*主席，及於2024年1月17日獲委任為首席執行官*)
黎倩女士 (*副主席及首席執行官 (已辭任，於2024年1月17日生效)*)
朱荃教授
徐瀚星先生

非執行董事

張麗華博士

獨立非執行董事

馮仲實先生
陳玉君女士
蘇元福先生 (*已辭任，於2024年3月25日生效*)

審核委員會

陳玉君女士 (*委員會主席*)
張麗華博士 (*於2024年3月25日獲委任*)
馮仲實先生
蘇元福先生 (*已辭任，於2024年3月25日生效*)

提名委員會

馮仲實先生 (*委員會主席 (於2024年3月25日獲委任)*)
安猛先生
陳玉君女士
蘇元福先生 (*委員會主席 (已辭任，於2024年3月25日生效)*)

薪酬委員會

馮仲實先生 (*委員會主席*)
安猛先生
陳玉君女士 (*於2024年3月25日獲委任*)
蘇元福先生 (*已辭任，於2024年3月25日生效*)

環境、社會及管治委員會

安猛先生 (*委員會主席*)
馮仲實先生
陳玉君女士



COMPANY SECRETARY

Mr. Yau Chi Ming (CPA)

公司秘書

丘志明先生(執業會計師)

**AUTHORISED REPRESENTATIVES FOR THE
PURPOSE OF THE LISTING RULES**

Mr. An Meng
Mr. Yau Chi Ming

就上市規則而言的授權代表

安猛先生
丘志明先生

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the
Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road, Central, Hong Kong

核數師

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

LEGAL ADVISER (AS TO HONG KONG LAW)

Li & Partners
22nd Floor
World-Wide House
19 Des Voeux Road Central
Hong Kong

法律顧問(香港法律)

李偉斌律師行
香港
德輔道中19號
環球大廈
22樓

REGISTERED ADDRESS

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

註冊地址

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Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS IN THE PRC

71, Dongpeng Avenue
Eastern section, Guangzhou Economic and Technological
Development District
Guangzhou, PRC

中國總部

中國廣州
廣州經濟技術開發區東區
東鵬大道71號

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

22nd Floor
World-Wide House
19 Des Voeux Road Central
Hong Kong

香港主要營業地點

香港
德輔道中19號
環球大廈
22樓

Corporate Information 公司資料

LIAISON OFFICE IN HONG KONG

Room 803
Wing On Plaza
62 Mody Road
Tsimshatsui, Kowloon

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas
China Construction Bank
China Merchants Bank
DBS Bank
Industrial and Commercial Bank of China
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

COMPANY WEBSITE

www.chinaconsun.com

STOCK CODE

1681

香港聯絡辦公室

九龍尖沙咀
麼地道62號
永安廣場
803室

主要往來銀行

中國銀行(香港)有限公司
法國巴黎銀行
中國建設銀行
招商銀行
星展銀行
中國工商銀行
滙豐銀行

主要證券登記處

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

香港證券登記分處

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號舖

公司網站

www.chinaconsun.com

股份代號

1681

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Consun Pharmaceutical Group Limited (the “**Company**”), I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred as the “**Group**”, “**Consun**”, “**Consun Pharmaceutical**” or “**Consun Pharmaceutical Group**”) for the year ended 31 December 2023.

I. Industrial and Business Review

In 2023, with the global pandemic subsiding, various industries, including the pharmaceutical industry, gradually returned to normal, but difficulties and trials remained. On the one hand, rising demand of people for health and medical care drove the consumption upgrade of the pharmaceutical market. On the other hand, the State continued to promote the normalization of centralized drug procurement, and accelerate the restructuring, transformation and upgrading of the pharmaceutical industry. Since the second half of the year, a compliance storm has swept across the industry. A number of ministries and commissions of the State have jointly carried out a one-year medical anti-corruption campaign with efforts of unprecedented strength, which has had a major impact on the industry. Despite the many challenges faced by the pharmaceutical industry, Consun Pharmaceutical is confidently embarking on its “next 25 years” of development. In the face of an external environment filled with uncertainties, we endeavored to create certainties for Consun Pharmaceutical by adopting a series of proactive countermeasures. As such, we still achieved encouraging results with sustained positive growth in both revenue and profits, maintaining our ongoing steady development trend. In 2023, the Group recorded sales revenue of approximately RMB2.59 billion, representing an increase of approximately 10.7% over last year, and its profit attributable to equity shareholders of the Company was approximately RMB0.78 billion, representing an increase of approximately 14.9% over last year.

各位股東：

本人謹此代表康臣葯業集團有限公司(「本公司」)董事(「董事」)局(「董事局」)，提呈本公司連同其附屬(統稱「本集團」、「康臣」、「康臣葯業」或「康臣葯業集團」)截至2023年12月31日止年度經審核之綜合業績。

一、行業及業務回顧

於2023年，隨著全球疫情趨於平息，包括醫藥行業在內的各行各業逐漸回歸正常，但困難仍存、考驗依舊。一方面，人們對於健康和醫療的需求不斷提升，推動醫藥市場的消費升級；另一方面，國家繼續推進藥品集中採購的常態化，加速醫藥行業的結構調整和轉型升級。而從下半年開始，合規風暴席捲全行業，國家多個部委聯合開展為期一年的醫療反腐，力度空前，對行業造成了較大衝擊。儘管醫藥行業面臨著諸多挑戰，康臣卻依然信心百倍地開啟了「第二個25年」的發展徵程。面對充滿不確定性的外部環境，我們通過採取一系列積極應對措施，努力打造屬於康臣的確定性，仍然取得了可喜的成績，收入、利潤繼續良性增長，保持了我們一直以來穩健的發展態勢，於2023年，本集團實現了銷售收入約人民幣25.9億元，較上年同比增長約10.7%；本公司權益股東應佔溢利約人民幣7.8億元，較上年同比增長約14.9%。

Chairman's Statement 主席報告

1. In terms of business segments, sales revenue of Consun Pharmaceutical Segment amounted to approximately RMB2.2 billion in 2023, representing a year-on-year increase of approximately 10.8%, among which:

1) The sales revenue of kidney medicines amounted to approximately RMB1.74 billion in 2023, representing a year-on-year increase of approximately 11.0%. The Uremic Clearance Granules (尿毒清顆粒), which is the Group's flagship product, continued to maintain a steady growth and achieved sales revenue of approximately RMB1.65 billion, representing a year-on-year increase of approximately 10.2%, securing the leading position in the category of orally consumed modern Chinese medicines for nephropathy. The official release of the Clinical Application Guidelines for the Treatment of Kidney Diseases with Uremic Clearance Granules (《尿毒清顆粒治療腎臟病臨床應用指南》), which was jointly formulated by a number of national experts in the field of kidney diseases organized by the Kidney Disease Branch of the Chinese Society of Traditional Chinese Medicine, also

1. 從業務分部來看，康臣藥業分部於2023年銷售收入約人民幣22.0億元，同比增長約10.8%。其中：

1) 腎科藥物的銷售收入於2023年約為人民幣17.4億元，較上年同比增長約11.0%。本集團龍頭產品尿毒清顆粒繼續保持穩健增長，實現銷售收入約人民幣16.5億元，較上年同比增長約10.2%，穩居腎病口服現代中成藥品類領先地位。而由中華中醫藥學會腎病分會組織眾多全國腎病領域專家共同制訂的《尿毒清顆粒治療腎臟病臨床應用指南》的正式發佈，也明確了尿毒清顆粒的臨床定位和優勢，為臨床科學、合理地使用尿毒清顆粒提供了重要參考；同時，針對國家集採的持續深入推進，集採省份面臨擴大，我們加強對市場政策和機會的解讀，摸索適應集採環境下新的業務模式，最大

specified the clinical positioning and advantages of Uremic Clearance Granules, providing an important reference for the scientific and reasonable use of Uremic Clearance Granules in clinical practice. At the same time, in view of the continuous and in-depth promotion of the national centralized procurement and the growing numbers of the provinces implementing centralized procurement, we strengthened our understanding of market policies and opportunities, and explored new business models adaptable to the environment of centralized procurement, thereby minimising the negative impacts. As a result, we have achieved positive year-on-year sales growth in most of the provinces implementing centralized procurement. Besides, as a key product of the Group for incubation, the Kidney Repair and Edema Alleviation Granules (益腎化濕顆粒), a product with the efficacy of raising Yang and tonifying the spleen, transforming renal dampness and inducing diuresis to alleviate edema, has shown synergistic effect with the Uremic Clearance Granules in clinical promotion, which achieved approximately RMB90 million of sales revenue in 2023, representing a year-on-year increase of approximately 25.5%.

限度降低了負面影響，在集採省份大都實現了銷售金額的同比正增長；而益腎化濕顆粒這一具有升陽補脾、益腎化濕、利水消腫功效的產品，作為本集團重點培育產品，在臨床推廣上已顯現出與尿毒清顆粒的協同效應，於2023年實現銷售收入約0.9億元，較上年同比增長約25.5%。

Chairman's Statement 主席報告

- 2) Sales revenue of medical contrast medium was approximately RMB0.16 billion in 2023, representing a year-on-year slight decrease of approximately 4.6%. In December 2023, the consistency evaluation of Iopamidol injection was passed and the consistency evaluation of Gadopentetate Glucosamine injection was pending the result of approval. Besides, a number of imaging products under R&D are progressing well, which is expected to bring new impetus to the development of the imaging product line of the Group.
- 3) Sales revenue of gynaecology and paediatrics drugs was approximately RMB0.29 billion in 2023, representing a year-on-year increase of approximately 22.7%. As the main product of gynecological and pediatric drugs, Yuanlikang® Iron-dextrin Oral Solution (源力康®右旋糖酐鐵口服液) has the advantages of moderate-size specification, good taste, high absorption rate and basic-drug catalogue access. In addition, after it was published in the new version of the National Medical Insurance Catalogue (NMC), the medical insurance reimbursement restriction on Iron-dextrin Oral Solution has been successfully removed, which will provide additional impetus for the market development after the conversion of large-size specification, opening up a promising future.
- 2) 醫用成像對比劑的銷售收入於2023年約為人民幣1.6億元，較上年同比略為減少4.6%。於2023年12月，碘帕醇注射液一致性評價獲批通過，鈎噴酸葡胺注射液一致性評價也正等候審批結果，多個在研影像產品進展順利，有望為集團影像產品線發展帶來新動力。
- 3) 婦兒藥物的銷售收入於2023年約為人民幣2.9億元，較上年同比增長約22.7%。源力康®右旋糖酐鐵口服液作為婦兒藥物主力產品擁有規格適中、口感好、吸收率高及基藥目錄准入優勢，加上於新版國家醫保目錄發佈後，右旋糖酐鐵口服液已成功解除醫保報銷限制，繼大規格轉換之後為市場開拓再添動力，未來可期。

2. The Yulin Pharmaceutical Segment recorded sales revenue of approximately RMB0.4 billion for the year 2023, representing a year-on-year increase of approximately 10.2% as compared with last year, and profit of approximately RMB40 million. We have achieved a profit for three consecutive years upon the recovery. The OTC marketing team adhered to the general policy of “speaking for the brand, pipeline empowerment and terminal sales” and enhanced its brand awareness by linking internal and external resources such as sponsoring the first National Student (Youth) Games, attending the industry summits and organising exchanges with distributors and chain customers. Zheng Gu Shui (正骨水) and Shiduqing Capsule (濕毒清膠囊) were selected as the “2022-2023 China’s Listed Brands of Household Generic Drugs”. Meanwhile, Yulin Pharmaceutical has also stepped up the promotion of products in hospitals. In terms of foreign trade, Yulin Pharmaceutical Group has become one of the first batch of pilot enterprises for the promotion and implementation under the Regional Comprehensive Economic Partnership (RCEP) in Guangxi, and has actively explored the markets of, among others, Japan, South Korea, Australia and New Zealand. 15 products including Zheng Gu Shui have been granted the “Export Product Brand Certificate” for three consecutive years, which fully demonstrates the overseas influence of the Group’s products.

2. 玉林製藥分部於2023年銷售收入約為人民幣4.0億元，較上年同比增長約10.2%，利潤約人民幣0.4億元，已連續三年實現了恢復性盈利。OTC行銷團隊堅持「品牌發聲、管道賦能、終端動銷」總方針，聯動贊助第一屆全國學生（青年）運動會、出席行業峰會和組織經銷商、連鎖客戶交流會等行業內外部資源，提升品牌知名度；正骨水、濕毒清膠囊還雙雙入選了「2022-2023中國家庭常備藥上榜品牌」；同時，玉林製藥也加大了產品在醫院內推廣的力度。外貿方面，玉林製藥集團成為廣西首批《區域全面經濟夥伴關係協定》（Regional Comprehensive Economic Partnership (RCEP)）推廣實施試點企業，積極開拓日、韓、澳、新等市場；正骨水等15個產品連續三年獲得《出口商品品牌證明書》，充分彰顯了集團產品的海外影響力。

II. Results and Progress of R&D and Innovation

The Group's research and development work adheres to the policy of equal importance on independent R&D and external cooperative R&D. We have made new progress in independent R&D, explored new opportunities in cooperative R&D and made significant progress in various R&D projects:

1. Independent R&D

1) Phase II clinical statistics was completed for Astragalus Powder Tiny Pill; 2) pharmacological research on perfluoropropane lipid microsphere injection was completed; 3) the consistency evaluation of lopamidol injection was passed; 4) Lanthanum Carbonate, Iodixanol and Gadoteric Acid Glucosamine were in progress according to the schedule.

2. Deepening cooperation in joint external R&D

1) SK-07, a class I innovative drug in nephrology jointly developed with WuXi AppTec, obtained the notification of approval for drug clinical trial, and entered the phase I clinical stage several months ahead of the common cases; 2) Roxadustat capsule was successfully submitted for registration and filing; progress was made as scheduled for iopromide injection, Gd-EOB-DTPA (釷塞酸二鈉) injection and empagliflozin; 3) joining hands with Xinji Pharmaceutical to build a joint laboratory for innovative preparations; 4) The scientific research team of Dongzhimen Hospital of Beijing University of Chinese Medicine presented the latest research results of Canton Love-pes Vine Herb Capsules (雞骨草膠囊) for the treatment of alcoholic liver disease at the 58th International Congress of Liver Diseases of the European Association for the Study of the Liver, which showcased the brand of Chinese medicine and promoted the culture of Chinese medicine to the world.

二、研發創新成果及進展

本集團研發工作秉持自主研發及外部合作研發並重方針，自主研發取得新進展，合作研發打開新局面，多個研發項目取得顯著進展：

1. 自主研發方面

1) 黃芪散微丸完成II期臨床統計；2) 全氟丙烷脂質微球注射液完成藥學研究；3) 碘帕醇注射液一致性評價獲批通過；及4) 碳酸釷、碘克沙醇、釷特酸葡胺按進度推進中。

2. 外聯方面合作不斷深化

1) 與藥明康德聯合研發的SK-07腎科一類創新藥獲得了藥物臨床試驗批准通知書，較正常速度提前數月進入一期臨床階段；2) 羅沙司他膠囊成功提交註冊申報；碘普羅胺注射液、釷塞酸二鈉注射液、恩格列淨達成預期進度；3) 攜手新濟藥業，打造創新製劑聯合實驗室；及4) 北京中醫藥大學東直門醫院科研團隊攜雞骨草膠囊治療酒精性肝病最新研究成果亮相第58屆歐洲肝臟研究學會國際肝臟病大會，擦亮中醫藥品牌，推動中醫藥文化走向世界。

III. Production and supply capacity continued to increase with improving comprehensive benefits of the four major bases

In 2023, the Group's production center completed the coordinated planning for the production of Uremic Clearance Granules in the first year of centralized procurement in a more effective manner, which ensured the smooth implementation of "price for quantity". The four major production bases successfully achieved quality improvement and efficiency enhancement in management, with significant improvement in benefits: among them, Guangzhou base carried out the relevant filing and technology transfer for a number of varieties; Inner Mongolia base completed the upgrading and renovation of the production line of the solid preparation workshop, and the automatic packaging team of the solid preparation workshop won the title of "Pioneer of Workers throughout China"; Yulin Base actively carried out improvement projects such as expanding batch size of granules to further tap the potential of technological renovation, and a number of cost-curbing and efficiency-enhancement initiatives to create considerable economic benefits; and Wang Yanhong of Renhou extraction workshop of Yulin Base was honored with the title of "Guangxi May 1st Labour Medal"; The construction of the phase II of the production line project of Horgos Base in Xinjiang commenced on schedule, which will significantly increase the production capacity of Uremic Clearance Granules upon its successful commencement of production. In December 2023, Horgos Base was honored with the title of the "Excellent Private Enterprise" by Horgos Municipal Government.

三、 生產保供能力繼續提升，四大基地綜合效益持續改善

於2023年，本集團生產中心較好完成了集採首年尿毒清生產的統籌規劃，保障了「以價換量」的順利落地。四大生產基地成功實現了管理提質增效，效益改善明顯：其中，廣州基地進行了多個品種的相關申報和技術轉移工作；內蒙基地完成固體製劑車間生產線升級改造，固體車間自動包裝班組喜獲「全國工人先鋒號」稱號；玉林基地積極開展顆粒劑擴大批量等改善型專案深挖技改潛力，多項降本增效舉措創造可觀經濟效益，玉林基地仁厚提取車間王豔紅榮獲「廣西五一勞動獎章」稱號；新疆霍爾果斯基地二期生產線工程項目建設如期開工，順利投產後將大幅提升尿毒清顆粒的產能。於2023年12月，霍爾果斯基地獲霍爾果斯市政府頒發的「優秀民營企業」殊榮。

Chairman's Statement 主席報告

IV. Continuous enhancement of brand influence

Under the guidance of the Group's strategies, Consun Pharmaceutical and Yulin have won a number of accolades, and their brand influence continued to increase, including but not limited to:

1. Consun Pharmaceutical was honored to be listed among the "China's 500 Most Valuable Brands" with a brand value of RMB11.236 billion. At the same time, it was ranked 22nd in the "Top 100 Chinese Medicine Enterprises in China", ranked among the 200 "Top-performing publicly listed Small and Midsized Companies by Forbes Asia"; and was honored with the "Annual Investment Value Award" by Gelonghui.
2. Consun Pharmaceutical Group and Consun Yulin Pharmaceutical were both awarded the "Excellent Brand Enterprise of Chinese National Medicine in 2022-2023" and other honours.
3. Yulin Pharmaceutical passed the review of "China's Time-honored Brand" and was accredited with the "National Intellectual Property Model Enterprise".
4. Uremic Clearance Granules was awarded "CPEO Gold Award" and was honored to be selected in the "Chinese Pharmaceutical Brand List" for 7 times!
5. "Zheng Gu Shui preparation method" was selected in the catalogue of the representative projects of the ninth batch of intangible cultural heritage among the class of autonomous regions, Zheng Gu Shui was awarded as "The Most Popular Star Product in Pharmacies", and Shiduqing Capsule was selected in the "Listed Brands of Household Generic Medicine in China".

四、品牌影響力持續提升

在本集團戰略引領下，康臣和玉林載譽滿滿，品牌影響力持續提升，包括但不限於：

1. 康臣藥業榮登「中國500最具價值品牌」榜單，品牌價值達人民幣112.36億元。同時位列「中國中藥企業TOP100排行榜」第22位；躋身「福布斯亞洲中小上市企業」200強；獲評格隆匯「年度投資價值獎」。
2. 康臣藥業集團、康臣玉林製藥雙雙獲評「2022-2023年度中華民族醫藥優秀品牌企業」等殊榮。
3. 玉林製藥通過「中華老字號」覆核、獲評「國家智慧財產權示範企業」。
4. 尿毒清顆粒獲評「西普金獎」，7次榮登「中國醫藥•品牌榜」！
5. 「正骨水製劑方法」入選第九批自治區級非物質文化遺產代表性項目名錄，正骨水榮獲「最受藥店歡迎的明星單品」，與濕毒清膠囊入選「中國家庭常備藥上榜品牌」。

V. Return to shareholders with dividend

In order to recognize the full support of all shareholders, the Board of the Company proposed to pay a final dividend of HKD0.3 per share for the year ended 31 December 2023, which together with the interim dividend of HKD0.15 per share already paid, will result in a total dividend of HKD0.45, representing approximately 42% of profit for the year.

VI. Outlook

With the onset of the year 2024, Consun Pharmaceutical Group embraces a new year of development opportunities and challenges. We have devised the development philosophy of “Pursuing Integrity for Innovation, Building Team Spirit for Sustainability” and the Group’s annual operation policy of “Stabilizing Growth, Strengthening Compliance and Training Internally” in order to maintain the sustained and healthy business growth, while ensuring compliance with the industry norms and regulations, and enhancing management and core competitiveness of the Company, so as to create growth momentum and strength for Consun Pharmaceutical in the next 25 years.

Pursuing Integrity for Innovation means not losing the original vision but actively innovating. By pursuing integrity, we secure the momentum to innovate, which in turn, introduces vigour to further pursue integrity. Why do enterprises need to innovate? This is no longer a question, but an answer: the only way to survive and live longer is to innovate. In addition to ground-breaking innovations, the innovations that we are seeking are more improvements, iterations and upgrades on the existing foundation. In addition to product innovations, there are also management innovations, marketing model innovations, incentive model innovations and digital transformation, as well as the day-to-day and long-lasting efforts of each employee after correctly analysing the situation and forming a strategic determination. We believe that through continuous technological innovation and management innovation, focused and detailed operation and meticulous business capabilities, Consun Pharmaceutical will be able to better respond to market demands.

五、股東回報－派息

為回報各位股東的鼎力支持，本公司董事局建議派發截至2023年12月31日止末期股息每股0.3港元，加上中期已經派發的每股0.15港元，本年度合計派發每股0.45港元，約佔本年度盈利42%。

六、未來展望

隨著2024年的到來，康臣藥業集團面臨著新的一年發展機遇與挑戰，我們定下了「守正創新，眾行致遠」發展思路，也制定了「穩增長，強合規，練內功」的集團年度經營方針，保持業務的持續健康成長，同時確保公司遵循行業規範和法規要求，提升管理水準和核心競爭力，為康臣的第二個25年謀勢發力。

守正創新，就是不忘初心，積極創新，以守正為創新提供能量，以創新為守正注入活力，企業為何要創新？這已經不是問題，而是答案，唯有創新才能活下去，活得更久。而我們要做的創新，除了突破性的創新，更多的是在現有基礎上的改良、反覆運算和升維；除了產品創新，還有管理創新、行銷模式創新、激勵模式創新以及數位化轉型，更有在正確分析形勢、形成戰略定力後的日拱一卒、久久為功。我們相信，通過不斷的技術革新和管理創新，通過深耕細作，精進業務能力，康臣藥業將能更好地回應市場需求。

Chairman's Statement 主席報告

As the saying goes, “More firewood are picked up by everyone, stronger is the campfire”, “A building is not supported by a single log of wood, a grand enterprise is built with the wisdom of many”, and “If you want to go fast, go alone, if you want to go far, go together”. It tells the truth of “Building Team Spirit for Sustainability”. Employees are the most valuable assets of Consun Pharmaceutical. We will give full play to the wisdom and creativity of all of them to realize, with joint efforts, the grand blueprint of “building the flagship of nephrology and becoming a first-class pharmaceutical enterprise with multi-specialty leadership”.

Guided by the principle of “Strengthening Compliance”, we will further improve our compliance system and ensure that the operations of the Company are transparent and standardised so as to win the trust of our investors and working partners. At the same time, we will also focus on “Training Internally”, including upgrading the professional skills of our team, optimizing internal processes and strengthening risk control, thereby ensuring a more solid foundation for the sustainable development of the Company.

Looking into 2024, the economic restructuring will continue, the development of the pharmaceutical industry will undergo a series of changes, and the coverage of industrial centralized procurement for Chinese medicines will be further expanded. Nonetheless, the logic of China's long-term positive development will remain unchanged. The upward development trend of the pharmaceutical industry will stay unchanged accordingly. We will continue to monitor the market developments, flexibly adjust the business strategies and broaden the scope of business, striving to achieve even better results in the coming year!

An Meng
Chairman

Hong Kong, 28 March 2024

眾行致遠，就是「眾人拾柴火焰高」、就是「大廈非一木所支，宏業以眾智而成」，「一個人可以走得很快，而一群人才走得更快」。康臣人是康臣藥業最寶貴的財富，我們將充分發揮全體康臣人的智慧和創造力，共同實現「打造腎科旗艦，成為多專科領先的一流醫藥企業」的宏偉藍圖。

在「強合規」的原則指導下，我們將進一步完善合規體系，確保企業運營透明化、規範化，從而贏得投資者和合作夥伴的更大信任。同時，「練內功」也將成為我們工作的重點，包括提升團隊的專業技能，優化內部流程，強化風險控制，確保公司可持續發展的基礎更加堅實。

展望2024年，經濟格局的調整持續進行，醫藥行業的發展還會有一系列變化，中成藥的行業集採面也將進一步擴大，但中國長期向好的發展邏輯不會變，醫藥行業的向上發展趨勢不會變，我們將持續關注市場動態，靈活調整經營策略，拓寬業務範圍，力爭在新的一年裡取得更佳的業績！

安猛
主席

香港，2024年3月28日



Financial Highlights 財務摘要

| | | Year ended 31 December 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 | Change 變化 (%) (%) |
| Results | 業績 | | | |
| Revenue | 收入 | 2,590,115 | 2,339,650 | 10.7% |
| Profit before taxation | 稅前溢利 | 863,703 | 746,393 | 15.7% |
| Profit for the year attributable to equity shareholders of the Company | 本公司權益股東應佔年內溢利 | 784,534 | 682,907 | 14.9% |
| Earnings per share (expressed in RMB Yuan) | 每股盈利 (以人民幣元列示) | | | |
| — Basic | — 基本 | 0.99 | 0.86 | 15.1% |
| — Diluted | — 攤薄 | 0.98 | 0.86 | 14.0% |

| | | As at 31 December 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 | Change 變化 (%) (%) |
| Financial Position | 財務狀況 | | | |
| Total assets | 總資產 | 5,507,994 | 4,892,380 | 12.6% |
| Total equity attributable to equity shareholders of the Company | 本公司權益股東應佔權益總額 | 3,626,503 | 3,145,139 | 15.3% |
| Net assets per share (expressed in RMB Yuan per share) (Note) | 每股淨資產 (以每股人民幣元列示) (附註) | 4.47 | 3.90 | 14.6% |
| Net debt (interest bearing liabilities less cash and cash equivalents) to equity ratio | 淨債項(計息負債減現金及現金等值物)權益比率 | Net cash 淨現金 | Net cash 淨現金 | N/A 不適用 |

Note: Net assets per share is calculated based on the total equity attributable to equity shareholders of the Company divided by the number of ordinary shares.

附註：每股淨資產以本公司權益股東應佔權益總額除以普通股數目計算。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

For the year of 2023, the Group's revenue was RMB2,590,115,000, representing an increase of approximately 10.7% as compared with RMB2,339,650,000 for 2022. Categorized by product lines, sales of kidney medicines recorded an increase of approximately 11.0% as compared with last year, among which, Uremic Clearance Granules ("UCG") remained the Group's key product and maintained its leading position in the market; the gynaecology and paediatrics medicines delivered solid sales performance with a growth of approximately 22.7% and has become the second largest segment of the Group in terms of revenue contribution; sales of medical contrast medium recorded a decrease of approximately 4.6% as compared with last year; sales of orthopaedics medicines recorded a decrease of approximately 12.5%; sales of dermatologic medicines recorded an increase of approximately 11.6%; sales of hepatobiliary medicines recorded an increase of approximately 71.1%. The increase in overall sales revenue was mainly due to the Group's constant commitment to expanding product markets and developing sales network across China.

Gross Profit and Gross Profit Margin

For the year of 2023, the Group's gross profit was RMB1,921,678,000, representing an increase of approximately 9.0% as compared with RMB1,762,912,000 for 2022. The increase in gross profit was mainly attributable to the increase in sales. For the year of 2023, the Group's average gross profit margin was approximately 74.2%, representing a decrease of 1.1 percentage points as compared with 75.3% for last year, which was mainly attributable to the higher average procurement prices of raw materials and the lower quantity procurement price of UCG.

Other Income

For the year of 2023, the Group's other income was RMB118,498,000 which mainly included government grants, interest income and exchange loss. Compared with RMB56,385,000 for 2022, the increase was mainly due to the increase in government support fund and interest income.

財務回顧

收入

本集團於2023年的收入為人民幣2,590,115,000元，與2022年的人民幣2,339,650,000元相比，增長約10.7%。按產品系列分類，腎科系列產品銷售較去年錄得增長約11.0%，其中尿毒清顆粒（「尿毒清」）仍然是本集團的皇牌產品，維持市場領先地位；婦兒系列產品表現亮眼，銷售增長約22.7%，成為集團收入貢獻第二大板塊；醫用成像對比劑銷售較去年下降約4.6%；骨傷系列產品銷售下降約12.5%；皮膚系列產品銷售增長約11.6%；肝膽系列產品銷售增長約71.1%。整體銷售收入的增長主要是由於本集團持續致力開拓產品市場以及發展全國各地的銷售網絡所致。

毛利與毛利率

於2023年，本集團的毛利為人民幣1,921,678,000元，與2022年的人民幣1,762,912,000元相比，增長約9.0%。毛利增加主要是由於銷售增加所致。於2023年，本集團的平均毛利率約為74.2%，與去年的75.3%相比，減少1.1個百分點，主要是由於原材料平均採購價格上升及尿毒清帶量採購降價所致。

其他收入

於2023年，本集團的其他收入為人民幣118,498,000元，主要包括政府補助、利息收入及匯兌虧損。與2022年的人民幣56,385,000元相比，增加主要是由於政府扶持資金、利息收入增加所致。



Distribution Costs

For the year of 2023, the Group's distribution costs were RMB852,206,000, representing an increase of approximately 10.4% as compared with RMB771,960,000 for 2022. The rise in distribution costs was in line with the increase in sales.

Administrative Expenses

For the year of 2023, the Group's administrative expenses remained relatively stable at RMB315,599,000 as compared with RMB322,504,000 for 2022.

Reversals of Impairment Loss on Trade and Other Receivables

For the year of 2023, the Group's reversals of impairment loss on trade and other receivables were RMB12,596,000 as compared to RMB32,493,000 for 2022, the change was mainly due to enhanced management on trade debtors and the decrease in the gross carrying amount of trade receivables past due.

Finance Costs

For the year of 2023, finance costs were RMB21,264,000, representing an increase of approximately 94.5% as compared with RMB10,933,000 for 2022, which was mainly due to the increase in interest rate of bank borrowings.

Income Tax

For the year of 2023, the Group's income tax expenses were RMB77,149,000, representing an increase of approximately 23.1% as compared with RMB62,696,000 for 2022. The effective tax rate (income tax expenses divided by profit before taxation) increased by approximately 0.5% from 8.4% for 2022 to 8.9% for 2023.

分銷成本

於2023年，本集團的分銷成本為人民幣852,206,000元，與2022年的人民幣771,960,000元相比，增長約10.4%。分銷成本上升與銷售增長同步。

行政開支

於2023年，本集團的行政開支為人民幣315,599,000元，與2022年的人民幣322,504,000元相比，維持相對穩定。

撥回貿易及其他應收款項的減值虧損

於2023年，本集團的貿易及其他應收款項的減值虧損回撥為人民幣12,596,000元，而2022年減值虧損回撥為人民幣32,493,000元，變動主要是因加強貿易應收賬款管理，逾期的貿易應收款項總帳面值減少所致。

融資成本

於2023年，融資成本為人民幣21,264,000元，與2022年的人民幣10,933,000元相比，增加約94.5%，主要是因為銀行借款利率上升所致。

所得稅

於2023年，本集團的所得稅費用為人民幣77,149,000元，與2022年的人民幣62,696,000元相比，增加約23.1%。實質稅率（所得稅費用除以稅前溢利）從2022年的8.4%上升約0.5%，至2023年的8.9%。

Management Discussion and Analysis

管理層討論及分析

Annual Profit Attributable to Equity Shareholders of the Company and Earnings Per Share

For the year of 2023, the Group's annual profit attributable to equity shareholders of the Company was RMB784,534,000, representing an increase of approximately 14.9% as compared with RMB682,907,000 for 2022. The basic earnings per share increased by approximately 15.1% from RMB0.86 for 2022 to RMB0.99 for 2023. The diluted earnings per share increased by approximately 14.0% from RMB0.86 for 2022 to RMB0.98 for 2023.

LIQUIDITY AND FINANCIAL RESOURCES

Trade Debtors and Bills Receivable

As at 31 December 2023, the balance of trade debtors and bills receivable was RMB255,838,000, representing a decrease of approximately 1.4% as compared with the balance of RMB259,562,000 as at 31 December 2022. Trade receivables turnover days for 2023 were 36.3 days, decreased by 11.3 days from 47.6 days for 2022, which was mainly due to enhanced management in trade debtors.

Inventories

As at 31 December 2023, the balance of inventories was RMB367,087,000, representing an increase of approximately 33.0% as compared with the balance of RMB276,080,000 as at 31 December 2022. Inventory turnover days for 2023 were 175.6 days, increased by 11.3 days from 164.3 days for 2022, which was mainly due to the increase in inventory reserve in storage in response to the expected increase in the market demand during the year.

Trade Payables

As at 31 December 2023, the balance of trade payables was RMB83,098,000, representing an increase of approximately 38.7% as compared with the balance of RMB59,891,000 as at 31 December 2022. Trade payables turnover days for 2023 were 39.0 days, which remained relatively stable as compared with 40.0 days for 2022.

本公司權益股東應佔年度溢利與每股盈利

於2023年，本集團的本公司權益股東應佔年度溢利為人民幣784,534,000元，相比於2022年的人民幣682,907,000元增加約14.9%。於2023年的每股基本盈利為人民幣0.99元，比2022年的人民幣0.86元增加約15.1%。於2023年的每股攤薄盈利為人民幣0.98元，比2022年的人民幣0.86元增加約14.0%。

流動資金及財務資源

貿易應收賬款及應收票據

於2023年12月31日，貿易應收賬款及應收票據餘額為人民幣255,838,000元，相比於2022年12月31日的餘額人民幣259,562,000元減少約1.4%。於2023年的貿易應收款項周轉天數為36.3天，與2022年的47.6天相比，減少11.3天，主要是由於加強貿易應收賬款管理所致。

存貨

於2023年12月31日，存貨餘額為人民幣367,087,000元，相比於2022年12月31日的餘額人民幣276,080,000元增加約33.0%。於2023年的存貨周轉天數為175.6天，相比2022年的164.3天增加11.3天，主要是由於年內為應付預期市場需求上升而增加庫存儲備所致。

貿易應付款項

於2023年12月31日，貿易應付款項餘額為人民幣83,098,000元，相比於2022年12月31日的餘額人民幣59,891,000元增加約38.7%。於2023年的貿易應付款項周轉天數為39.0天，與2022年的40.0天相比，維持相對穩定。



Cash Flows

For the year of 2023, the Group's net cash generated from operating activities was RMB818,973,000, representing a decrease of approximately 13.6% as compared with RMB947,679,000 for 2022, which was mainly attributable to the increase in wages and salaries expenses, payment for operational procurement and tax expenses. For the year of 2023, the Group's net cash used in investing activities was RMB231,772,000, representing a decrease of approximately 37.2% as compared with the net cash used in investing activities of RMB368,804,000 for 2022, which was mainly due to the drawn-down of deposits with banks with original maturity date over three months and the increase in interest income during the year. For the year of 2023, the Group's net cash used in financing activities was RMB280,100,000, representing a decrease of approximately 18.1% as compared with the net cash used in financing activities of RMB342,205,000 for 2022. The change was mainly due to the increase in net addition of bank loans during the year.

Cash and Bank Balances and Borrowings

As at 31 December 2023, the Group's cash and bank balances, which were mainly denominated in RMB and HKD, were RMB2,748,262,000, representing an increase of approximately 12.2% as compared with RMB2,450,173,000 as at 31 December 2022. At 31 December 2023, the Group's banking facilities amounted to RMB1,450,526,000 (2022: RMB1,459,975,000) were utilised to the extent of RMB503,418,000 (2022: RMB450,521,000). As at 31 December 2023, the Group's total loans and borrowings were RMB503,418,000, which were mainly denominated in RMB and HKD, repayable within 1 year or on demand and RMB150,000,000 of which were fixed rate borrowings with interest rate ranging from 3.15% to 3.40%, representing an increase of approximately 11.7% as compared with RMB450,521,000 as at 31 December 2022 (mainly denominated in RMB and HKD, repayable within 1 year or on demand and RMB120,000,000 of which were fixed rate borrowings with interest rate ranging from 0.65% to 3.65%). There were no material seasonality of a borrowing requirements for the Group.

現金流

於2023年，本集團的經營活動所得現金淨額為人民幣818,973,000元，相比2022年的人人民幣947,679,000元減少約13.6%，主要是由於工資薪金支出、經營性採購款項及稅金支出增加所致。於2023年，本集團的投資活動所用現金淨額為人民幣231,772,000元，相比2022年的投資活動所用現金淨額人民幣368,804,000元減少約37.2%，主要是由於年內提取原到期日超過三個月的銀行存款、利息收入增加所致。於2023年，本集團的融資活動所用現金淨額為人民幣280,100,000元，相比2022年融資活動的所用現金淨額人民幣342,205,000元減少約18.1%，變化主要是由於年內新增銀行貸款淨額增加所致。

現金及銀行結餘及借款

於2023年12月31日，本集團的現金及銀行結餘（主要為人民幣及港元）為人民幣2,748,262,000元，相比2022年12月31日的人人民幣2,450,173,000元增加約12.2%。於2023年12月31日，本集團的銀行融資為人民幣1,450,526,000元（2022年：人民幣1,459,975,000元），當中已動用人民幣503,418,000元（2022年：人民幣450,521,000元）。於2023年12月31日，本集團的貸款及借款總額（主要為人民幣及港元）為人民幣503,418,000元（為一年內到期或按要求還款，其中人民幣150,000,000元為按介乎3.15%至3.40%利率計算利息的定息借款），相比2022年12月31日的（主要為人民幣及港元）人民幣450,521,000元（為一年內到期或按要求還款，其中人民幣120,000,000元為按介乎0.65%至3.65%利率計算利息的定息借款）增加約11.7%。本集團並無重大的季節性借款需求。

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TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year of 2023. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

GEARING RATIO

The gearing ratio of the Group, representing the total interest bearing borrowings divided by total equity attributable to equity shareholders of the Company as at 31 December 2023 was 13.9% (31 December 2022: 14.3%). The decrease in gearing ratio was mainly due to the increase in total equity attributable to equity shareholders as a result of the increase in operating profit during the year.

EXCHANGE RATE RISKS

The Group's transactions are mainly denominated in RMB and HKD. The majority of assets and liabilities are also denominated in RMB and HKD, and there are no significant assets and liabilities denominated in other currencies. The Group faces exchange rate risk due to fluctuation of exchange rates. During the year, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL STRUCTURE

In 2023, the Company issued 4,044,154 ordinary shares pursuant to employees' exercise of share options granted under the Share Option Scheme (adopted on 2 December 2013) (2022: 866,608 ordinary shares).

Save as disclosed above, there were no significant changes in the Company's capital structure. The Company's capital comprises ordinary shares and other reserves.

庫務政策

本集團在執行庫務政策上採取審慎的財務管理策略，因此於2023年內維持健全的流動資金狀況。本集團不斷審核及評估客戶的信貸狀況及財務狀況，務求降低信貸風險。為管理流動資金風險，董事局密切監察本集團的流動資金狀況，以確保本集團的資產、負債及其他承擔的流動結構符合不時的資金需要。

資本負債比率

本集團於2023年12月31日的資本負債比率（總計息借款除以本公司權益股東應佔權益總額）為13.9%（2022年12月31日：14.3%）。資本負債比率下降主要是由於年內經營利潤增加導致權益股東應佔權益總額增加所致。

匯率風險

本集團的交易主要以人民幣及港元計值。大多數資產及負債亦以人民幣及港元計值，概無以其他貨幣計值的重大資產及負債。本集團因匯率波動而面對匯率風險。年內，本集團並無利用任何金融工具對沖外幣風險。

資本結構

於2023年，本公司因應員工行使購股權計劃（於2013年12月2日採納）而授予的購股權而發行了4,044,154股普通股（2022年：866,608股普通股）。

除上文披露外，本公司於2023年的資本結構並無重大變動。本公司的資本包括普通股及其他儲備。



CAPITAL COMMITMENTS

As at 31 December 2023, the Group had capital commitments of approximately RMB532,903,000 (31 December 2022: RMB450,758,000).

INFORMATION ON EMPLOYEES

As at 31 December 2023, the Group hired a total of 3,127 employees (31 December 2022: 3,009 employees). The total staff costs (including the directors' remuneration) for the year ended 31 December 2023 was RMB483,508,000 (2022: RMB445,669,000). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices.

On top of basic salaries, bonus is payable by reference to the Group's performance as well as individual's performance. Other staff benefits include contributions to Mandatory Provident Fund in Hong Kong and various retirement benefits schemes and other relevant insurance, including pension funds, medical insurance and unemployment insurance for employees who are employed by our Group pursuant to the PRC rules and regulations and the prevailing regulatory requirements of the PRC. Save as disclosed above, the Group has not set up or participated in any other pension scheme(s). The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a share option scheme adopted by the Group on 2 December 2013 (the "Share Option Scheme") and a share award scheme adopted on 21 July 2014 (the "Share Award Scheme"), where options to subscribe for shares and share awards may be granted to the Directors and employees of the Group.

The Group made considerable efforts in continuing education and training programs for its staff, to continuously enhance their knowledge, skills and team spirit. The Group regularly provided internal and external training courses for relevant staff according to their needs.

資本承擔

於2023年12月31日，本集團的資本承擔約為人民幣532,903,000元（2022年12月31日：人民幣450,758,000元）。

僱員資料

於2023年12月31日，本集團合共僱用3,127名僱員（2022年12月31日：3,009名僱員）。截至2023年12月31日止年度的總員工成本（包括董事酬金）為人民幣483,508,000元（2022年：人民幣445,669,000元）。僱員薪金乃參考個人表現、工作經驗、資歷及當前行業慣例而釐定。

除基本薪金外，亦可視乎本集團的業績及個人表現獲發花紅。其他員工福利包括香港的強制性公積金計劃供款及根據中國規則及規例以及中國現行監管規定為獲本集團聘用的僱員而向各項退休福利計劃及其他相關保險的供款，包括退休金、醫療保險及失業保險。除上文披露者外，本集團並無設立或參與其他退休金計劃。本集團僱員的薪金及福利均處於具競爭力的水準，僱員的待遇均在本集團就薪酬及花紅制度設定的整體框架內按表現釐定，而該框架則每年進行檢討。本集團亦設有一項由本集團於2013年12月2日採納的購股權計劃（「購股權計劃」），及一項於2014年7月21日採納的股份獎勵計劃（「股份獎勵計劃」），據此，本集團董事及僱員可獲授予購股權以認購股份及股份獎勵。

本集團對員工的持續教育和培訓計劃有相當的投入，以不斷提升員工的知識、技能和協作精神。本集團經常根據彼等需要為相關員工提供內部及外部的培訓課程。

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SIGNIFICANT INVESTMENTS HELD

Except for investments in its subsidiaries, during the year ended 31 December 2023, the Group did not hold any significant investment in equity interest in any other company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed above and elsewhere in this announcement, as at the date of this announcement, the Group did not have other future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2023.

PLEDGE OF ASSETS

As at 31 December 2023, four of the Group's patents with a carrying amount of approximately RMB1,897,000 were pledged as collateral for the Group's borrowings (31 December 2022: Nil).

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any material contingent liabilities (31 December 2022: Nil).

所持重大投資

除於其附屬公司的投資外，於截至2023年12月31日止年度，本集團並無於任何其他公司的股權中持有任何重大投資。

有關重大投資及資本資產的未來計劃

除於上文及本公告其他部份所披露者外，截至本公告日期，本集團並無其他有關重大投資及資本資產的未來計劃。

有關附屬公司、聯營公司及合資企業的重大收購及出售

於截至2023年12月31日止年度，本集團並無任何有關附屬公司、聯營公司及合資企業的重大收購及出售。

資產抵押

於2023年12月31日，本集團帳面值約為人民幣1,897,000元之四項專利權已抵押作本集團借款之抵押品(2022年12月31日：無)。

或然負債

於2023年12月31日，本集團並無任何重大或然負債(2022年12月31日：無)。

PRINCIPAL RISKS AND UNCERTAINTIES

Management continues to manage the Group's key risk exposures, including operational risks (e.g. ensuring high quality of medicine products, safety in the production process and efficiency in the distribution processes), financial risks (e.g. through budget control and cash flow management) and compliance risks (ensuring the relevant rules and regulations are complied with) on a daily basis. Management also pays close attention to the recent developments of national policies in respect of the pharmaceutical industry, which is a key uncertainty facing the Group, and formulates and adjusts the relevant policies of the Group accordingly on a timely basis.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving environmental sustainability and incorporating it in the Group's daily operations. Other than complying with all relevant environmental rules and regulations, management always encourage water, energy and materials saving and recycling practice which are considered in the performance appraisal process.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year ended 31 December 2023, there was no incidence of significant non-compliance of laws and regulations that is relevant to the Group's operations.

主要風險及不明朗因素

管理層在日常的工作中一直管理本集團的主要風險，包括經營風險（例如確保高質量的藥物產品、安全的生產過程以及有效率的分銷過程），財務風險（例如透過預算控制及現金流管理）以及合規風險（確保符合相關規則及法規）。管理層亦一直密切留意醫藥行業國家政策的近期發展（為本集團面對的主要不明朗因素），並及時制定及調整本集團的相關政策。

環境政策及表現

本集團致力實現環境的可持續發展並將其納入本集團的日常運作。除了遵守所有相關環境規則及法規外，管理層一直鼓勵節省及循環再用水、能源與材料的行為，並在表現考核的過程中加以考慮。

遵守相關法律法規

於截至2023年12月31日止年度，並無發生與本集團運作有關的法律法規的重大違規情況。

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KEY INDUSTRY POLICIES AND IMPLICATIONS

In 2023, a number of policies for the pharmaceutical sector were introduced with focuses on deepening healthcare reform, improving the medical insurance system, optimizing the healthcare system, strengthening disease prevention and treatment, promoting the development of traditional Chinese medicine, guaranteeing the safety of medicines and industry regulation, etc., thus promoting the synergistic development and governance of medical insurance, health service and medicine as well as facilitating the high-quality development of the pharmaceutical industry. The medical insurance catalogue is dynamically adjusted on a yearly basis. Centralized quantity procurement has become normalized and institutionalized, and the Chinese medicine industry has continued to develop under a favourable policy environment.

1. The Heritage and Innovative Development of Traditional Chinese Medicine Supported by the State with a Promising Future

In recent years, the Chinese government has actively supported and promoted the development of traditional Chinese medicine industry, placed its development in a prominent position, and has made numerous decisions and deployments to introduce supportive policies for the development of traditional Chinese medicine industry. The 14th Five-Year Plan for the Planning of Development of Chinese Medicine (《“十四五”中醫藥發展規劃》) issued by the General Office of the State Council has formulated holistic, strategic and protective planning for the development of Chinese medicine. It also serves as the programmatic guidance document regarding the implementation of the policy making and deployment of the Central Committee of the Chinese Communist Party and the State Council in relation to the tasks on Chinese medicine and promotion of the revitalization and development of Chinese medicine within the period of the 14th Five-Year Plan. The heritage and innovative development of Chinese medicine has entered a new stage during the period of the 14th Five-Year Plan. Looking into the future, with the increasing policy support, the Chinese medicine industry of China will continue its development of, among others, specification, standardization and globalization.

主要行業政策及影響

於2023年，醫藥領域圍繞深化醫改、健全醫保制度、完善醫療體系、加強疾病防治、促進中醫藥發展、保障藥品安全、行業監管等出台多項政策，促進醫保、醫療、醫藥協同發展和治理，推動醫藥產業高品質發展。醫保目錄動態調整，原則上一年一調；集中帶量採購已進入常態化、制度化；中醫藥行業持續迎來政策利好。

1. 國家支持中醫藥傳承創新發展，中醫藥未來可期

近年來，國家大力扶持和促進中醫藥事業發展，把中醫藥發展擺在突出位置，多次決策部署，出台中藥產業支持政策，推動中藥產業發展。國務院辦公廳印發的《「十四五」中醫藥發展規劃》對中醫藥發展作出全域性、戰略性、保障性謀劃，也是「十四五」時期貫徹落實黨中央、國務院關於中醫藥工作的決策部署，推動中醫藥振興發展的綱領性文件。「十四五」期間，中醫藥傳承創新發展進入新階段。未來隨著越來越多政策的加持，我國中醫藥產業將不斷向規範化、標準化、國際化等方向發展。



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In February 2023, the General Office of the State Council has issued the Implementation Plan for Major Projects of the Revitalization and Development of Traditional Chinese Medicine (《中醫藥振興發展重大工程實施方案》) (the “Implementation Plan”) which is based on the projects of the 14th Five-Year Plan for the Planning of Development of Chinese Medicine (《“十四五”中醫藥發展規劃》) to further define the construction goals, tasks, supporting measures and departmental division of labour, and thus ensuring the effective implementation. Meanwhile, the Implementation Plan focused on the health of the citizens, increased the investment and innovation efforts in systems and mechanisms, coordinated to focus on solving outstanding problems in key areas and segments. In January and February 2023, the National Medical Products Administration issued Several Measures to Further Strengthen Scientific Supervision of Chinese Medicine and Promote the Development of Chinese Medicine Heritage and Innovation (《進一步加強中藥科學監管促進中藥傳承創新發展若干措施》) and Special Regulations on the Management of Chinese Medicine Registration (《中藥註冊管理專門規定》) to further strengthen the scientific supervision requirements of Chinese medicine, enhance the research and registration management of new Chinese medicine, create a more stable policy environment to encourage innovation of Chinese medicine, and promote the development of Chinese medicine heritage and innovation. Under the continuous promotion of the policies, the strategic status of Chinese medicine has been continuously enhanced, and the industry has witnessed vigorous growth.

2. Normalised Adjustment of Medical Insurance Catalogue

For several consecutive years, the medical insurance catalogue has been adjusted to list and include, amongst others, new drugs, drugs for rare diseases, national essential drugs, as well as drugs on the list of pediatric drugs encouraged for R&D and registration and the list of encouraged generic drugs, which reflected China’s policy directions of encouraging innovation, staying abreast of the current demand for clinical drugs and prioritizing appropriate resources for patients with rare diseases, children and other special populations. On 13 December 2023, the National Healthcare Security Administration (the “NHSA”) issued the National Drug Catalogue for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (2023) (《國家基本醫療保險、工傷保險和生育保險藥品目錄(2023年)》), which shall be officially implemented from 1 January 2024.

於2023年2月，國務院辦公廳印發了《中醫藥振興發展重大工程實施方案》，該實施方案基於《「十四五」中醫藥發展規劃》的工程項目進一步明確建設目標、任務、配套措施及部門分工，保障有效落地實施。同時，該實施方案堅持以人民健康為中心，加大投入與體制機制創新並明舉重，統籌力量集中解決重點領域、重要環節的突出問題。國家藥品監督管理局於2023年1至2月發佈了《進一步加強中藥科學監管促進中藥傳承創新發展若干措施》及《中藥註冊管理專門規定》，進一步加強中藥科學監管要求，加強中藥新藥研製與註冊管理，為鼓勵中藥創新營造了更加穩定的政策環境，促進中藥傳承創新發展。在政策的持續推動下，中醫藥戰略地位不斷提升，行業迎來蓬勃生機。

2. 醫保目錄常態化調整

醫保目錄調整連續幾年將新藥、罕見病用藥、國家基藥、鼓勵研發申報兒童藥清單及鼓勵仿製藥目錄等藥物納入調入範圍，體現了國家鼓勵創新、緊扣當前臨床用藥需求、向罕見病患者及兒童等特殊人群適當傾斜等政策導向。於2023年12月13日，國家醫保局印發了《國家基本醫療保險、工傷保險和生育保險藥品目錄(2023年)》，將於2024年1月1日起正式執行。

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3. Pricing Administration

In recent years, the NHTA carried out extensive works related to drug pricing. By normalizing and institutionalizing centralized quantity procurement of drugs, carrying out negotiation on the medical insurance catalogue, implementing a national pharmaceutical price monitoring project and credit evaluation system for pharmaceutical prices and tender-based procurement, it supported and facilitated fair, open and lawful market competition to maintain the normal order of pricing.

The NHTA issued the “Notice on Promoting Fair, Honest, Transparent and Balanced Inter-provincial Prices of Drugs with the Same Generic Name and the Same Manufacturer” (《關於促進同通用名同廠牌藥品省際間價格公平誠信、透明均衡的通知》) at the end of December 2023. For the “drugs with four similarities” (四同藥品), i.e. drugs with the same generic names, dosage forms, specifications and manufacturers, the local authorities are required to compare the prices listed on the local network with the monitoring results, to check and identify any significant deviations from the monitoring result, and to urge and guide the enterprises to rectify the unfair and discriminatory high prices, in a bid to bring the prices back to a fairer range.

4. Centralised Quantity Drug Procurement

In 2023, quantity procurement and its supporting policies remained as the focus of centralized quantity drug procurement policies, which covered launching centralized quantity procurement on a regular basis, optimizing and improving the procurement rules continuously, strengthening the security of drug supply and quality supervision, and standardizing the continuation of national quantity procurement.

3. 價格治理

近年來國家醫保局開展了大量與藥品價格相關的工作，通過常態化制度化推進藥品集中帶量採購、醫保目錄談判、實施全國醫藥價格監測工程、醫藥價格和招採信用評價制度等，支持和促進公平、公開、合法的市場競爭，維持正常的價格秩序。

於2023年12月底，國家醫保局印發了《關於促進同通用名同廠牌藥品省際間價格公平誠信、透明均衡的通知》，對「四同藥品」，即通用名、劑型、規格、廠家均相同的藥品，要求各地將本地掛網價格與監測結果作比較，排查發現顯著偏離監測結果的異常值，督促引導企業糾正不公平高價、歧視性高價，促使價格回歸到更加公允的區間。

4. 藥品集中帶量採購

於2023年，藥品集中帶量採購的政策仍然集中在帶量採購和配套政策方面：常態化開展集中帶量採購，持續優化完善採購規則，加強藥品供應保障和品質監管，規範國家帶量採購接續工作。

Directors and Senior Management Profile 董事及高層管理人員履歷

DIRECTORS

The Board is fully responsible for management and operations. The following table sets forth information regarding our Directors as at the date of this report:

董事

董事局全權負責管理及經營業務。下表列載於本報告日期董事的資料：

| Name | 姓名 | Appointment Date 委任日期 | Age 年齡 |
|---|----------------------------|---------------------------------|-----------|
| Executive Director | | | |
| Mr. An Meng (Chairman and Chief Executive Officer) | 執行董事 安猛先生 (主席及首席執行官) | 24 March 2021 2021年3月24日 | 52 |
| Professor Zhu Quan | 朱荃教授 | 24 December 2012 2012年12月24日 | 84 |
| Mr. Xu Hanxing | 徐瀚星先生 | 24 March 2021 2021年3月24日 | 30 |
| Non-executive Director | | | |
| Dr. Zhang Lihua | 非執行董事 張麗華博士 | 9 July 2021 2021年7月9日 | 47 |
| Independent Non-executive Director | | | |
| Mr. Feng Zhongshi | 獨立非執行董事 馮仲實先生 | 2 December 2013 2013年12月2日 | 65 |
| Ms. Chen Yujun | 陳玉君女士 | 31 May 2019 2019年5月31日 | 44 |

CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. An Meng (安猛), aged 52, is our Chairman, Chief Executive Officer and an executive Director. He was appointed as our executive Director with effect from 24 March 2021, as our Chairman with effect from 9 July 2021, and as Chief Executive Officer with effect from 17 January 2024. He is also a director of Brilliant Reach Group Limited, Immense Value Holdings Limited, Century International Develop Limited, Grand Reach Company Limited, Guangzhou Consun Medicine Co., Ltd.* (“**Consun Medicine**”) (廣州康臣醫藥有限公司), Guangzhou Consun Health Technology Co., Ltd.* (“**Consun Health Technology**”) (廣州康臣健康科技有限公司), Guangzhou Consun Pharmaceutical Research Co., Ltd.* (“**Consun Pharmaceutical Research**”) (廣州康臣藥物研究有

主席及執行董事

安猛先生，52歲，是我們的主席、首席執行官及執行董事。彼自2021年3月24日起獲委任為本公司的執行董事、自2021年7月9日起獲委任為本公司的主席及自2024年1月17日起獲委任為首席執行官。彼亦為智達集團有限公司、Immense Value Holdings Limited、世紀國際拓展有限公司、宏致有限公司、廣州康臣醫藥有限公司(「康臣醫藥」)、廣州康臣健康科技有限公司(「康臣健康科技」)、廣州康臣藥物研究有限公司(「康臣藥研」)、康臣藥業(內蒙古)有限責任公司(「內蒙古康臣」)、康臣藥業(霍爾果斯)有限公司(「霍爾果

Directors and Senior Management Profile

董事及高層管理人員履歷

限公司), Consun Pharmaceutical (Inner Mongolia) Co., Ltd.* (“**Inner Mongolia Consun**”) (康臣藥業(內蒙古)有限責任公司), Consun Pharmaceutical (Horgos) Co., Ltd.* (“**Horgos Consun**”) (康臣藥業(霍爾果斯)有限公司) and Guangxi Yulin Pharmaceutical Group Co., Ltd.* (“**Yulin Pharmaceutical**”) (廣西玉林製藥集團有限責任公司), and the legal representative of Consun Pharmaceutical Research, Consun Medicine and Consun Health Technology, as well as the chairman of Guangzhou Consun Pharmaceutical Company Limited (“**Guangzhou Consun**”) (廣州康臣藥業有限公司). Mr. An is primarily responsible for the comprehensive strategic planning and overall operational management of the Group.

Mr. An has obtained an Executive Master of Business Administration (EMBA) degree from the China Europe International Business School and has over 30 years of experience in the property insurance and venture capital industries. From December 1992 to May 2007, Mr. An worked with the PICC Insurance Group* (中國人民保險集團), and served as the deputy director of market development division of PICC Property and Casualty Co., Ltd. Guangzhou Branch* (中國人民財產保險股份有限公司廣州分公司), as the general manager of its Guangzhou Haizhu Branch* (廣州海珠支公司) and as the general manager of its Guangzhou Yuexiu Branch* (廣州越秀支公司). From June 2007 to August 2014, Mr. An worked with China Taiping Insurance Group Ltd* (中國太平保險集團), and served as the general manager of Taiping General Insurance Co., Ltd. Guangdong Province Branch* (太平財產保險有限公司廣東省分公司), and served as the marketing general manager, the assistant general manager, the deputy general manager, the secretary of the disciplinary committee and the head of compliance of Taiping General Insurance Co., Ltd.* (太平財產保險有限公司). In November 2014, Mr. An co-founded Shenzhen Asclepius Technology Company Limited* (“**Asclepius**”) (深圳市亞希彼斯科技有限公司) and acted as its CEO, responsible for the development of an APP for children health management named “Yimiaobao”* (疫苗寶). In October 2015, Asclepius was sold as a whole to a company in the same industry and realised investment gains. Since March 2016, Mr. An has been serving as one of the partners of Huiyue Growth Investment Fund (limited partnership)* (慧悅成長投資基金企業(有限合夥)) since he joined Fibonacci VC* (深圳市千乘資本控股有限公司). Mr. An is the husband of Dr. Zhang Lihua, a non-executive Director.

斯康臣」)及廣西玉林製藥集團有限責任公司(「**玉林製藥**」)的董事，和康臣藥研、康臣醫藥和康臣健康科技的法定代表人，以及廣州康臣藥業有限公司(「**廣州康臣**」)的董事長。安先生主要負責本集團的全面戰略規劃和整體營運管理。

安先生於中歐國際工商學院取得高級工商管理碩士(EMBA)學位，及於財產保險及創業投資行業擁有逾30年經驗。於1992年12月至2007年5月，安先生任職於中國人民保險集團，曾擔任中國人民財產保險股份有限公司廣州分公司市場開發處副處長，廣州海珠支公司總經理及廣州越秀支公司總經理。自2007年6月至2014年8月，安先生任職於中國太平保險集團，曾擔任太平財產保險有限公司廣東省分公司總經理，太平財產保險有限公司市場總監、助理總經理、副總經理、紀委書記及合規負責人。於2014年11月，安先生投資參與創辦深圳市亞希彼斯科技有限公司(「**亞希彼斯**」)，擔任首席執行官，負責開發兒童健康管理應用小程序「疫苗寶」。於2015年10月，成功將亞希彼斯整體出售予同業公司，實現投資獲利。自2016年3月起，安先生加入了深圳市千乘資本控股有限公司，擔任深圳市慧悅成長投資基金企業(有限合夥)之合夥人之一。安先生為非執行董事張麗華博士之丈夫。



Directors and Senior Management Profile 董事及高層管理人員履歷

EXECUTIVE DIRECTORS

Professor Zhu Quan (朱荃), aged 84, is our executive Director. He was appointed as our executive Director with effect from 24 December 2012. Professor Zhu is also a director and the chief scientist of Guangzhou Consun. Professor Zhu joined our Group in August 2006 as the chief scientist of Guangzhou Consun. Professor Zhu is primarily responsible for the product research and development of our Group.

Professor Zhu has over 50 years of experience in teaching and research at medical school and in the business of pharmaceutical industry. He served various positions, such as a deputy director of Department of Traditional Chinese Medicine, a director of Institute of Traditional Chinese Medicine, a director of National Standardization Laboratory for Chinese Herbal Pharmacology* (國家規範化中藥藥理實驗室), a Ph.D. candidate supervisor at Nanjing University of Chinese Medicine* (南京中醫藥大學) between October 1981 and November 2005 and served as professor and Ph.D. candidate supervisor at Macau University of Science and Technology* (澳門科技大學) during the period from 2003 to 2019. Professor Zhu also served as an expert for Science & Technology Commission of National Ministry of Education* (國家教育部科學技術委員會), an assessment expert for Department of Life Science of National Natural Science Foundation* (國家自然科學基金生命科學部), a drug evaluation expert in Jiangsu Province and in the PRC and a State Council Special Allowance Expert.

Professor Zhu graduated from China Academy of Traditional Chinese Medicine* (中醫科學院) (now known as China Academy of Chinese Medical Sciences* (中國中醫科學院)) in November 1981 with a master's degree in Medical Science. From October 1989 to January 1992, he studied cell pharmacology in the Department of Pharmacy of the University of Toronto, Canada, for two years.

Mr. Xu Hanxing (徐瀚星), aged 30, is our executive Director. He was appointed as our executive Director with effect from 24 March 2021. He is also a director of Guangzhou Consun, Inner Mongolia Consun, Horgos Consun and Yulin Pharmaceutical.

執行董事

朱荃教授，84歲，是我們的執行董事。彼自2012年12月24日起獲委任為本公司的執行董事。朱教授亦為廣州康臣的董事兼首席科學家。朱教授於2006年8月加入本集團，出任廣州康臣的首席科學家。朱教授主要負責本集團的產品研發。

朱教授在醫學院教學及研究及於醫藥行業合共擁有逾50年經驗。彼曾擔任不同職位，包括於1981年10月至2005年11月期間在南京中醫藥大學中藥系擔任副主任，中藥研究所所長，以及國家規範化中藥藥理實驗室主任及博士生的導師，以及於2003年至2019年期間擔任澳門科技大學的教授和博士生導師。朱教授亦曾經出任國家教育部科學技術委員會的專家、國家自然科學基金生命科學部的評審專家，江蘇省及中國的藥物評審專家，以及國務院特殊津貼專家。

朱教授於1981年11月畢業於中醫科學院（現稱中國中醫科學院），獲授醫學碩士學位，並於1989年10月至1992年1月期間在加拿大多倫多大學藥學系研修細胞藥理學二年。

徐瀚星先生，30歲，是我們的執行董事。彼自2021年3月24日起獲委任為本公司的執行董事，彼亦為廣州康臣、內蒙古康臣、霍爾果斯康臣和玉林製藥的董事。



Directors and Senior Management Profile

董事及高層管理人員履歷

Mr. Xu obtained a Bachelor of Business Administration (Public Accounting) and a Master of Financial Management from Lubin School of Business, Pace University in the United States. Mr. Xu joined the Group in November 2020 and is currently acting as a commercial director. From September 2018 to November 2020, Mr. Xu worked with PricewaterhouseCoopers, Hong Kong and served as a senior associate. Mr. Xu is the son of Ms. Li Qian who has resigned as our vice chairlady, an executive Director and the Chief Executive Officer with effect from 17 January 2024.

NON-EXECUTIVE DIRECTOR

Dr. Zhang Lihua (張麗華), aged 47, is our non-executive Director. She was appointed as our non-executive Director with effect from 9 July 2021.

Dr. Zhang obtained a doctoral degree of medicine from Southern Medical University in June 2013. Dr. Zhang is currently serving as a deputy chief physician at the affiliated hospital of Southern Medical University. She is also a committee member of the Specialized Committee on Basic Theory of Chinese Association of Integrative Medicine* (中國中西醫結合學會基礎理論專業委員會), an expert member of the Gynecology Quality Control Centre of Traditional Chinese Medicine in Guangdong Province* (廣東省中醫婦科質量控制中心), a director of Guangdong Province Population Culture Promotion Association* (廣東省人口文化促進會) and a standing committee member of its Entrepreneur Health Culture Professional Committee* (企業家健康文化專業委員會), and an evaluation expert for the High-level Talents in Guangdong Province. Dr. Zhang has been awarded a second prize for the 2019 Guangdong Scientific and Technological Advancement Award* (廣東省科技進步獎二等獎), a second prize for the Excellent Textbook (Higher Education) in China by Ministry of Education* (教育部全國優秀教材(高等教育類)二等獎) and a second prize of Science and Technology Award by Chinese Association of Integrative Medicine* (中國中西醫結合學會科學技術獎二等獎). In 2019, Dr. Zhang was selected as Guangdong Province Outstanding Young Medical Talent* (廣東省傑出青年醫學人才). Dr. Zhang is the wife of Mr. An Meng, the Chairman, the Chief Executive Officer and an executive Director of the Company.

徐先生於美國佩斯大學魯賓商學院取得工商管理(公共會計)學士學位及金融管理碩士學位。徐先生於2020年11月加入本集團，現任職商務總監。於2018年9月至2020年11月，在香港羅兵咸永道會計師事務所任職，擔任高級審計師。徐先生為本公司已於2024年1月17日辭任生效的副主席、執行董事兼首席執行官黎倩女士之子。

非執行董事

張麗華博士，47歲，是我們的非執行董事。彼自2021年7月9日起獲委任為本公司的非執行董事。

張博士於2013年6月在南方醫科大學取得醫學博士學位。張博士目前就職於南方醫科大學附屬醫院，任副主任醫師，同時亦擔任中國中西醫結合學會基礎理論專業委員會委員，廣東省中醫婦科質量控制中心專家成員，廣東省人口文化促進會理事兼其企業家健康文化專業委員會常務委員，及廣東省高層次人才評審專家。張博士曾獲2019年廣東省科技進步獎二等獎、教育部全國優秀教材(高等教育類)二等獎、及中國中西醫結合學會科學技術獎二等獎。於2019年，張博士獲評選為廣東省傑出青年醫學人才。張博士為本公司主席、首席執行官兼執行董事安猛先生之妻子。



Directors and Senior Management Profile 董事及高層管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Feng Zhongshi (馮仲實), aged 65, is our independent non-executive Director. He was appointed as our independent non-executive Director with effect from 2 December 2013.

Mr. Feng is a lawyer qualified in the PRC. He is currently a full-time lawyer of Beijing V&T Law Firm (北京萬商天勤律師事務所). He graduated from China University of Political Science and Law* (中國政法大學) in July 1986 with a bachelor's degree in law. From July 1986 to January 1993, Mr. Feng worked at the Department of Justice of Inner Mongolia Autonomous Region* (內蒙古自治區司法廳). He served as a lawyer at Inner Mongolia Jingji Law Office* (內蒙古經濟律師事務所) (now known as Jingshi Law Office* (經世律師事務所)) from 1993 to 1995. Between 1996 and 2002, Mr. Feng served as a partner at Inner Mongolia Huicong Law Office* (內蒙古慧聰律師事務所). From 1996 to 2003, he also served as the head of legal department of Beijing Hui Cong International Information Co., Ltd.* (北京慧聰國際資訊有限公司). Between 2002 and 2009, Mr. Feng served as a lawyer of Beijing Zhong Rui Law Firm* (北京市中瑞律師事務所). Between June 2011 and January 2013, he served as a partner of Beijing Jin Li Law Firm* (北京市金勵律師事務所). Between February 2013 and February 2021, he served as a partner of Beijing GaoJie Law Firm* (北京市高界律師事務所).

Ms. Chen Yujun (陳玉君), aged 44, is our independent non-executive Director. She was appointed as our independent non-executive Director with effect from 31 May 2019.

Ms. Chen has nearly 20 years of experience in auditing, accounting and corporate finance. She has been a member of the Chinese Institute of Certified Public Accountants since 2010 and obtained a bachelor's degree in arts and a bachelor's degree in management from Guangdong University of Foreign Studies* (廣東外語外貿大學) in 2005. Ms. Chen has

獨立非執行董事

馮仲實先生，65歲，是我們的獨立非執行董事。彼自2013年12月2日起獲委任為本公司的獨立非執行董事。

馮先生為中國合資格律師。彼現時為北京萬商天勤律師事務所的專職律師。彼於1986年7月畢業於中國政法大學，獲授法學學士學位。1986年7月至1993年1月，馮先生於內蒙古自治區司法廳工作。彼於1993年至1995年擔任內蒙古經濟律師事務所（現稱經世律師事務所）的律師。1996年至2002年，馮先生為內蒙古慧聰律師事務所的合夥人。1996年至2003年，彼亦任北京慧聰國際資訊有限公司的法律部主管。於2002年至2009年，馮先生擔任北京市中瑞律師事務所的律師。於2011年6月至2013年1月期間，彼為北京市金勵律師事務所的合夥人。於2013年2月至2021年2月期間擔任北京市高界律師事務所的合夥人。

陳玉君女士，44歲，是我們的獨立非執行董事。彼自2019年5月31日起獲委任為本公司的獨立非執行董事。

陳女士於審計、會計及企業融資方面累積近20年經驗。彼自2010年起為中國註冊會計師協會會員，於2005年畢業於廣東外語外貿大學，獲得文學學士學位及管理學學士學位。陳女士自2022年5月起擔任廣東高尚醫學影像科技集團有限公司首席財務官。在此之前，彼於2021年11月至

Directors and Senior Management Profile

董事及高層管理人員履歷

been the chief financial officer of Guangdong Gosun Medical Imaging Technology Group Co., Ltd.* (廣東高尚醫學影像科技集團有限公司) since May 2022. Prior to that, she worked with Huabang Holdings Group Co., Ltd.* (華邦控股集團有限公司) as the financial controller of financial management center from November 2021 to May 2022; worked with Guangzhou Fineland Real Estate Development Co., Ltd.* (廣州市方圓房地產發展有限公司) as the vice general manager of the financial management center from February 2018 to September 2021; worked with Shanghai Eyugame Network Technology Co., Ltd.* (上海易娛網絡科技有限公司) as the chief financial officer from March 2016 to February 2018; worked with the Group as the chief financial officer from April 2014 to March 2016 and as deputy chief financial officer from May 2013 to March 2014; and worked with KPMG in the audit department from July 2005 to May 2012 at various posts.

Save as disclosed above, each of our Directors has not been a director of any other publicly listed company during the past three years.

Changes of Information in respect of Directors

Below are the changes in Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the year and up to the date of this report:

- Mr. An Meng had become a director of Brilliant Reach Group Limited, Immense Value Holdings Limited and Grand Reach Company Limited;

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

2022年5月擔任華邦控股集團有限公司財務管理中心財務總監；於2018年2月至2021年9月擔任廣州市方圓房地產發展有限公司財務管理中心副總經理；於2016年3月至2018年2月擔任上海易娛網絡科技有限公司首席財務官；於2014年4月至2016年3月擔任本集團首席財務官及於2013年5月至2014年3月擔任副首席財務官；以及於2005年7月至2012年5月於畢馬威會計師事務所審計部擔任多個職位。

除以上披露者外，董事在過去三年並無在任何其他公眾上市公司擔任董事職務。

董事資料變更

下文為年內及直至本報告日期根據上市規則第13.51B(1)條規定需要披露的董事資料的變更：

- 安猛先生已成為智達集團有限公司、Immense Value Holdings Limited及宏致有限公司的董事；

除上文披露者外，並無其他根據上市規則第13.51B(1)條規定需要披露的董事資料。

Directors and Senior Management Profile 董事及高層管理人員履歷

SENIOR MANAGEMENT

Mr. Tang Ning (唐寧), aged 59, is a vice president of our Group. He is also a director of Guangzhou Consun. Mr. Tang joined our Group in July 1998 as a business manager. Between July 1998 and June 2018, Mr. Tang served various positions at Guangzhou Consun, such as business manager, regional marketing manager, marketing director, president assistant and vice president of our group. He served as an executive director of the Company from 1 June 2018 to 28 May 2020. He ceased to be the vice president of our Group in February 2020 and ceased to be the executive director of our Group on 29 May 2020, and instead acted as a company adviser. He re-assumed his position as the vice president of our Group in January 2021. Prior to joining our Group, Mr. Tang worked at Cili County Baifang General Company* (慈利縣百紡總公司) from October 1987 to June 1998. Mr. Tang graduated from Hunan University of Commerce* (湖南商學院) in June 1986 majoring in marketing.

Ms. Fang Lanfen (方蘭芬), aged 61, is a vice president of our Group. Ms. Fang joined our Group in July 1999 as a business manager. Between July 1999 to July 2013, Ms. Fang served various positions at Guangzhou Consun, such as business manager, regional marketing manager and marketing director. She has been the vice president of Guangzhou Consun since July 2013. Prior to joining our Group, Ms. Fang worked at Guzhen County Hospital* (固鎮縣醫院) between July 1985 and September 1989, and at Water Resource Department of Anhui Province Hospital* (安徽省水利廳醫院) between September 1989 and July 1999. Ms. Fang graduated from Bengbu Medical College* (蚌埠醫學院) with a bachelor's degree in medical in July 1985.

高層管理人員

唐寧先生，59歲，是本集團的副總裁，彼亦是廣州康臣的董事。唐先生於1998年7月加入本集團出任業務經理。1998年7月至2018年6月，唐先生於廣州康臣擔任多個職位，包括業務經理、區域市場推廣經理、市場推廣總監、總裁助理及本集團副總裁。彼自2018年6月1日至2020年5月28日曾擔任本公司執行董事，彼於2020年2月卸任本集團的副總裁及於2020年5月29日卸任本集團執行董事，擔任公司顧問，並於2021年1月重新擔任本集團的副總裁。加入本集團前，唐先生曾於1987年10月至1998年6月期間在慈利縣百紡總公司工作。唐先生於1986年6月畢業於湖南商學院，主修市場推廣。

方蘭芬女士，61歲，是本集團的副總裁。方女士於1999年7月加入本集團出任業務經理。1999年7月至2013年7月，方女士於廣州康臣擔任多個職位，例如業務經理、區域市場推廣經理及市場推廣總監。彼自2013年7月起為廣州康臣的副總裁。方女士於加入本集團前，曾於1985年7月至1989年9月期間在固鎮縣醫院工作，1989年9月至1999年7月在安徽省水利廳醫院工作。方女士於1985年7月畢業於蚌埠醫學院，獲授醫療系學士學位。

Directors and Senior Management Profile

董事及高層管理人員履歷

Mr. Fang Peicheng (方培城), aged 45, is the Group's vice president and chief financial officer, who also oversees the work of the investment management center and information data center. Mr. Fang is also a supervisor of Consun Pharmaceutical Research, Consun Medicine and Consun Health Technology. Mr. Fang joined our Group in August 2010 as an audit manager. He worked at different positions during August 2010 to October 2020, including audit manager, audit and legal director, president assistant and the Group's chief financial officer. He was appointed as vice president in November 2020. Prior to joining our Group, Mr. Fang worked as internal auditor in companies including KEDA Industrial Group Co., Ltd.* (科達製造股份有限公司), Meadville Holdings Ltd.* (美維控股有限公司) and Xilong Chemical Company Limited* (西隴化工股份有限公司), etc.

Mr. Fang graduated from Nan Hua College of Industry and Commerce* (南華工商學院) major in computer accounting in July 2002, and graduated from China University of Petroleum (Eastern China) Accounting Profession* (中國石油大學(華東)會計學專業) with a bachelor's degree in management in July 2008. Mr. Fang has the Audit Professional Qualification (Intermediate) granted by Ministry of Human Resources and Social Securities of the People's Republic of China* (中華人民共和國人力資源和社會保障部) and the Certified Internal Auditor Qualification granted by the Institute of Internal Auditors (IIA).

方培城先生，45歲，是本集團的副總裁兼財務總監，同時分管投資管理中心、信息數據中心工作。方先生也是康臣藥研、康臣醫藥和康臣健康科技的監事。方先生於2010年8月加入本集團，出任審計經理。彼自2010年8月至2020年10月擔任多個職位，包括審計經理、審計法務總監、總裁助理和集團財務總監。彼自2020年11月獲委任為副總裁。方先生於加入本集團前，於科達製造股份有限公司、美維控股有限公司及西隴化工股份有限公司等公司擔任內部審計師工作。

方先生於2002年7月畢業於南華工商學院，主修會計電算化專業，於2008年7月畢業於中國石油大學(華東)會計學專業，獲授管理學學士學位。方先生持有由中華人民共和國人力資源和社會保障部頒授的審計專業資格證書(中級)及國際內部審計師協會(IIA)頒授的國際註冊內部審計師(Certified Internal Auditor)資格。

Directors and Senior Management Profile 董事及高層管理人員履歷

Mr. Li Zhenghai (李政海), aged 57, is the Group's vice president and general manager of the Medicine Research Center. He is also a director of Guangzhou Consun. Mr. Li joined our Group in April 2019 as a general manager of R&D of the Medicine Research Center and a director of the Medicine Research Centre for Kidney Diseases, and was promoted as the Group's vice president and general manager of the Medicine Research Center on 1 July 2021. Prior to joining our Group, Mr. Li worked with Shenzhen Xinpeng Biotechnology Engineering Company Limited* (深圳新鵬生物工程股份有限公司), American Oriental Bioengineering Inc., Beijing Qihuang Medicine Clinical Research Center* (北京岐黃藥品臨床研究中心) and Jafron Biomedical Co., Ltd.* (健帆生物科技集團股份有限公司) as a technical director, director of R&D, deputy general manager and general manager, respectively, from July 1995 to March 2019. Mr. Li graduated from Sun Yat-sen University with a master degree in biochemistry in 1995, and also graduated from Peking University with a master degree majoring in business administration in 2003. He holds the title of senior engineer and Licensed Pharmacist.

Mr. Gao Haien (高海恩), aged 55, is our Board secretary and the board secretary of Guangzhou Consun. Mr. Gao joined our Group in August 2007 as the board secretary of Guangzhou Consun. Mr. Gao has been the manager and legal representative of Guangzhou Consun and Inner Mongolia Consun since March 2013, the manager and legal representative of Yulin Pharmaceutical and Consun Medicine since August 2015, a director of Yulin Pharmaceutical and Inner Mongolia Consun since August 2018, and a director and legal representative of Horgos Consun since December 2020. Mr. Gao also acted as a joint company secretary of the Company from 15 April 2014 to 31 May 2017. Prior to joining our Group, Mr. Gao successively served as a general manager of the accessories store and the assistant to headquarters general manager of Shenzhen Sunyes Tools Co. Ltd.* (深圳市新亞工具連鎖店有限公司) from January 2006 to August 2007. Between July 1995 and January 2006, Mr. Gao successively served as a senior engineer of IDT Data System Factory* (萬威電子文儀廠) and a technology manager of Shenzhen Aomeidi Digital Technology Co. Ltd.* (深圳市奧美迪數碼科技有限公司).

李政海先生，57歲，是本集團的副總裁兼藥研中心總經理，彼也是廣州康臣的董事。李先生於2019年4月加入本集團出任藥研中心研發總經理兼腎病藥物研究中心主任，並於2021年7月1日晉升為本集團的副總裁兼藥研中心總經理。加入本集團前，李先生於1995年7月至2019年3月期間分別在深圳新鵬生物工程股份有限公司、美國東方生物技術有限公司、北京岐黃藥品臨床研究中心、健帆生物科技集團股份有限公司工作，曾任技術總監、研發總監、副總經理及總經理等職務。李先生1995年於中山大學生物化學專業碩士畢業，又於2003年畢業於北京大學，主修工商管理碩士，擁有高級工程師和執業藥師職稱。

高海恩先生，55歲，是本公司的董事局秘書及廣州康臣的董事局秘書。高先生於2007年8月加入本集團出任廣州康臣的董事局秘書。自2013年3月起，高先生擔任廣州康臣和內蒙古康臣的經理和法定代表人，自2015年8月擔任玉林製藥和康臣醫藥的經理和法定代表人，自2018年8月起為玉林製藥和內蒙古康臣的董事，及自2020年12月起為霍爾果斯康臣的董事和法定代表人。於2014年4月15日至2017年5月31日期間，高先生亦曾擔任本公司的聯席公司秘書。加入本集團前，高先生於2006年1月至2007年8月先後擔任深圳市新亞工具連鎖店有限公司的配件店總經理及總部總經理助理。於1995年7月至2006年1月期間，高先生先後擔任萬威電子文儀廠的高級工程師及深圳市奧美迪數碼科技有限公司的技術經理。

Directors and Senior Management Profile

董事及高層管理人員履歷

Mr. Gao graduated from China University of Mining and Technology* (中國礦業大學) in July 1992 with a bachelor's degree in engineering and subsequently obtained a bachelor's degree in economics at the same university in January 1994. He obtained a master's degree in business administration at Zhongnan University of Economics and Law* (中南財經政法大學) in June 2012. Mr. Gao holds Professional Certificate in Securities (Band II)* (證券業專業水平級別證書(二級)) granted by Securities Association of China* (中國證券業協會) and Board Secretary Certificate* (董事局秘書資格證書) granted by the Shenzhen Stock Exchange.

高先生於1992年7月畢業於中國礦業大學，獲授工程學學士學位，後來彼於1994年1月在同一所大學取得經濟學學士學位。彼於2012年6月取得中南財經政法大學的工商管理碩士學位。高先生持有由中國證券業協會頒授的證券業專業水平級別證書(二級)及由深圳證券交易所頒授的董事局秘書資格證書。

COMPANY SECRETARY

Mr. Yau Chi Ming (丘志明), aged 57, has been our company secretary since he joined our Group in March 2013. Mr. Yau is responsible for our company secretarial matters and he has over 20 years of experience in finance and accounting. Mr. Yau is a certified public accountant and is a fellow of the Hong Kong Institute of Certified Public Accountants. He is also acting as an independent non-executive director of Cosmo Lady (China) Holdings Company Limited (HK listing stock code: 2298). Prior to joining our Group, he worked at an international audit firm from August 1992 to November 1994 and from May 1995 to October 2012, during which he was promoted to partner in July 2007. Mr. Yau graduated from The University of Hong Kong in December 1992 with a bachelor's degree in social sciences.

公司秘書

丘志明先生，57歲，自2013年3月加入本集團以來為我們的公司秘書。丘先生負責本公司秘書事宜，彼於財務及會計方面擁有逾20年經驗。丘先生是執業會計師，為香港會計師公會資深會員。彼亦正在擔任都市麗人(中國)控股有限公司(香港上市股份代號：2298)之獨立非執行董事。加入本集團前，彼自1992年8月至1994年11月以及自1995年5月至2012年10月於一家國際審計事務所任職，其中彼於2007年7月晉升為合夥人。丘先生於1992年12月畢業於香港大學，獲授社會科學學士學位。

* For identification purpose only

CORPORATE GOVERNANCE

The Group's business philosophy is "Based on principle, founded on morality, achieving benefits while prioritizing righteousness", among which, the value of "achieving benefits while prioritizing rightness" is a very important component. We insist and emphasize on the priority of righteousness in our operations, and gain benefits from our righteous and ethical actions, while never take any benefits from unrighteous actions. Righteousness and benefits are inseparable. Neither can organizations nor individuals would survive and develop without economic benefits, but when conflicts happen between righteousness and benefits, we always prioritize righteousness and achieve a win-win situation that we can pursue righteousness and economic benefits at the same time.

Adapting and adhering to recognised standards of corporate governance principles and practices is also the top priorities of the Company. The Board believes that good corporate governance could lead the Company to success and balance the interests of shareholders, customers and employees, and the Board is therefore devoted to ongoing reviews and enhancements of the efficiency and effectiveness of compliance with such principles and practices.

Upon the resignation of Mr. Su Yuanfu with effect from 25 March 2024, the number of the Board's independent non-executive Directors has fallen below the minimum requirement of three under Rule 3.10(1) of the Listing Rules. The Board is in the process of identifying the suitable candidate to fill the vacancy of the position of an independent non-executive Director as soon as possible during the period of three months from the date of the resignation of Mr. Su Yuanfu in accordance with Rule 3.11 of the Listing Rules.

Save as disclosed in this report, the Company has adopted and complied with the code provisions (the "Code Provisions") as set out in part 2 of Appendix C1, Corporate Governance Code ("Corporate Governance Code"), to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31 December 2023.

企業管治

本集團的經營哲學是「以道為本、以德為基、以義為上、義利共生」，其中「以義為上，義利共生」的義利觀是一個非常重要的組成部分。以義為上，強調「見利思義」和「思利及人」，即堅持以義為上，以義為先，以義取利，合義取利，不取無義之利。義利共生，強調義利不可分割，無利則組織和個人都難以生存和發展，當義與利發生矛盾時，先義後利，義利並舉。

配合及遵守企業管治原則及常規之公認標準亦為本公司最優先原則。董事局相信良好的企業管治能引領本公司走向成功及平衡股東、客戶以及僱員間之利益，因此董事局致力於持續檢討及改善遵守該等原則及常規之效率及有效性。

當蘇元福先生於2024年3月25日辭任生效後，董事局之獨立非執行董事的人數跌至少於上市規則第3.10(1)條項下之最少三名的規定。根據上市規則第3.11條，董事局現正在物色合適候選人，以於蘇元福先生辭任日期起計三個月期間內盡快填補獨立非執行董事之職位空缺。

除於本報告披露者外，於截至2023年12月31日止年度，本公司已採納並遵守載列於香港聯合交易所有限公司（「聯交所」）《證券上市規則》（「上市規則」）附錄C1《企業管治守則》（「企業管治守則」）第二部分中的守則條文（「守則條文」）。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the model code (the “**Model Code**”) as set out in Appendix C3, Model Code for Securities Transactions by Directors of Listed Issuers, to the Listing Rules. The Company confirms that, having made specific enquiry of all Directors, all the Directors have complied with the required standard as set out in the Model Code regarding securities transactions during the year ended 31 December 2023.

According to paragraph C.1.3 of the Code Provisions, the Company has established written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the Company’s securities. “Relevant employee” includes any employee of the Group and any director of its subsidiaries, because of such office or employment, is likely to possess inside information in relation to the Company or its securities.

THE BOARD OF DIRECTORS

Composition

As at the date of this report, the Board comprises six Directors, of which three are executive Directors, one is non-executive Director and two are independent non-executive Directors. The composition of the Board as at the date of this report is as follows:

Executive Directors

Mr. An Meng (*Chairman and Chief Executive Officer*)
Professor Zhu Quan
Mr. Xu Hanxing

Non-Executive Director

Dr. Zhang Lihua

Independent non-executive Directors

Mr. Feng Zhongshi
Ms. Chen Yujun

Biographical details of current Directors are set out in the section headed “Directors and Senior Management Profile” on pages 27 to 36.

董事進行證券交易之標準守則

本公司已採納載列於上市規則附錄C3《上市發行人董事進行證券交易的標準守則》中的標準守則（「標準守則」）。經向所有董事作出具體查詢後，本公司確認於截至2023年12月31日止年度所有董事均已遵守標準守則所載有關進行證券交易的標準。

本公司亦已按照守則條文第C.1.3段的要求，就有關僱員買賣本公司證券事宜設定書面指引，指引內容不比標準守則寬鬆。「有關僱員」包括任何因其職務或僱員關係而可能會管有關於本公司或其證券的內幕消息的本集團僱員及附屬公司的董事。

董事局成員

組成

於本報告日期，董事局由六名董事組成，其中三人為執行董事、一人為非執行董事及二人為獨立非執行董事。於本報告日期的董事局成員組成如下：

執行董事

安猛先生（主席及首席執行官）
朱荃教授
徐瀚星先生

非執行董事

張麗華博士

獨立非執行董事

馮仲實先生
陳玉君女士

現任董事的履歷詳情載於第27至36頁的「董事及高層管理人員履歷」一節。

Mr. An Yubao, Ms. Li Qian and Mr. Yong Wai Po, Peter (each of them a substantial shareholder of the Company and collectively are controlling shareholders of the Company) entered into an acting in concert agreement which was terminated by a deed of termination on 16 December 2016. As at the date of this report, Mr. An Yubao, Ms. Li Qian and Mr. Young Wai Po, Peter were still being considered as acting in concert under The Codes on Takeovers and Mergers and Share Buy-Backs (the “**Takeovers Code**”) as they had not made a submission to obtain confirmation from the Securities and Future Commission that they were no longer acting in concert pursuant to note 3 to the definition of “acting in concert” of the Takeovers Code.

Mr. An Meng, the Chairman and an executive Director, is the son of Mr. An Yubao, a substantial shareholder, and is the husband of Dr. Zhang Lihua, a non-executive Director. Mr. Xu Hanxing, an executive Director, is the son of Ms. Li Qian.

Save as disclosed above, each of the Directors and senior management is not connected with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and there is no other relationship, including financial, business, family or other material/relevant relationship, between the Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In order to have a clear division between the management of the Board and the day-to-day management of the business operation of the Company, the role of the Chairman is separate from that of the Chief Executive Officer. The Chairman focuses on overall corporate development and strategic direction of the Group and provides leadership for the Board and oversees the efficient functioning of the Board as well as takes primary responsibility for ensuring that good corporate governance practices and procedures are established. The Chief Executive Officer is responsible for all day-to-day corporate management matters as well as planning and implementing the Group’s development strategy. Such division of responsibilities helps to reinforce their independence and to ensure a balance of power and authority. Despite the deviation from paragraph C.2.1 of the Code Provisions of the Listing Rules for Mr. An Meng to concurrently serve as the Chairman of the Board and the chief executive officer since the resignation of Ms.

安郁寶先生、黎倩女士及楊惠波先生（各人均為本公司主要股東以及統稱為本公司控股股東）曾經訂立一份一致行動協議，而該協議於2016年12月16日經終止契據予以終止。於本報告日期，安郁寶先生、黎倩女士及楊惠波先生於公司收購、合併及股份回購守則（「收購守則」）下仍然被視為一致行動人士，因為彼等並無根據收購守則中「一致行動人士」定義之註釋3提呈向證券及期貨事務監察委員會獲取彼等不再一致行動之確認。

安猛先生（主席及執行董事）為主要股東安郁寶先生的兒子，及為非執行董事張麗華博士的丈夫。執行董事徐瀚星先生為黎倩女士的兒子。

除上文披露者外，每一董事及高層管理人員與任何其他董事、本公司高層管理人員、主要股東或控股股東概無任何關連，以及董事之間並無存有任何其他關係，包括財務、業務、家屬或其他重大／相關的關係。

主席及首席執行官

為把管理董事局及管理本公司日常業務運作兩者作清晰劃分，主席及首席執行官之角色已予區分。主席專注本集團之整體企業發展及策略方向，並領導董事局及監察董事局之運作效能，以及主要負責確保建立良好之企業管治常規及程序。首席執行官則專責一切日常企業管理事務，以及計劃及實施本集團之發展策略。有關劃分職責有助於增強兩者之獨立性及確保在權力及授權上取得平衡。自黎倩女士於2024年1月17日辭任後，董事局主席安猛先生兼任首席執行官，儘管有偏離上市規則守則條文第C.2.1段的情況出現，但董事局認為，安猛先生作為董事局主席，

Corporate Governance Report

企業管治報告

Li Qian on 17 January 2024, the Board believes that Mr. An Meng, being the Chairman of the Board, is familiar with the Company's business operation and has excellent knowledge and experience of the Company's business which will be conducive to improving the efficiency of the Company's overall strategic planning. The Board believes that such management structure layout will be more beneficial to the future development of the Company and will improve the Company's operating conditions. Under the supervision of the Board, it is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

CONFIRMATION OF INDEPENDENCE

During the year ended 31 December 2023, there were three independent non-executive Directors representing one third or more of the Board, and one of them, Ms. Chen Yujun has accounting professional qualifications. Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company has received such confirmations and is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and still considers them to be independent.

RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board is primarily responsible for overseeing and managing the Company's affairs, including the responsibilities for the adoption of long-term strategies and appointing and supervising senior management to ensure that the operation of the Group is conducted in accordance with the objectives of the Group. The Directors shall ensure that they can give sufficient time and attention to the affairs of the Company. The Board's responsibilities also include: (i) to develop and review of the Company's policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitoring of the code of conduct and compliance guidance applicable to employees and Directors; and (v) review of the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

熟知本公司業務運營並對本公司業務擁有卓越的知識及經驗，有利於提升本公司整體戰略規劃的效率。董事局認為該管理架構之佈局將更有利於本公司的未來發展及可改善本公司經營狀況。在董事局的監督下，其具備適當之權力制衡架構，可提供足夠制約以保障本公司及其股東的利益。

獨立性確認

於截至2023年12月31日止年度內，本公司有三名獨立非執行董事，為董事局人數的三分之一或以上，其中陳玉君女士具備會計專業資格。每名獨立非執行董事已依據上市規則第3.13條規定就獨立性作出年度確認。本公司已收到有關確認，認同全體獨立非執行董事均符合上市規則第3.13條所載關於獨立性的指引，及仍然認為彼等屬獨立人士。

董事局及管理層之職責

董事局主要負責監察及管理本公司事務，包括負責採納長遠策略以及委任與監督高層管理人員，以確保本集團按照本身宗旨經營業務。董事須確保彼等能夠為本公司事務投入足夠之時間及精力。董事局的職責亦包括：(i)制訂及檢討本公司之企業管治政策及常規；(ii)檢討及監察董事及高層管理人員的培訓及持續專業發展；(iii)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；(iv)制定、檢討及監察適用於僱員及董事的操守準則及合規指引；及(v)檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its duties, certain responsibilities are delegated to various Board committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these Board committees are governed by the Company's articles of association ("**Articles of Association**") as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the Articles of Association).

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal controls, communication with shareholders, Board membership, delegation of authority and corporate governance.

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The financial statements set out on pages 100 to 235 were prepared on the basis set out in note 1(b) to the financial statements. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements. The declaration of reporting responsibility issued by the external auditor of the Company on the Company's financial statements is set out in the Independent Auditor's Report on pages 89 to 99.

儘管引領及監督本公司之責任在任何時候均由董事局完全承擔，然而在履行其職責時，若干責任會被轉授至多個董事局委員會，該等委員會乃由董事局設立以處理本公司各方面之事務。除經董事局批准之各自書面職權範圍另有訂明外，該等董事局委員會乃受本公司之組織章程細則（「**組織章程細則**」）以及董事局之政策及常規（只要並無與組織章程細則所載條文有所抵觸）規管。

董事局亦已向執行董事領導下之本公司管理層轉授施行其策略及日常營運之責任。本公司已就須交由董事局決策之事宜訂立清晰指引，其中包括與資本、融資及財務報告、內部監控、股東溝通、董事局成員、轉授權力及企業管治有關之事宜。

董事局知悉其須負責編製真實而公允地反映本集團事務狀況之財務報表。載於第100至235頁之財務報表乃按財務報表附註1(b)所載基準編製。本集團之財務業績根據法定及／或監管規定適時公佈。本公司外聘核數師就本公司財務報表發出之申報責任聲明載於第89至99頁之獨立核數師報告。

BOARD MEETINGS

The Board is scheduled to meet regularly at least four times a year (does not include obtaining Board consent through circulating written resolutions) at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. During the year ended 31 December 2023, the Board held four meetings.

At least 14 days' notices are given to all Directors in advance for attending regular and other Board meetings. Meeting agendas and other relevant information are provided to the Directors at least 3 days before the date of the Board meetings. All Directors are consulted to include additional matters in the agenda for Board meetings and have access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations, are followed.

If a Director considers independent views and input are necessary in the process of discharging his/her duty and in handling meeting agendas (including Board committee meetings), he/she may inform the company secretary to appoint external experts or consultants to provide the necessary information. Depending the complexity of the issue involved and the required fee level, the appointment of external experts or consultants can be tabled in the meeting agenda for the approval by the Directors attending the meeting. The Board and the committees are provided with sufficient resources to perform their duties. The Board has reviewed this mechanism and considered it appropriate and effective.

Both draft and final versions of the minutes are sent to all Directors for their comment and records. Minutes of Board and committee meetings are kept by the company secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Director.

董事局會議

董事局每年至少召開四次定期會議（不包括透過傳閱書面決議方式取得的董事局批准），約每季度一次，藉以討論本公司的整體策略以及經營和財務表現。其他董事局會議將於需要時召開。該等董事局會議由大多數董事親身或通過其他電子通訊方式積極參與。於截至2023年12月31日止年度，董事局舉行了四次會議。

在董事出席定期會議和其他董事局會議之前，本公司會提前向各董事發送不少於14天的通知。會議議程和其他相關資料會在董事局會議日期最少3日之前向董事提供。所有董事均被諮詢意見，以將附加事項列入董事局會議議程內，及董事可獲得公司秘書的意見和服務，確保董事局程序及所有適用規則及規例均獲得遵守。

在履行董事職務及處理會議議程（包括董事局委員會會議）的過程中，如董事認為需要獲得獨立的觀點和意見，可以向公司秘書提出由本公司聘請外部專家或顧問提供所需資料。視乎涉及問題的複雜性及所需費用的水平，聘請外部專家或顧問的安排可作為董事局議程之一由出席會議之董事局成員表決審批。董事局及委員會獲提供足夠資源以履行彼等之職責。董事局已檢討此機制並認為其適當及有效。

會議記錄的草稿及最終版本均會寄發予所有董事，以供彼等發表意見及留作記錄。董事局及委員會會議記錄由公司秘書備存，若有任何董事發出合理事先通知，有關會議記錄可供其在任何合理的時段查閱。



GENERAL MEETINGS

An annual general meeting was held by the Company on 31 May 2023.

Details of Directors' attendance of board meetings and general meeting are as follows:

股東大會

於2023年5月31日本公司舉行了股東周年大會。

各董事出席董事局會議及股東大會的詳情如下：

| Director | 董事 | No. of attendance/ No. of board meeting 出席次數/ 董事局會議次數 | No. of attendance/ No. of general meeting 出席次數/ 股東大會次數 |
|---|--|--|---|
| Executive Directors | | | |
| Mr. An Meng (Chairman and Chief Executive Officer) | 執行董事 安猛先生(主席及首席執行官) | 4/4 | 1/1 |
| Ms. Li Qian (resigned, effective from 17 January 2024) | 黎倩女士 (已辭任, 於2024年1月17日生效) | 4/4 | 1/1 |
| Professor Zhu Quan | 朱荃教授 | 4/4 | 1/1 |
| Mr. Xu Hanxing | 徐瀚星先生 | 4/4 | 1/1 |
| Non-Executive Director | | | |
| Dr. Zhang Lihua | 非執行董事 張麗華博士 | 4/4 | 1/1 |
| Independent Non-Executive Directors | | | |
| Mr. Su Yuanfu (resigned, effective from 25 March 2024) | 獨立非執行董事 蘇元福先生 (已辭任, 於2024年3月25日生效) | 4/4 | 1/1 |
| Mr. Feng Zhongshi | 馮仲實先生 | 4/4 | 1/1 |
| Ms. Chen Yujun | 陳玉君女士 | 4/4 | 1/1 |

During the year ended 31 December 2023, the Chairman held two meetings with the independent non-executive Directors, without the presence of other executive Directors.

截至2023年12月31日止年度, 主席在並無其他執行董事在場之情況下與獨立非執行董事舉行了兩次會議。

CONTINUOUS PROFESSIONAL DEVELOPMENT

By providing all Directors with relevant guideline, updated materials and training regarding the relevant laws and applicable regulations, the duties and responsibilities of being a Director, and relevant disclosure requirements, the Group ensures that each Director understands and is familiar with the latest development of the relevant rules. The Group has also provided funding to each Director, to encourage Directors to participate in various continuous professional development courses, to ensure that each Director continue to possess the necessary knowledge and skills to take part in and contribute to the Board's affairs.

持續專業發展

本集團透過向所有董事提供有關相關法律、適用法規、作為董事的職責和責任及相關披露要求的相關指引、更新資料及培訓, 以確保每名董事均瞭解和熟悉相關規則的最新發展。本集團亦已向各董事提供經費, 鼓勵董事參與各種持續專業發展課程, 以確保各董事持續具備所需之知識及技能參與董事局事務及作出貢獻。

Corporate Governance Report

企業管治報告

During the year ended 31 December 2023, the Directors' participation in continuous professional development training is as follows:

於截至2023年12月31日止年度，董事參與的持續專業發展培訓如下：

Training related to corporate governance, regulatory development and other relevant professional topics
有關企業管治、監管發展及其他相關專業主題的培訓

| Director | 董事 | |
|---|---------------------------------------|---|
| Executive Directors | | |
| Mr. An Meng (<i>Chairman and Chief Executive Officer</i>) | 安猛先生 (<i>主席及首席執行官</i>) | √ |
| Ms. Li Qian (<i>resigned, effective from 17 January 2024</i>) | 黎倩女士 (<i>已辭任，於2024年1月17日生效</i>) | √ |
| Professor Zhu Quan | 朱荃教授 | √ |
| Mr. Xu Hanxing | 徐瀚星先生 | √ |
| Non-Executive Director | | |
| Dr. Zhang Lihua | 張麗華博士 | √ |
| Independent Non-Executive Directors | | |
| Mr. Su Yuanfu (<i>resigned, effective from 25 March 2024</i>) | 蘇元福先生 (<i>已辭任，於2024年3月25日生效</i>) | √ |
| Mr. Feng Zhongshi | 馮仲實先生 | √ |
| Ms. Chen Yujun | 陳玉君女士 | √ |

All Directors have provided record of training attendance and the Company will continue to arrange and/or fund the training in accordance with paragraph C.1.4 of the Code Provisions.

所有董事已提供出席培訓的記錄，而本公司也將繼續依據守則條文第C.1.4段規定安排培訓及／或為培訓提供資金。

APPOINTMENT AND RE-ELECTION

All Directors have entered into letters of appointment with the Company for a specific term of three years from the date of appointment, subject to re-election.

In accordance with the Articles of Association of the Company, at each annual general meeting one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the name of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as for persons who became or were last re-elected as Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy, and Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

According to the above mechanism, Mr. An Meng and Mr. Xu Hanxing shall retire from office at the forthcoming annual general meeting, and being eligible, offers themselves for re-election at the forthcoming annual general meeting.

委任及重選

各董事均已與本公司訂立委聘書，自委聘日期起之指定年期為三年，可重選連任。

根據本公司之組織章程細則，於每屆股東周年大會上，三分一的當時在任董事須輪值退任。然而，倘董事人數並非三之倍數，則最接近但不少於三分之一之董事須退任。各年度須退任之董事將為自最近一次獲重選連任或獲委任以來在任時間最長者，惟倘多名董事於同一日就職或於最近一次獲重選為董事，則以抽籤決定須退任之董事（除非彼等之間另有協定）。有關退任董事合資格於股東周年大會上膺選連任。所有獲董事局委任以填補臨時空缺之董事，及獲董事局就現有董事局新增議席委任之董事，其任期僅至下屆股東周年大會為止，及屆時將符合資格重選連任。

根據上述機制，安猛先生及徐瀚星先生將於應屆股東周年大會上退任，而彼等符合資格並願意於應屆股東周年大會上膺選連任。

BOARD COMMITTEES

Nomination Committee

The Company has established a nomination committee (the “**Nomination Committee**”) with written terms of reference in compliance with paragraph B.3.1 of the Code Provisions. Its terms of reference were amended on 28 December 2022 and are available on the websites of the Company and the Stock Exchange.

The primary duties of the Nomination Committee are to review the structure, size, composition and diversity policy of the Board (the “**Board Diversity Policy**”), including the measurable objectives, the implementation and effectiveness of the Board Diversity Policy, on an annual basis; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-election of Directors. When identifying suitable candidates for directorship, the Nomination Committee will carry out the selection process by making reference to a series of criteria as bases, including but not limited to skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and taking into consideration of the Company’s Board Diversity Policy. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

董事局委員會

提名委員會

本公司已成立了提名委員會（「**提名委員會**」），並遵照守則條文第B.3.1段以書面釐定其職權範圍。其職權範圍於2022年12月28日獲修訂，及可於本公司及聯交所網站查閱。

提名委員會的主要職責為每年檢討董事局的架構、大小、組成及多元化政策（「**董事局多元化政策**」），包括董事局多元化政策的可計量目標、執行和有效性；物色具備合適資格成為董事局成員的人選；評核獨立非執行董事的獨立性；以及就有關董事委任或重選連任的相關事宜向董事局提供建議。在物色合適的董事候選人時，提名委員會將透過參考一系列準則作為基準，包括但不限於建議候選人的技能、經驗、教育背景、專業知識、個人誠信和承諾時間，以及考慮本公司的董事局多元化政策而進行甄選程序。所有候選人必須能夠滿足上市規則第3.08和3.09條所規定之標準。將被委任為獨立非執行董事的候選人亦須滿足上市規則第3.13條規定的獨立性標準。合資格的候選人隨後將推薦予董事局以供批准。

As at the date of this report, the Nomination Committee comprises three members, two of them are independent non-executive Directors, namely Mr. Feng Zhongshi (Committee Chairman) (appointed on 25 March 2024) and Ms. Chen Yujun, and one is an executive Director, namely Mr. An Meng. During the year ended 31 December 2023, the Nomination Committee held one meeting and details of the committee members' attendance are as follows:

於本報告日期，提名委員會由三名成員組成，其中兩名為獨立非執行董事，分別為馮仲實先生（委員會主席）（於2024年3月25日獲委任）與陳玉君女士，以及一名為執行董事安猛先生。於截至2023年12月31日止年度，提名委員會舉行了一次會議，各委員會成員出席會議的詳情如下：

| Committee member | 委員會成員 | No. of attendance/ No. of committee meeting 出席次數／ 委員會會議次數 |
|--|-------------------------------------|---|
| Independent Non-Executive Directors | 獨立非執行董事 | |
| Mr. Su Yuanfu (Committee Chairman) (resigned, effective from 25 March 2024) | 蘇元福先生(委員會主席)(已辭任， 於2024年3月25日生效) | 1/1 |
| Ms. Chen Yujun | 陳玉君女士 | 1/1 |
| Executive Director | 執行董事 | |
| Mr. An Meng | 安猛先生 | 1/1 |

The Nomination Committee reviewed the structure, size and composition of the Board, and assessed the independence of the independent non-executive Directors and concluded that the Company's Board Diversity Policy has been properly implemented.

提名委員會檢討了董事局的架構、規模和組成，評核了獨立非執行董事的獨立性，以及認同本公司的董事局多元化政策已獲妥善執行。

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development, and has adopted the Board Diversity Policy.

董事局多元化政策

本公司明白並深信董事局成員多元化對提升其表現素質裨益良多。為達致可持續及均衡的發展，本公司視董事局層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素，並已採納董事局多元化政策。

Corporate Governance Report 企業管治報告

All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- (A) at least 40% of the members of the Board shall be non-executive Directors or independent non-executive Directors;
- (B) at least 1/3 of the members of the Board shall be independent non-executive Directors;
- (C) at least 1 of the members of the Board shall have obtained accounting or relevant financial management professional qualifications;
- (D) at least 50% of the members of the Board shall have 7 years or more of experience in the industry he/she is specialised in;
- (E) at least 2 of the members of the Board shall have China-related work experience; and
- (F) the Board comprises male and female members.

During the year ended 31 December 2023, the Board comprised 5 male and 3 female members, achieving a high level of gender diversity. As at 31 December 2023, the gender ratio in the Group's workforce (including senior management) was 52.9% male: 47.1% female, achieving a balanced gender diversity. The Group will continue to improve its human resources management system to actively attract talents to join the Group and build an efficient and elite team to sustain the Group's sustainable development.

董事局所有委任均將以用人唯才為原則，並在考慮人選時以適當的準則充分顧及董事局成員多元化的裨益。甄選人選將按一系列多元化範疇為基準，除教育背景、專業經驗、技能、知識及服務任期外，亦包括但不限於性別、年齡、文化背景及種族。最終將按人選的長處及可為董事局提供的貢獻而作出決定。

就實施董事局多元化政策而言，以下可計量目標已被採納：

- (A) 至少40%董事局成員須為非執行董事或獨立非執行董事；
- (B) 至少1/3董事局成員須為獨立非執行董事；
- (C) 至少1名董事局成員須獲得會計或相關的財務管理專業資格；
- (D) 至少50%董事局成員須於其專長的行業擁有7年或以上經驗；
- (E) 至少2名董事局成員須擁有中國相關工作經驗；及
- (F) 董事局包括男性及女性成員。

於截至2023年12月31日止年度，董事局包括5名男性及3名女性成員，達到高程度的性別多元化。於2023年12月31日，本集團全體員工（包括高層管理人員）的性別比例為52.9%男性：47.1%女性，達到平衡的性別多元化。本集團會繼續改善人力資源管理制度以積極吸引人才加入，組建高效的精英團隊，維持集團的持續發展。



The Board has reviewed the implementation and effectiveness of the Company's Board Diversity Policy during the year ended 31 December 2023, and considered that the current Board Diversity Policy, including its measurable objectives, appropriate and effective, which could support the attainment of the Group's strategic objectives and its sustainable development.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with paragraph E.1.2 of the Code Provisions. Its terms of reference were amended on 28 December 2022 and are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee will review the proposals made by the management on the remuneration of Directors and senior management and make recommendation to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee. The primary duties of the Remuneration Committee also include making recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment as well as the compensation arrangements relating to dismissal or removal of Directors for misconduct, to ensure none of the Directors determine their own remuneration, and to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The emoluments of executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration of the Company's performance and prevailing market conditions. The remuneration policy of non-executive Directors (including independent non-executive Directors) is to ensure that the non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of Directors are also determined with reference to their skills, experience, knowledge, duties and market trends.

董事局檢討了本公司於截至2023年12月31日止年度董事局多元化政策的實施及有效性，認為目前的董事局多元化政策（包括其可計量目標）為適當及有效，能夠支持本集團達到戰略目標及維持其可持續發展。

薪酬委員會

本公司已成立了薪酬委員會（「薪酬委員會」），並遵照守則條文第E.1.2段以書面釐定其職權範圍，其職權範圍於2022年12月28日獲修訂及可於本公司及聯交所網站查閱。

薪酬委員會將檢討管理層所提出有關董事及高層管理人員的薪酬方案後向董事局提出建議。董事局將擁有最終權力以批准經薪酬委員會提出的建議。薪酬委員會的主要職責亦包括就本集團所有董事及高層管理人員的整體薪酬政策及架構向董事局作出推薦意見、檢討及批准因任何損失或終止職務或委任而須向執行董事及高級管理人員支付之賠償以及因董事之不當行為而解僱或罷免有關董事所涉及之賠償安排、確保董事並無自行釐定其本身的薪酬，以及審閱及／或批准上市規則第十七章所述有關股份計劃的事宜。執行董事的薪酬乃基於該董事的技能、知識、個人表現及貢獻、責任及職責的範圍，並考慮到本公司的表現及現行市況後釐定。非執行董事（包括獨立非執行董事）的薪酬政策是要確保非執行董事對參與本公司事務（包括其於各董事委員會的參與程度）所作出的努力以及付出的時間得到充分的補償。董事的薪酬亦參考其技能、經驗、知識、職責和市場趨勢釐定。

Corporate Governance Report 企業管治報告

As at the date of this report, the Remuneration Committee consists of three members and two of them are independent non-executive Directors, namely Mr. Feng Zhongshi (Committee Chairman) and Ms. Chen Yujun (appointed on 25 March 2024), and one is an executive Director, namely Mr. An Meng (appointed on 17 January 2024). During the year ended 31 December 2023, the Remuneration Committee held one meeting and details of the committee members' attendance are as follows:

於本報告日期，薪酬委員會由三名成員組成，其中兩名為獨立非執行董事，分別為馮仲實先生（委員會主席）與陳玉君女士（於2024年3月25日獲委任），以及一名為執行董事安猛先生（於2024年1月17日獲委任）。於截至2023年12月31日止年度，薪酬委員會舉行了一次會議，各委員會成員出席會議的詳情如下：

| Committee member | 委員會成員 | No. of attendance/ No. of committee meeting 出席次數/ 委員會會議次數 |
|---|--|---|
| Independent Non-Executive Directors | | |
| Mr. Feng Zhongshi (<i>Committee Chairman</i>) | 獨立非執行董事 馮仲實先生 (<i>委員會主席</i>) | 1/1 |
| Mr. Su Yuanfu (<i>resigned, effective from 25 March 2024</i>) | 蘇元福先生 (<i>已辭任， 於2024年3月25日生效</i>) | 1/1 |
| Executive Director | | |
| Ms. Li Qian (<i>resigned, effective from 17 January 2024</i>) | 執行董事 黎倩女士 (<i>已辭任，於2024年 1月17日生效</i>) | 1/1 |

The Remuneration Committee assessed the performance, reviewed the proposal made by management on the remuneration of executive Directors and senior management and made recommendation to the Board on the remuneration packages of individual executive directors and senior management. Details of remuneration of Directors are set out in note 7 to the financial statements.

薪酬委員會評核了其表現，檢討了管理層所提出有關執行董事及高層管理人員的薪酬方案，並向董事局就有關個別執行董事及高層管理人員的薪酬提出建議。董事薪酬的詳情載於財務報表附註7。

Remuneration of Senior Management

Pursuant to paragraph E.1.5 of the Code Provisions, the remuneration of the members of the senior management (other than the Directors) whose biographical details are set out in the section headed “Directors and Senior Management Profile” in this annual report, for the year ended 31 December 2023 by band is as follows:

高層管理人員薪酬

於截至2023年12月31日止年度，根據守則條文第E.1.5段，除董事以外的高層管理人員成員（其履歷詳情載列於本年報「董事及高層管理人員履歷」一節）的薪酬範圍如下：

| Remuneration band (in RMB) | 薪酬範圍 (人民幣) | |
|----------------------------|---------------------|---|
| Nil to 500,000 | 零至500,000 | – |
| 500,001 to 1,000,000 | 500,001至1,000,000 | 2 |
| 1,000,001 to 1,500,000 | 1,000,001至1,500,000 | 3 |
| 1,500,001 to 2,000,000 | 1,500,001至2,000,000 | 1 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The Company established an environmental, social and governance (“ESG”) committee (the “ESG Committee”) on 24 March 2022 with written terms of reference. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The ESG Committee is mainly responsible for reporting to the Board matters relating to the Group’s ESG practices, as well as monitoring the formulation and implementation of the Group’s vision, strategies, goals and policies regarding ESG issues.

環境、社會及管治委員會

本公司於2022年3月24日成立了環境、社會及管治（「環境、社會及管治」）委員會（「環境、社會及管治委員會」），並以書面釐定其職權範圍。其職權範圍可於本公司及聯交所網站查閱。

環境、社會及管治委員會主要負責向董事局報告有關本集團環境、社會及管治實際操作的事宜，以及監察本集團有關環境、社會及管治事宜的願景、策略、目標及政策的制定及執行。

Corporate Governance Report

企業管治報告

As at the date of this report, the ESG Committee comprises three members, including one executive Director, namely Mr. An Meng (Committee Chairman) and two independent non-executive Directors, namely Mr. Feng Zhongshi and Ms. Chen Yujun. During the year ended 31 December 2023, the ESG Committee held one meeting and details of the committee members' attendance are as follows:

於本報告日期，環境、社會及管治委員會由三名成員組成，包括一名執行董事，為安猛先生（委員會主席），及兩名獨立非執行董事，分別為馮仲實先生與陳玉君女士。於截至2023年12月31日止年度，環境、社會及管治委員會舉行了一次會議，各委員會成員出席會議的詳情如下：

| Committee member | 委員會成員 | No. of attendance/ No. of committee meeting 出席次數/ 委員會會議次數 |
|--|-----------------------|---|
| Executive Director | 執行董事 | |
| Mr. An Meng (<i>Committee Chairman</i>) | 安猛先生 (<i>委員會主席</i>) | 1/1 |
| Independent Non-Executive Directors | 獨立非執行董事 | |
| Mr. Feng Zhongshi | 馮仲實先生 | 1/1 |
| Ms. Chen Yujun | 陳玉君女士 | 1/1 |

The ESG Committee has reviewed the Group's ESG report for the year ended 31 December 2023, which is available on the websites of the Company and the Stock Exchange.

環境、社會及管治委員會審閱了本集團截至2023年12月31日止年度的環境、社會及管治報告，該報告可於本公司及聯交所網站查閱。

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with paragraphs D.3.3 and D.3.7 of the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

審核委員會

本公司已成立了審核委員會（「審核委員會」），並已遵照守則條文第D.3.3及D.3.7段以書面釐定其職權範圍。其職權範圍於本公司及聯交所網站可供查閱。

The responsibilities of the Audit Committee include but not limited to: (1) making recommendations to the Board on the appointment, re-appointment and removal of external auditor; (2) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (3) to develop and implement policy on engaging external auditor to supply non-audit services; (4) to monitor integrity of the Company's financial statements and interim and annual reports, and to review significant financial reporting judgements contained in them; (5) to monitor the Company's financial reporting system, risk management and internal control systems; (6) to review the Company's financial controls; (7) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems; (8) to consider major investigation findings on risk management and internal control matters; (9) to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; (10) to review the Group's financial and accounting policies and practices; (11) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response; (12) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter; (13) to report to the Board on the matters set out in (1) to (12); and (14) to consider other topics, as defined or assigned by the Board from time to time.

As at the date of this report, the Audit Committee consists of three members, two of them are independent non-executive Directors, namely Ms. Chen Yujun and Mr. Feng Zhongshi, and one is a non-executive Director, namely Dr. Zhang Lihua (appointed on 25 March 2024). Ms. Chen Yujun is the Chairlady of the Audit Committee with appropriate professional qualifications, accounting and related financial management expertise as required by Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of KPMG, the Company's current auditor. During the year ended 31 December 2023, the Audit Committee held two meetings and details of the committee members' attendance are as follows:

審核委員會的職責包括但不限於：(1)就外聘核數師的委任、重新委任及罷免向董事局提供建議；(2)按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；(3)就委聘外聘核數師提供非核數服務制定政策，並予以執行；(4)監察本公司的財務報表、半年度報告以及年度報告的完整性，並審閱報表及報告所載有關財務申報的重大判斷；(5)監察本公司的財務匯報制度、風險管理及內部監控系統；(6)檢討本公司的財務監控；(7)與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統；(8)就有關風險管理及內部監控事宜的重要調查結果進行研究；(9)確保內部和外聘核數師工作得到協調、確保內部審核功能在本公司內部有足夠資源運作且有適當的地位，並檢討及監察其成效；(10)檢討本集團的財務及會計政策及實務；(11)檢查外聘核數師給予管理層的《審核情況說明函件》、核數師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；(12)確保董事局及時回應於外聘核數師給予管理層的《審核情況說明函件》中提出的事宜；(13)就第(1)至(12)項所載的事宜向董事局彙報；及(14)考慮董事局不時界定或委派的其他專題。

於本報告日期，審核委員會由三名成員組成，其中兩名為獨立非執行董事，分別為陳玉君女士及馮仲實先生，及一名為非執行董事張麗華博士（於2024年3月25日獲委任）。陳玉君女士為審核委員會主席，其具備上市規則第3.10(2)條所規定之適當專業資格、會計及相關財務管理專業知識。概無任何審核委員會成員為本公司現任核數師畢馬威會計師事務所的前合夥人。於截至2023年12月31日止年度，審核委員會舉行了兩次會議，各委員會成員出席會議的詳情如下：

| Committee member | 委員會成員 | No. of attendance/ No. of committee meeting 出席次數/ 委員會會議次數 |
|--|-------------------------------|---|
| Independent Non-Executive Directors | | |
| Ms. Chen Yujun (<i>Committee Chairlady</i>) | 獨立非執行董事 陳玉君女士 (委員會主席) | 2/2 |
| Mr. Feng Zhongshi | 馮仲實先生 | 2/2 |
| Mr. Su Yuanfu (<i>resigned, effective from 25 March 2024</i>) | 蘇元福先生 (已辭任， 於2024年3月25日生效) | 2/2 |

The Audit Committee has reviewed the Group's financial controls, risk management and internal control systems and discussed with management of the Company to ensure that management has performed its duty to establish effective systems and has provided sufficient resources to financial reporting function and internal audit function. The Audit Committee has met with the external auditor of the Company to ensure the effectiveness of the audit process, and has reviewed this annual report, including the Company's financial statements contained therein.

審核委員會已檢討本集團的財務監控、風險管理及內部監控系統，並已經與本公司管理層討論以確保管理層已經履行職責建立有效的系統，以及對財務匯報功能及內部審計功能提供足夠的資源。審核委員會已與本公司外聘核數師會面以確定審核程序的有效性，並已審閱本年度報告，包括所載本公司的財務報表。

AUDITOR'S REMUNERATION

During the year ended 31 December 2023, the Company engaged KPMG as the external auditor. Apart from providing audit services, KPMG also provided interim financial statements review services. The fees in respect of audit and non-audit services provided by KPMG during the year ended 31 December 2023 amounted to approximately RMB2,500,000 and RMB500,000 respectively. The Board agrees with the Audit Committee's view on the selection and reappointment of the external auditor.

核數師薪酬

於截至2023年12月31日止年度，本公司委任畢馬威會計師事務所作為本公司外聘核數師。除提供審計服務外，畢馬威會計師事務所亦提供中期財務報表審閱服務。由畢馬威會計師事務所於截至2023年12月31日止年度提供的審計及非審計服務收費分別約為人民幣2,500,000元及人民幣500,000元。董事局同意審核委員會對甄選及重新委任外聘核數師的意見。

The reporting responsibilities of KPMG are set out in the Independent Auditor's Report on pages 89 to 99.

畢馬威會計師事務所的報告職責載於第89至99頁的獨立核數師報告內。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for ensuring the Group to maintain a sound and effective risk management and internal control systems, and making review on their effectiveness at least once a year, and ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Company's ESG performance and reporting. The Board's annual review include: (1) the changes, since the last annual review, in the nature and extent of significant risks (including ESG risks), and the Group's ability to respond to changes in its business and the external environment; (2) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and the work of its internal audit function and other assurance providers; (3) the extent and frequency of communication of monitoring results to the Board to assess control of the Group and the effectiveness of risk management; (4) significant control failings or weaknesses that have been identified during the year. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition; and (5) the effectiveness of the Group's processes for financial reporting and compliance with the Listing Rules.

The Audit Committee assists the Board in fulfilling its governance role over finance, operations, compliance, risk management and internal control of the Group. The Group has set up an audit and supervision department to perform the internal audit function, which assists the Board and the Audit Committee in reviewing the effectiveness of the Company's risk management and internal control systems on an ongoing basis. The Board is regularly updated on significant risks which may affect the performance of the Group.

風險管理及內部監控

董事局確認其確保本集團維持健全有效風險管理及內部監控系統的責任，以及至少每年檢討一次其成效，並確保本集團在會計、內部審核、財務匯報職能方面以及與本公司環境、社會及管治表現和匯報相關的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是足夠的。董事局每年檢討的事項包括：(1)自上年檢討後，重大風險（包括環境、社會及管治風險）的性質及嚴重程度的轉變，以及本集團應付業務轉變及外在環境轉變的能力；(2)管理層持續監察風險及內部監控系統的工作範疇及素質，及內部審核功能及其他保證提供者的工作；(3)向董事局傳達監控結果的詳盡程度及次數，以評核監控情況及風險管理的有效程度；(4)年內發生的重大監控失誤或發現的重大監控弱項，以及因此導致未能預見的後果或緊急情況的嚴重程度，而該等後果或情況對本公司的財務表現或情況已產生、可能已產生或將來可能會產生的重大影響；及(5)有關財務報告及遵守上市規則規定的流程是否有效。

審核委員會協助董事局履行其對於本集團財務、運營、合規、風險管理及內部監控等管治職能。本集團設有審計監察部發揮內部審核功能，其協助董事局及審核委員會持續檢討本公司風險管理及內部監控系統的成效。董事局可定期獲悉可能影響本集團表現的重大風險。

Corporate Governance Report 企業管治報告

The Group's internal control systems are designed to promote the realization of the Group's development strategy, to maintain the safety of assets, to ensure compliance of relevant laws and regulations, to ensure the provision of reliable financial information used within the business or for publication and to promote and enhance operational efficiency and effectiveness. The internal control systems are designed to manage rather than eliminate the risk of failure to business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established the procedures for identifying, assessing and managing the significant risks, which include but not limited to: (1) to establish risk management system code and set up annual internal audit plan to conduct regular project audits and to perform annual risk assessment process; (2) to identify the significant risks involved in the Group's business and assess the impact of such risks on the Group's business; (3) to establish information gathering channels to ensure material or potential inside information being captured and kept confidential until timely disclosure is made in accordance with the Listing Rules; (4) to conduct gap analysis on the internal control measures in response to the significant risks, and make recommendations on the improvement of its internal audit function; (5) to continuously follow up and supervise the implementation of the relevant measures in respect of the improvement recommendations; (6) to continuously update and improve the relevant management systems, authorization manuals and operating procedures to enhance management normalization and efficiency; (7) to establish a comprehensive investor relationship management system to help investors understanding the Company's operating situation and to protect investors' right to know; (8) to establish a whistleblowing system with various channels such as telephone, email, fax and office automation system, etc, to receive complaints or reports from customers, employees and third parties regarding any wrong doings; and (9) to provide various compliance and anti-corruption seminars and training to employees at all levels (including the Board and senior management members) on an ongoing basis.

本集團的內部監控系統乃為促進集團發展戰略的實現、維護資產安全、確保遵守有關法例及規則、確保為業務或刊發用途提供可靠財務資料以及促進提升運營效率和效果而設計。內部監控系統旨在管理而非消除未能達成業務目標的風險，並僅可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。

本集團已建立程序以辨別、評估及管理重大風險的程序，該等程序包括但不限於：(1)建立風險管理制度守則和設定年度內審計劃，以開展定期的項目審計和進行年度風險評估工作流程；(2)識別本集團業務所涉及的重大風險及評估該等風險對本集團業務的影響；(3)建立信息收集渠道，確保能掌握重大或潛在內幕消息並加以保密，直至按上市規則作出適時的披露；(4)針對重大風險進行內部控制措施差距分析及提出內審職能改進建議；(5)針對改進建議持續跟進督促相關措施的落實；(6)不斷更新和完善相關管理制度、授權手冊和業務流程，以提升管理規範性和效率；(7)建立全面的投資者關係管理制度，以協助投資者瞭解本公司的經營情況，及保障投資者的知情權；(8)建立多元化的舉報渠道，包括電話、電子郵件、傳真及辦公室自動化系統等，收集來自客戶、員工及第三方對於任何違規違紀行為的投訴或舉報；及(9)持續向各級員工（包括董事局成員及高層管理人員）提供各種合規及反貪污的宣導及培訓。



The Group's audit and supervision department monitors and evaluates the adequacy and effectiveness of the relevant procedures through various internal audits and periodic overall evaluations during the year, and reports to the Audit Committee on a regular basis. During the year, the Audit Committee engaged an independent internal control valuer to implement the relevant risk assessment and internal control evaluation work in order to assist in identifying high-level risks in corporate operations, assess the internal control system over key business processes, and provide the Company with guidance and recommendations for the enhancement of its risk management and internal control capabilities. The evaluation team has submitted the relevant evaluation report to the Audit Committee. The Audit Committee has performed assessment based on its communication with the external auditor and management team as well as the reports prepared by the audit and supervision department and the independent valuer, and reports to the Board on the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on the reports prepared by the Group's Audit Committee, the Board considers that the risk management and internal control systems of the Group do not have any significant or material deficiencies that may cause material misstatements in the financial reports, and are generally adequate and effective. In response to other general internal control deficiencies identified, the Group has taken or intends to take corresponding improvement measures to strengthen the internal control system. Meanwhile, the Group will review the effectiveness and adequacy of the risk management and internal control systems on an ongoing basis.

本集團審計監察部通過年度內各項內部審計工作和定期的整體評價工作，就有關程序是否充分及有效進行監督和評估，並定期向審核委員會報告。本年度，審核委員會聘請獨立內部控制評估顧問，實施了有關風險評估與內部控制評價工作，以協助識別企業經營的高層次風險，以及對關鍵業務流程內部控制系統進行評估，為公司風險管理與內部控制能力提升提供方向和建議。評估團隊向審核委員會提交了相關評估報告。審核委員會根據其與外聘核數師及管理團隊的溝通及審計監察部的報告、獨立評估顧問的報告，進行評核並就本集團的風險管理及內部監控系統的充分性和有效性向董事局匯報。

根據本集團審核委員會的報告，董事局認為，本集團的風險管理及內部監控系統不存在可能造成財務報告重大錯報的重要或者重大型缺陷，在總體上是足夠和有效的。針對所識別出的其他一般內部控制缺陷，本集團已經採取或擬採取相應改善措施以強化內部控制系統。同時，本集團將持續檢討風險管理及內部監控系統的有效性及足夠性。

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

Mr. Yau Chi Ming, being our company secretary, is primarily responsible for the company secretarial work of the Group. Mr. Yau attended no less than 15 hours of relevant professional training during the year ended 31 December 2023.

SHAREHOLDERS' RIGHTS

The shareholders of the Company may make requisition for the convening of an extraordinary general meeting (“**EGM**”) of the Company in accordance with the procedures set out in the Articles of Association as follows:

- (1) An EGM shall be convened on the requisition of one or more shareholders holding, as at the date of deposit of the requisition, not less than one-tenth of the voting rights (on a one vote per share basis) in the issued share capital of the Company. Such shareholder(s) shall also be entitled to add resolutions to the agenda for the EGM.

公司秘書

丘志明先生為本公司的公司秘書，其主要職責為負責本集團的公司秘書工作。丘先生於截至2023年12月31日止年度已參與不少於15小時的相關專業培訓。

股東權利

本公司股東可根據以下組織章程細則所載的程序要求召開本公司股東特別大會（「**股東特別大會**」）：

- (1) 股東特別大會須在一名或以上於遞交要求當日持有本公司已發行股本不少於十分之一投票權（每股股份一票）的股東要求下召開。有關股東亦有權將決議案加入到有關股東特別大會的議程。

- (2) Such requisition shall be made in writing to the Board or the company secretary of the Company, with detailed contact information of the requisitioner(s), at either one of the following addresses of the Company:

Headquarters in the PRC

Address: 71, Dongpeng Avenue
Eastern section,
Guangzhou Economic and Technological
Development District
Guangzhou, PRC

Principal place of business in Hong Kong

Address: 22nd Floor
World-Wide House
19 Des Voeux Road Central
Hong Kong

Registered address

Address: Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY 1-1108
Cayman Islands

- (3) The request will be verified by the Company's principal share registrar or the Hong Kong branch share registrar and upon the confirmation that the request is proper and in order, the Board will proceed to convene an EGM to be held within 2 months after the deposit of such requisition. At least 21 day's notice in writing is required for an EGM called for passing of a special resolution, and at least 14 day's notice in writing is required for an EGM called for passing of an ordinary resolution.
- (4) If within 21 days of such deposit, the Board fails to proceed to convene such EGM, the requisitioner(s) himself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

- (2) 有關要求須以書面形式向董事局或本公司的公司秘書提出，附有要求人士的詳細聯絡資料，遞交至本公司以下其中一個地址：

中國總部

地址： 中國廣州
廣州經濟技術開發區東區
東鵬大道71號

香港主要營業地點

地址： 香港
德輔道中19號
環球大廈
22樓

註冊地址

地址： Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY 1-1108
Cayman Islands

- (3) 該要求將由本公司之主要證券登記處或香港證券登記分處核實，待確認該要求屬適當及符合程序後，董事局將召開於遞交要求後2個月內舉行之股東特別大會。為通過特別決議案而召開股東特別大會，須在召開前至少21天發出書面通知，及為通過普通決議案而召開股東特別大會，須在召開前至少14天發出書面通知。
- (4) 如董事局於遞交要求之日起計21天內仍不著手召開有關股東特別大會，則遞交要求人士可按相同方式召開會議，而本公司須向要求人士償付因董事局的不作為而令要求人士招致的所有合理開支。

Corporate Governance Report

企業管治報告

INVESTOR RELATIONS AND COMMUNICATION

The Board recognises the importance of good communications with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and public investors.

The Company updates its shareholders on its latest business developments and financial performance through its corporate publications including interim reports, annual reports and announcements. Extensive information about the Company's activities for the year ended 31 December 2023 has been provided in this annual report. While the annual general meeting provides a valuable forum for direct communication between the Board and its shareholders, the Company also maintains its website (<http://www.chinaconsun.com>) to provide an alternative communication channel for the public and its shareholders. All corporate communication and Company's latest updates are available on the Company's website for public's information.

Shareholders' enquires to the Board may be made in writing and sent to the Company's headquarters in the PRC or principal place of business in Hong Kong at the addresses stated above, or sent by email to ir@chinaconsun.com or by fax to (86) 20 8226 1886. Shareholders may also contact the Company's investor relations team by phone at (86) 20 8226 4529.

投資者關係及溝通

董事局深知與全體股東保持良好溝通的重要性。本公司相信維持高透明度乃為提升投資者關係的關鍵所在。本公司承諾向其股東及公眾投資者公開且及時地披露公司資料。

本公司透過公司刊物（包括中期報告、年度報告及公告）為股東提供最新的業務發展及財務表現。本年度報告已提供大量本公司截至2023年12月31日止年度的業務資料。股東周年大會為董事局及其股東提供寶貴的直接溝通機會，而本公司亦透過其網站（<http://www.chinaconsun.com>）向公眾及其股東提供另一種溝通管道。所有公司通訊及本公司的最新資訊均可於本公司的網站供公眾查閱。

股東向董事局提出的查詢可以書面方式遞交至本公司中國總部或香港主要營業地點的上述地址，或以電郵發至 ir@chinaconsun.com 或傳真至 (86) 20 8226 1886。股東亦可以致電 (86) 20 8226 4529 與本公司投資者關係組溝通。

To facilitate and encourage more shareholders to attend the Company's general meetings, the Company's annual general meeting on 31 May 2023 was held with the combination of a physical meeting and an online virtual meeting. Board members, in particular, either the chairmen of Board committees or their delegates, appropriate management executives and external auditor will attend annual general meetings to answer Shareholders' questions. Each shareholder has the right to speak at a general meeting and the Board members could communicate with shareholders directly. The Company has set up a dedicated investor relations team to communicate with shareholders and to handle shareholders' enquires on an ongoing basis. The team members are familiar with the information disclosure requirements and guidance of Listing Rules and relevant provisions, who summarise and reflect shareholders' opinion and feedback to the Board and management team. Such information is considered by the Board and management team when reviewing the existing policies and formulating future strategies. The Board considers that the shareholders' communication policy implemented during the year ended 31 December 2023 was open and effective.

CHANGES IN CONSTITUTIONAL DOCUMENTS

There has been no significant change in the Company's constitutional documents during the year ended 31 December 2023. The latest version of the Company's memorandum and articles of association is available on the websites of the Company and the Stock Exchange. As disclosed in the announcement of the Company dated 28 March 2024, the Board proposes to amend the existing memorandum and articles of association of the Company in order to conform to the current requirements of the Listing Rules, including but not limited to the expansion of paperless listing regime and electronic dissemination of corporate communications that came into effect on 31 December 2023.

Hong Kong, 28 March 2024

為方便及鼓勵更多股東參加本公司的股東大會，本公司於2023年5月31日之股東周年大會以現場會議及在線虛擬會議結合進行舉行。董事局成員（尤其是董事局委員會主席或其代表）、適當的行政管理人員及外聘核數師均會出席股東周年大會以回答股東之提問。每位股東均有權在股東大會上發言，及董事局成員可以直接與股東進行溝通。本公司成立了專責的投資者關係組，持續地與股東溝通及處理股東的查詢。該組成員均熟悉上市規則及相關條文對於信息披露的要求及指引，他們匯總收集到的股東意見並反映給董事局及管理團隊。董事局及管理團隊在檢討現行政策及制定未來策略時，會考慮該等資料。董事局認為於截至2023年12月31日止年度股東通訊政策的實施為公開及有效的。

法律組織章程文件之變更

於截至2023年12月31日止年度，本公司的法律組織章程文件並無重大變更。本公司組織章程大綱及細則之最新版本可於本公司及聯交所網站查閱。如本公司日期為2024年3月28日之公告所披露，董事局建議修訂本公司現有組織章程大綱及細則，以符合上市規則之現行規定，包括但不限於擴大無紙化上市制度及以電子方式發放公司通訊，有關規定於2023年12月31日生效。

香港，2024年3月28日

Report of Directors 董事局報告

The Board of the Company are pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 14 to the financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Chairman's Statement set out on pages 5 to 14 and the Management Discussion and Analysis set out on pages 16 to 26 of this annual report, which form part of this directors' report.

RESULTS AND APPROPRIATIONS

The Group's annual results for the year ended 31 December 2023 and its state of affairs as at 31 December 2023 are set out in the financial statements on pages 100 to 235.

The Company paid an interim dividend of HKD0.15 per share in 2023, amounting to approximately RMB109,068,000 in total. The Board proposed to declare a final dividend of HKD0.3 per share, which amounted to approximately RMB221,122,000 for the year ended 31 December 2023 (2022: final dividend of HKD0.30 per share, totally approximately RMB208,065,000). The proposed final dividend is subject to approval by the shareholders of the Company at the annual general meeting to be held on Friday, 31 May 2024 and, if approved, is expected to be paid on or about Friday, 21 June 2024 to shareholders whose names appear on the register of members of the Company on Wednesday, 12 June 2024. The final dividend is declared and will be paid in HKD.

本公司董事局欣然提呈本集團截至2023年12月31日止年度之年度報告及經審核綜合財務報表。

主要業務及業務回顧

本公司的主要業務為投資控股，而本公司主要附屬公司之主要業務載於財務報表附註14。

按香港《公司條例》附表5所規定有關該等業務的進一步討論及分析，包括有關本集團面臨的主要風險及不明朗因素的討論以及本集團業務的未來可能發展動向，載於本年度報告第5至14頁的主席報告及第16至26頁的管理層討論及分析中。該等討論及分析構成本董事局報告的一部份。

業績和分派

本集團截至2023年12月31日止年度的全年業績及其於2023年12月31日的財務狀況載於第100至235頁的財務報表。

本公司於2023年度派付中期股息每股0.15港元，總額約人民幣109,068,000元。董事局建議宣派截至2023年12月31日止年度之末期股息每股0.3港元，合共約人民幣221,122,000元（2022年：末期股息每股0.30港元，合共約人民幣208,065,000元）。擬派末期股息須經本公司股東於2024年5月31日（星期五）舉行的股東周年大會批准，方告作實，及若獲批准，預期將於2024年6月21日（星期五）或前後派付予於2024年6月12日（星期三）名列本公司股東名冊之股東。末期股息以港元宣派並將以港元支付。

DIVIDEND POLICY

According to the Company's Articles of Association, the Company may declare and pay dividends out of our distributable reserves as permitted under the relevant law. The payment and the amount of any dividends will depend on the results of the Group's operations, cash flow, financial condition, statutory and regulatory restrictions on the payment of dividends, future prospects and other factors that the Board may consider relevant. A decision to distribute any interim dividend or recommend any final dividend will be at the discretion of the Board. In addition, any payment of final dividend will be subject to approval by the Company's shareholders. The Board reviews the Company's dividend policy from time to time in light of the following factors in determining whether dividends are to be declared and paid:

- financial results of the Group;
- shareholders' interests;
- general business conditions, strategies and future expansion needs;
- the Company's capital requirements;
- the payment by the subsidiaries of cash dividends to the Company;
- possible effects on liquidity and financial position of the Group; and
- other factors the Board may consider relevant.

These are no arrangements under which a shareholder has waived or agreed to waive any dividends.

股息政策

根據本公司組織章程細則，在有關法例許可下，本公司可動用可供分派儲備宣派及支付股息。任何股息的派付及金額均將取決於本集團的經營業績、現金流、財務狀況、有關派付股息的法定及監管限制、未來前景及董事局認為相關的其他因素。分派任何中期股息或建議任何末期股息將由董事局酌情決定。此外，任何派付末期股息將須取得本公司股東批准。董事局不時因應下列因素檢討本公司的股息政策，以決定是否宣派及派付股息：

- 本集團的財務業績；
- 股東權益；
- 一般業務狀況、策略及未來擴展需要；
- 本公司的資本要求；
- 附屬公司向本公司派付現金股息；
- 對本集團流動性及財務狀況可能造成的影響；及
- 董事局可能認為相關的其他因素。

概無股東放棄或同意放棄任何股息的安排。

Report of Directors

董事局報告

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years ended 31 December 2019 to 2023 is set out on page 236. This summary does not form part of the financial statements.

SHARE CAPITAL

Details of changes in share capital of the Company during the year ended 31 December 2023 are set out in note 26 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company's distributable reserves, calculated in accordance with the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to RMB916,186,000 (2022: RMB812,046,000).

DONATIONS

During the year ended 31 December 2023, charitable and other donations made by the Group amounted to approximately RMB705,000 (2022: approximately RMB1,556,000).

MAJOR CUSTOMERS AND SUPPLIERS

The Group maintains good business relationships with its suppliers and customers, which are beneficial for the Group's healthy long-term development.

During the year ended 31 December 2023, the aggregate sales attributable to the Company's five largest customers, including sales to entities which are known to the Group to be under common control with these customers, accounted for approximately 58.3% of the total revenue for the year; sales to the largest customer accounted for approximately 27.6% thereof. The aggregate purchases attributable to the Company's five largest suppliers accounted for approximately 65.6% of the total purchase for the year; purchases from the largest supplier accounted for approximately 33.5% thereof.

五年財務摘要

本集團自2019年12月31日止年度至2023年12月31日止年度最近五個財政年度的業績、資產及負債的摘要載於第236頁。本摘要並不構成財務報表的一部份。

股本

本公司股本於截至2023年12月31日止年度變動的詳情載於財務報表附註26。

可供分派儲備

於2023年12月31日，按照開曼群島公司法第22章（1961年法例三（經綜合及修訂））計算之本公司可供分派儲備為人民幣916,186,000元（2022年：人民幣812,046,000元）。

捐款

截至2023年12月31日止年度，本集團之慈善及其他捐款合共約人民幣705,000元（2022年：約人民幣1,556,000元）。

主要客戶及供應商

本集團與其供應商及客戶維持良好商業關係，其有利於本集團的長期健康發展。

於截至2023年12月31日止年度，本公司五大客戶的銷售（包括向本集團得悉與該等戶受共同控制之實體作出的銷售）總額佔本年度收入總額的約58.3%，其中對最大客戶銷售額佔本年度收入總額的約27.6%。本公司五大供應商的採購總額佔本年度採購總額的約65.6%，其中最大供應商採購額佔本年度採購總額的約33.5%。

To the best knowledge of the Directors, none of the Directors, their associates or any shareholders who owned more than 5% of the Company's issued share capital had any beneficial interest in any of the Group's five largest customers or suppliers during the year.

SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED COMPANIES

Details of the major subsidiaries of the Group are set out in note 14 to the financial statements.

PROPERTIES, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Details of changes in the Group's investment property, property, plant and equipment and right-of-use assets during the year ended 31 December 2023 are set out in notes 10 to 12 to the financial statements.

CAPITAL EXPENDITURE

During the year ended 31 December 2023, the Group's total capital expenditure amounted to RMB35,161,000 (2022: RMB67,126,000) which was used for acquisition of property, plant and equipment. Details of movements the Group's property, plant and equipment are set out in note 11 to the financial statements.

LOANS AND BORROWINGS

Details of the Group's bank loans as at 31 December 2023 are set out in note 21 to the financial statements.

據董事所知，董事或彼等的聯繫人或任何擁有本公司已發行股本5%以上權益的股東在年內概無於本集團任何五大客戶或供應商中擁有任何實益權益。

附屬公司、聯營公司和共同控制公司

本集團主要附屬公司的詳情載於財務報表附註14。

物業、廠房及設備及使用權資產

本集團投資物業、物業、廠房及設備及使用權資產於截至2023年12月31日止年度變動的詳情載於財務報表附註10至12。

資本支出

於截至2023年12月31日止年度，本集團總資本支出為人民幣35,161,000元（2022年：人民幣67,126,000元），用於購買物業、廠房及設備。有關本集團物業、廠房及設備的變動詳情載於財務報表附註11。

貸款及借款

本集團於2023年12月31日的銀行貸款詳情載於財務報表附註21。

Report of Directors

董事局報告

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company who hold office during the year and up to the date of this report are:

Executive Directors

Mr. An Meng (*Chairman and Chief Executive Officer*)^(Note 1)

Ms. Li Qian (*Vice Chairlady and Chief Executive Officer*)
(*resigned, effective from 17 January 2024*)

Professor Zhu Quan

Mr. Xu Hanxing

Non-Executive Director

Dr. Zhang Lihua

Independent Non-executive Directors

Mr. Su Yuanfu (*resigned, effective from 25 March 2024*)

Mr. Feng Zhongshi

Ms. Chen Yujun

Note: 1. Mr. An Meng was appointed as the Chief Executive Officer on 17 January 2024.

Each of the Directors has entered into a letter of appointment with the Company for an initial term of three years from the date of appointment, automatically renewable for a further one year subject to director's rotation pursuant to the Articles of Association of the Company and can be terminated by not less than three months' notice in writing served by either party on the other. None of the Directors has a service contract which is not determinable by the Company or any of its subsidiaries within 1 year without payment of compensation, other than statutory compensation.

During the year, no remuneration was paid by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

董事與董事服務合同

於本年度及截至本報告日期在任的本公司董事如下：

執行董事

安猛先生 (*主席及首席執行官*)^(附註1)

黎倩女士 (*副主席及首席執行官*)

(*已辭任，於2024年1月17日生效*)

朱荃教授

徐瀚星先生

非執行董事

張麗華博士

獨立非執行董事

蘇元福先生 (*已辭任，於2024年3月25日生效*)

馮仲實先生

陳玉君女士

附註：1. 安猛先生於2024年1月17日獲委任為首席執行官。

每名董事均已與本公司訂立聘任書，自聘任日期起初步年期為3年，可予自動重續額外一年（每名董事須根據本公司組織章程細則輪值退任），惟任何一方可向另一方發出不少於3個月的書面通知而終止。概無董事訂立不可於一年內由本公司或其任何附屬公司終止而毋須支付賠償（法定賠償除外）的服務合約。

年內，本集團概無向非董事及非主要行政人員的最高薪僱員支付酬金，作為吸引其加入本集團或加入本集團後的獎勵或離職補償。

年內，概無董事或主要行政人員放棄或同意放棄任何酬金的安排。



The Company has received annual confirmation on independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and all of them are considered to be independent.

In accordance with the Company's Articles of Association, one third of the existing Directors shall retire from office at each annual general meeting, and any additional Director appointed by the Board shall hold office until the next following annual general meeting and shall then be eligible for re-election. Accordingly, Mr. An Meng and Mr. Xu Hanxing shall retire from office at the forthcoming annual general meeting, and being eligible, offers themselves for reelection at the forthcoming annual general meeting.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in this report, there was no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest subsisted at the end of the year or at any time during the year.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are disclosed in the section headed "Directors and Senior Management Profile" on pages 27 to 36 of this annual report.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company has been entered into or existed during the year.

EQUITY-LINKED AGREEMENT

Save for the Share Option Scheme and Share Award Scheme as disclosed in the section headed "SHARE OPTION SCHEME" and "SHARE AWARD SCHEME" of this report and note 24 to the financial statement, no equity-linked agreement was entered into by the Company or subsisted during the year ended 31 December 2023.

根據上市規則第3.13條，本公司已接獲每位獨立非執行董事關於彼等於本年度獨立性的確認書，而所有獨立非執行董事均被視為獨立。

根據本公司之組織章程細則，於每屆股東周年大會上，三分之一當時在任董事須退任，及由董事局以增補形式委任的董事任期僅至下一次股東周年大會為止，屆時符合資格膺選連任。因此，安猛先生及徐瀚星先生將於應屆股東周年大會上退任，而彼等符合資格並願意於應屆股東周年大會上膺選連任。

董事於重大交易、安排及合約的權益

除於本報告中披露者外，董事或董事的關連實體概無任何於與本公司或其任何附屬公司所訂立且於年末或年內任何時間存續的重大交易、安排或合約中擁有重大權益。

董事及高層管理人員履歷

董事及本集團高層管理人員履歷詳情於本年度報告第27至36頁「董事及高層管理人員履歷」一節披露。

管理合約

於本年度內，概無訂立或存在任何有關本公司全部業務或任何重大部分業務之管理及行政之合約。

股權掛鈎協議

除本報告「購股權計劃」及「股份獎勵計劃」章節及財務報表附註24中所披露之購股權計劃及股份獎勵計劃外，本公司於截至2023年12月31日止年度，並無訂立或仍然存續的股權掛鈎協議。

TAX RELIEF AND EXEMPTION

The Company is not aware of tax relief or exemption available to the shareholders by reason of their holding of the Company's securities.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Each of Mr. An Yubao, Ms. Li Qian and Mr. Yong Wai Po, Peter (collectively, the “**Controlling Shareholders**” or “**Non-Competing Covenantors**”) entered into a deed of non-competition (“**Deed of Non-Competition**”) on 2 December 2013, pursuant to which the Non-Competing Covenantors have irrevocably and severally (but not jointly and severally) undertaken to the Company (for itself and for the benefit of each of the members of the Group) that with effect from the date of Listing and for as long as the shares of the Company remain so listed on the Stock Exchange and the Controlling Shareholders are individually or collectively with any of his/its associates interested directly or indirectly in not less than 30.0% of the issued ordinary share capital of the Company (the “**Restricted Period**”), the Non-Competing Covenantors or their respective associates shall not, (i) directly or indirectly engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business (whether as owner, director, operator, licensor, licensee, partner, shareholder, joint venturer, employee, consultant or otherwise) in competition with or likely to be in competition with the existing business carried on by the Group (the “**Restricted Business**”); and (ii) directly or indirectly take any action which constitutes an interference with or a disruption of the Restricted Business including, but not limited to, (a) solicitation of any existing or then existing employees of the Group for employment by them or their associates (excluding the Group); (b) solicitation of any current or then current customers and/or suppliers and/or former customers and/or suppliers of the Group for the preceding 6 months at the relevant time away from the Group; and (c) without the consent from the Company, making use of any information pertaining to the business of the Group which may have come to their knowledge in their capacity as substantial shareholders for the purpose of engaging, investing or participating in any Restricted Business.

稅項減免

本公司並不知悉股東因持有本公司證券而可享有的稅項減免。

控股股東之不競爭承諾

安郁寶先生、黎倩女士及楊惠波先生（統稱「**控股股東**」或「**不競爭契諾人**」）於2013年12月2日簽訂不競爭契據（「**不競爭契據**」）。據此，不競爭契諾人已向本公司（為其本身及為本集團各成員公司的利益）作出不可撤回及個別的（但非共同及個別的）承諾，自上市日期起及只要本公司股份仍於聯交所上市，以及控股股東個別或共同地與其任何聯繫人直接或間接擁有不少於本公司已發行普通股股本30.0%的權益（「**限制期間**」），不競爭契諾人或彼等各自的聯繫人不會：(i)直接或間接從事、參與或持有任何權利或權益或提供任何服務或以其他方式涉及與本集團進行的現有業務競爭或可能競爭的任何業務（「**受限制業務**」）（不論作為擁有人、董事、經營者、發牌人、持牌人、合夥人、股東、合資經營人、僱員、諮詢人或其他身份）；及(ii)直接或間接採取對受限制業務構成干預或中斷的任何行動，包括但不限於(a)招攬本集團任何現時或當時在職僱員受其或其聯繫人（本集團除外）僱用；(b)遊說本集團的任何現有或當時現有之客戶及／或供應商及／或於有關時間前六個月內為本集團的前客戶及／或供應商離開本集團；及(c)未經本公司同意，利用本身作為主要股東的身份而可能獲悉有關本集團業務的任何資料，用於從事、投資或參與任何受限制業務。

Each of the Non-Competing Covenantors severally (but not jointly and severally) undertakes to the Company (for itself and for the benefit of each of the members of the Group) that, in respect of any order or any part of it undertaken or proposed to be undertaken by him/her or his/her associates for the Restricted Business, it shall and shall procure that his/her associates shall, unconditionally use reasonable endeavours to procure that such customer(s) to appoint or contract directly with any member of the Group for the Restricted Business under the relevant order.

Each of the Non-Competing Covenantors jointly and severally undertakes to indemnify and keep indemnified the Group against any damage, loss or liability suffered by the Company or any other member of the Group arising out of or in connection with any breach of its undertakings and/or obligations under the Deed of Non-Competition, including any costs and expenses incurred as a result of such breach provided that such indemnity shall be without prejudice to any other rights and remedies the Company is entitled to in relation to any such breach, including specific performance, and all such other things and remedies are hereby expressly reserved by the Company.

Each of the Controlling Shareholders has confirmed to the Company of his/its compliance with the Deed of Non-Competition provided to the Company until (i) the date on which the Company's shares cease to be listed on the Stock Exchange; or (ii) the date on which the relevant Covenantor and his/its associates cease to own 30% or more of the then issued share capital of the Company directly or indirectly; whichever occurs first.

The independent non-executive Directors of the Company had reviewed the status of compliance as well as confirmation by the Controlling Shareholders of the Company and, on the basis of such confirmation, are of the view that such Controlling Shareholders have complied with their non-competition undertakings under the Deed of Non-Competition and these non-competition undertakings have been enforced by the Company in accordance with its terms.

各不競爭契諾人個別地(但非共同及個別地)向本公司(為其本身及為本集團各成員公司的利益)承諾,對於其或其聯繫人就受限制業務而承接或擬承接的任何訂單或訂單中任何部份,其會或會促使其聯繫人無條件合理地盡力安排該等客戶根據相關訂單就受限制業務委任本集團任何成員公司或直接與本集團任何成員公司訂約。

各不競爭契諾人共同及個別地承諾,就源於或有關不競爭契據下其承諾及/或責任的任何違反所導致本公司或本集團任何其他成員公司承受的任何損害、損失或責任(包括因該違反而產生的任何成本及開支),其會對本集團作出彌償及一直作出彌償,惟該彌償不會影響本公司就任何有關違反而可享有的任何其他權利及可採取的補救措施,包括特定履行救濟,以及本公司謹此就一切有關其他事項及補救行動明確表示保留的權利。

各控股股東已向本公司確認其遵從不競爭契據,直至(i)本公司股份不再於聯交所上市的日期;或(ii)相關契諾人和其聯繫人不再直接或間接擁有本公司當時已發行股本30%或以上的日期(以較早日期為準)。

本公司獨立非執行董事已審閱有關合規情況,並已得到本公司控股股東的確認,及基於此確認,彼等認為該等控股股東已遵守其於不競爭契據項下的不競爭承諾,且此等不競爭承諾已由本公司根據其條款執行。

CONNECTED TRANSACTIONS

As disclosed in the announcement of the Company dated 20 February 2024 (the “**Announcement**”), the Group had conducted certain transactions (collectively the “**Transactions**”) with Zhuhai Kaitesi Biotechnology Co., Ltd.* (珠海凱特斯生物科技有限公司) (“**Zhuhai KTS**”) and certain companies controlled by and associated to Mr. Xu Hanxing (“**Mr. Xu**”) and Ms. Li Qian (“**Ms. Li Qian**”), which constituted connected transactions of the Company.

The transactions between the Group and Zhuhai KTS were spread over four financial years from 2019 to 2022. The aggregate amount involved in all the Transactions over the said four financial years was approximately RMB9,113,000, of which the amount involved relating to the service fee incurred in 2020 under the Online Services Agreement (as defined below) and the procurement of skincare products from Zhuhai KTS in 2020 respectively exceeded HK\$3,000,000 (the “**2020 KTS Transactions**”).

(i) Procurement of promotional materials from Zhuhai KTS

According to latest information available, in 2019, the Group has purchased certain promotional materials from Zhuhai KTS, and the Group has paid a total of approximately RMB37,000 to Zhuhai KTS in 2019.

(ii) The Online Services Agreement

Pursuant to an online promotion services agreement (the “**Online Services Agreement**”) dated 7 January 2020 entered into between Zhuhai KTS and the Group, Zhuhai KTS used the Company’s brand names “Consun Pharmaceutical” and “Yulin Pharmaceutical” to establish online shops on major e-commerce platforms operated by other third parties, and sold the Company’s products through such platforms. According to latest information available, the Group has paid a total of approximately RMB5,393,000, RMB240,000 and RMB39,000 to Zhuhai KTS in 2020, 2021 and 2022 respectively for the online sales and promotion services provided by Zhuhai KTS. Such online sales and promotion services were at least partially sub-contracted by Zhuhai KTS to another third party.

關連交易

誠如本公司日期為2024年2月20日的公告（「該公告」）所披露，本集團已與珠海凱特斯生物科技有限公司（「珠海凱特斯」）及徐瀚星先生（「徐先生」）及黎倩女士（「黎倩女士」）控制並與彼等有關聯的若干公司進行若干交易（統稱「該等交易」），該等交易構成本公司的關連交易。

本集團與珠海凱特斯之間的交易於2019年至2022年的四個財政年度內均有進行。上述四個財政年度內所有該等交易涉及的總金額約為人民幣9,113,000元，其中2020年根據線上服務協議（定義見下文）產生的服務費及2020年向珠海凱特斯採購護膚產品涉及金額分別超過3,000,000港元（「2020年凱特斯交易」）。

(i) 向珠海凱特斯採購宣傳材料

根據可得的最新資料，於2019年，本集團已向珠海凱特斯購買若干宣傳材料，而本集團已於2019年向珠海凱特斯支付合共約人民幣37,000元。

(ii) 線上服務協議

根據珠海凱特斯與本集團於2020年1月7日訂立的線上推廣服務協議（「線上服務協議」），珠海凱特斯使用本公司的品牌名稱「康臣藥業」及「玉林製藥」在其他第三方運營的主要電商平台上開設網店，並通過該等平台銷售本公司的產品。根據可得的最新資料，本集團已就珠海凱特斯提供的線上銷售及推廣服務分別於2020年、2021年及2022年向珠海凱特斯支付合共約人民幣5,393,000元、人民幣240,000元及人民幣39,000元。該等線上銷售及推廣服務至少部分由珠海凱特斯分包予另一第三方。

(iii) Procurement of Skincare Products from Zhuhai KTS

According to latest information available, in 2020, the Group has purchased certain skincare products from Zhuhai KTS, and the Group has paid a total of approximately RMB3,159,000 to Zhuhai KTS in 2020.

(iv) Sale of Healthcare Products to Zhuhai KTS

According to latest information available, the Group has sold certain healthcare products in the aggregate sale price of approximately RMB245,000 to Zhuhai KTS in 2021.

Based on the current information available to the Group, as one or more of the applicable percentage ratios set out in the Listing Rules in respect of each of the 2020 KTS Transactions exceeded 0.1% but are all less than 5% for the Company at the material time, the entering into of each of the 2020 KTS Transactions is likely subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for the Company.

However, the Company does not currently possess all information relating to the Transactions, and is in the process of internal investigation. Should there be any material development on the Transactions, further announcement(s) will be made by the Company as and when appropriate or in accordance with the requirements of the Listing Rules.

Save as disclosed in this report, the Company did not enter into any transactions which constitute non-exempt connected transactions within the meaning of the Listing Rules during the year ended 31 December 2023.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed under the section headed "Material Related Party Transactions" in note 29 to the financial statements, neither the Company nor any of its subsidiaries has entered into any contract of significance with a controlling Shareholder or any of its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of its subsidiaries.

(iii) 向珠海凱特斯採購護膚產品

根據可得的最新資料，於2020年，本集團已向珠海凱特斯購買若干護膚產品，而本集團已於2020年向珠海凱特斯支付合共約人民幣3,159,000元。

(iv) 向珠海凱特斯銷售保健產品

根據可得的最新資料，本集團於2021年以總售價約人民幣245,000元將若干保健產品出售予珠海凱特斯。

根據本集團目前可獲得的資料，由於上市規則所載有關每項2020年凱特斯交易的一項或多項適用百分比率對本公司而言在關鍵時間超過0.1%但均低於5%，故訂立每項2020年凱特斯交易對本公司而言可能須遵守上市規則第14A章項下的申報及公告規定，惟獲豁免遵守通函及獨立股東批准規定。

然而，本公司目前並無掌握有關該等交易的所有資料，並正處於內部調查過程中。倘有關該等交易有任何重大進展，本公司將於適當時或根據上市規則規定作出進一步公佈。

除於本報告披露者外，於截至2023年12月31日止年度，本公司並無進行任何將會構成上市規則所指的非豁免關連交易的交易。

與控股股東訂立的重大合約

除財務報表附註29「重大關聯方交易」一節所披露者外，本公司或其任何附屬公司均無與控股股東或其任何附屬公司訂立任何重大合約，亦無就控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立任何重大合約。

SHARE OPTION SCHEME

The Company's shareholders approved the adoption of a share option scheme ("**Share Option Scheme**") on 2 December 2013 for the purpose to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to eligible participants and for such other purposes as the Board approve from time to time. Subject to the terms of the Share Option Scheme, the Board may, at their absolute discretion, grant or invite any person belonging to any of the following classes to take up options to subscribe for shares: (a) any employee, supplier/service provider, customer, partner or joint-venture partner of the Group (including any director, whether executive and whether independent or not, of the Group) who is in full-time or part-time employment with the Company or any subsidiaries, (b) any person who have contributed or may contribute to the Group.

The total number of share which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of shares in issue on the date of Listing unless the Company seeks the approval of the shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be regarded as utilised for the purpose of calculating 10% limit. The shareholders of the Company approved the refreshment of the 10% limit under the Share Option Scheme on general meetings held on 27 May 2016 and 31 May 2019 respectively. The Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption and expired on 1 December 2023. The number of options available for grant under the Share Option Scheme at 1 January 2023 and at 31 December 2023 was 75,781,878 and 0 respectively.

購股權計劃

本公司股東於2013年12月2日批准採納一項購股權計劃(「購股權計劃」)，旨在令本公司可以更靈活的方式給予合資格參與人士獎勵、回報、酬金、補償及／或提供福利，及就董事局不時批准之有關其他目的。在購股權計劃的條款規限下，董事局可全權酌情授出或邀請任何屬以下任何組別的人士接納購股權以認購股份：(a)本公司或任何附屬公司旗下僱用的任何全職或兼職的本集團僱員、供應商／服務供應商、客戶、合作夥伴或合資企業合作夥伴，包括本集團不論是否屬執行及獨立與否的任何董事；(b)任何對本集團已經或可能作出貢獻之人士。

根據購股權計劃及本公司任何其他購股權計劃將予授出的所有購股權獲行使時可能發行的股份總數，不得超過上市日期已發行股份總數10%，除非本公司在股東大會上尋求股東批准更新購股權計劃的10%限額，惟在計算10%限額時，根據購股權計劃或本公司任何其他購股權計劃條款已失效的購股權不計作已使用。本公司股東分別於2016年5月27日及2019年5月31日召開之本公司股東大會上批准更新購股權計劃的10%限額。該購股權計劃自採納日期起10年內有效並已經於2023年12月1日到期，於2023年1月1日及2023年12月31日可根據購股權計劃授出的購股權數目分別為75,781,878份及0份。

The principal terms of the Share Option Scheme are summarised as follows:

The exercise price for each option granted shall be determined by the Board in its absolute discretion but in any event shall be at least the higher of:

- (1) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer for the grant of option (“**Date of Grant**”) which must be a trading day;
- (2) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and
- (3) the nominal value of the shares on the Date of Grant.

Upon acceptance of the options, the grantee shall pay HKD1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within the date as specified in the offer letter issued by the Company. The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years commencing on the date of grant and expiring on the last day of such 10-year period subject to the provisions for early termination as contained in the Share Option Scheme. The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted to each grantee under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue. Any further grant of options in excess of this 1% limit shall be subject to issuance of a circular by the Company and approved by its shareholders in accordance with the Listing Rules.

A grantee may be required to achieve certain performance targets as the Board may specify in the grant before any share option granted under the Share Option Scheme can be exercised. Other than the performance targets, there is no minimum period for which share option must be held before it can be exercised pursuant to the terms of the Share Option Scheme.

購股權計劃的主要條款概述如下：

所授出每份購股權的行使價將由董事局全權酌情釐定，但無論如何須至少為下列各項之較高者：

- (1) 股份於必須為交易日的提呈授出購股權當日（「授出日期」）在聯交所刊發日報表所載收市價；
- (2) 股份於緊接授出日期前5個交易日在聯交所刊發的日報表所載平均收市價；及
- (3) 股份於授出日期的面值。

接納購股權後，承授人須向本公司支付1.00港元作為獲授出購股權的代價。提呈授出的購股權必須於本公司發出的提呈函件中所指定日期前獲接納。根據購股權計劃授出的任何購股權的行使期自授出日期起計不得超過10年，並於該10年期最後一天屆滿，且須受購股權計劃載列的提早終止條文所限。於任何12個月期間根據購股權計劃向每名承授人已經及將授出的購股權（包括已行使、註銷及尚未行使的購股權）獲行使而已經及將發行的股份最高數目，不得超過已發行股份總數1%。倘進一步授出的購股權超過該1%限額，則須待本公司刊發通函及根據上市規則取得其股東批准後方可作實。

承授人可能須達致董事局在授出時可能列明的特定表現目標，始能行使任何根據購股權計劃授出的購股權。除表現目標外，並無根據購股權計劃條款而必須於行使前持有購股權的最短期限。

Report of Directors 董事局報告

Details of share options outstanding during the year are as follows:

年內尚未行使的購股權詳情如下：

| Tranche number | Outstanding as at 1 January 2023 | Granted during the year | Exercised during the year | Lapsed during the year | Outstanding as at 31 December 2023 |
|--|-----------------------------------|-------------------------|---------------------------|------------------------|------------------------------------|
| | 於2023年1月1日尚未行使 | | | | 於2023年12月31日尚未行使 |
| 批號 | '000 千股 | '000 千股 | '000 千股 | '000 千股 | '000 千股 |
| Substantial shareholders and/or Directors | | | | | |
| Mr. An Yubao ⁽¹⁾ | 主要股東及／或董事 安郁寶先生 ⁽¹⁾ | | | | |
| 2014 T3 ⁽³⁾ | | | | | |
| 2014年第3批 ⁽³⁾ | 3,000 | - | - | - | 3,000 |
| 2014 T4 ⁽³⁾ | | | | | |
| 2014年第4批 ⁽³⁾ | 3,000 | - | - | - | 3,000 |
| 2016 T7 ⁽³⁾ | | | | | |
| 2016年第7批 ⁽³⁾ | 1,200 | - | - | - | 1,200 |
| 2016 T8 ⁽³⁾ | | | | | |
| 2016年第8批 ⁽³⁾ | 1,200 | - | - | - | 1,200 |
| 2016 T9 ⁽³⁾ | | | | | |
| 2016年第9批 ⁽³⁾ | 1,600 | - | - | - | 1,600 |
| 2019 T5 ⁽³⁾ | | | | | |
| 2019年第5批 ⁽³⁾ | 875 | - | - | - | 875 |
| 2019 T6 ⁽³⁾ | | | | | |
| 2019年第6批 ⁽³⁾ | 3,500 | - | - | - | 3,500 |
| 2020 T2 ⁽³⁾ | | | | | |
| 2020年第2批 ⁽³⁾ | 844 | - | - | - | 844 |
| Sub-total | 小計 | 15,219 | - | - | 15,219 |

Report of Directors 董事局報告

| | | Outstanding as at 1 January 2023 於2023年 1月1日 批號 | Granted during the year 年內授出 '000 千股 | Exercised during the year 年內行使 '000 千股 | Lapsed during the year 年內失效 '000 千股 | Outstanding as at 31 December 2023 於2023年 12月31日 尚未行使 '000 千股 |
|-------------------------------|------------------------|---|---|---|--|---|
| Ms. Li Qian ⁽¹⁾⁽²⁾ | 黎倩女士 ⁽¹⁾⁽²⁾ | 2014 T3 ⁽³⁾ 2014年第3批 ⁽³⁾ | 3,000 | - | - | 3,000 |
| | | 2014 T4 ⁽³⁾ 2014年第4批 ⁽³⁾ | 3,000 | - | - | 3,000 |
| | | 2016 T7 ⁽³⁾ 2016年第7批 ⁽³⁾ | 1,200 | - | - | 1,200 |
| | | 2016 T8 ⁽³⁾ 2016年第8批 ⁽³⁾ | 1,200 | - | - | 1,200 |
| | | 2016 T9 ⁽³⁾ 2016年第9批 ⁽³⁾ | 1,600 | - | - | 1,600 |
| | | 2019 T5 ⁽³⁾ 2019年第5批 ⁽³⁾ | 875 | - | - | 875 |
| | | 2019 T6 ⁽³⁾ 2019年第6批 ⁽³⁾ | 3,500 | - | - | 3,500 |
| | | 2020 T2 ⁽³⁾ 2020年第2批 ⁽³⁾ | 844 | - | - | 844 |
| Sub-total | 小計 | | 15,219 | - | - | 15,219 |

Report of Directors

董事局報告

| | | Outstanding as at 1 January 2023 於2023年 1月1日 批號 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Lapsed during the year 年內失效 | Outstanding as at 31 December 2023 於2023年 12月31日 尚未行使 |
|-----------------------------------|---------------------|---|---------------------------------------|---|--------------------------------------|---|
| | | '000 千股 | '000 千股 | '000 千股 | '000 千股 | '000 千股 |
| Professor Zhu Quan ⁽²⁾ | 朱荃教授 ⁽²⁾ | 2014 T1 ⁽³⁾ 2014年第1批 ⁽³⁾ | 720 | - | - | 720 |
| | | 2014 T2 ⁽³⁾ 2014年第2批 ⁽³⁾ | 480 | - | - | 480 |
| | | 2016 T4 ⁽³⁾ 2016年第4批 ⁽³⁾ | 600 | - | - | 600 |
| | | 2016 T5 ⁽³⁾ 2016年第5批 ⁽³⁾ | 358 | - | - | 358 |
| | | 2016 T6 ⁽³⁾ 2016年第6批 ⁽³⁾ | 330 | - | - | 330 |
| | | 2019 T2 ⁽³⁾ 2019年第2批 ⁽³⁾ | 192 | - | - | 192 |
| | | 2019 T3 ⁽³⁾ 2019年第3批 ⁽³⁾ | 256 | - | - | 256 |
| Sub-total | 小計 | | 2,936 | - | - | 2,936 |

| | | Tranche number | Outstanding as at 1 January 2023 於2023年 1月1日 批號 | Granted during the year | Exercised during the year | Lapsed during the year | Outstanding as at 31 December 2023 於2023年 12月31日 尚未行使 |
|------------------|-----------|-------------------------|---|-------------------------------|---------------------------------|------------------------------|---|
| | | | '000 千股 | '000 千股 | '000 千股 | '000 千股 | '000 千股 |
| Employees | 僱員 | | | | | | |
| In aggregate | 總計 | 2014 T1 ⁽³⁾ | | | | | |
| | | 2014年第1批 ⁽³⁾ | 2,554 | - | - | - | 2,554 |
| | | 2014 T2 ⁽³⁾ | | | | | |
| | | 2014年第2批 ⁽³⁾ | 2,470 | - | - | - | 2,470 |
| | | 2016 T1 ⁽³⁾ | | | | | |
| | | 2016年第1批 ⁽³⁾ | 4,352 | - | 700 | - | 3,652 |
| | | 2016 T2 ⁽³⁾ | | | | | |
| | | 2016年第2批 ⁽³⁾ | 4,335 | - | 700 | - | 3,635 |
| | | 2016 T3 ⁽³⁾ | | | | | |
| | | 2016年第3批 ⁽³⁾ | 5,808 | - | 930 | - | 4,878 |
| | | 2019 T1 ⁽³⁾ | | | | | |
| | | 2019年第1批 ⁽³⁾ | - | - | - | - | - |
| | | 2019 T2 ⁽³⁾ | | | | | |
| | | 2019年第2批 ⁽³⁾ | 5,685 | - | 318 | 48 | 5,319 |
| | | 2019 T3 ⁽³⁾ | | | | | |
| | | 2019年第3批 ⁽³⁾ | 7,179 | - | 425 | 37 | 6,717 |
| | | 2020 T1 ⁽³⁾ | | | | | |
| | | 2020年第1批 ⁽³⁾ | 8,031 | - | 971 | - | 7,060 |
| Sub-total | 小計 | | 40,414 | - | 4,044 | 85 | 36,285 |
| Total | 總計 | | 73,788 | - | 4,044 | 85 | 69,659 |

Notes:

1. A substantial shareholder of the Company
2. A Director of the Company (Ms. Li Qian has resigned, effective from 17 January 2024)

附註：

1. 本公司主要股東
2. 本公司董事（黎倩女士已辭任，於2024年1月17日生效）

Report of Directors

董事局報告

3. Share options granted before 1 January 2023:

3. 於2023年1月1日前授出的購股權：

| Tranche number 批號 | Date of Grant as per Board's approval 按董事局批准的 授出日期 | Vesting period 歸屬期 | | Exercise period 行使期 | | Exercise price 行使價 |
|----------------------|--|-----------------------|---------------------|------------------------|---------------------|-----------------------|
| | | from 由 | to 至 | from 由 | to 至 | |
| | DD/MM/YYYY 日/月/年 | DD/MM/YYYY 日/月/年 | DD/MM/YYYY 日/月/年 | DD/MM/YYYY 日/月/年 | DD/MM/YYYY 日/月/年 | HKD 港元 |
| 2014 T1 2014年第1批 | 24/03/2014 | 24/03/2014 | 23/03/2015 | 24/03/2015 | 23/03/2024 | 6.64 |
| 2014 T2 2014年第2批 | 24/03/2014 | 24/03/2014 | 23/03/2016 | 24/03/2016 | 23/03/2024 | 6.64 |
| 2014 T3 2014年第3批 | 24/03/2014 | 28/05/2014* | 23/03/2015 | 24/03/2015 | 23/03/2024 | 6.64 |
| 2014 T4 2014年第4批 | 24/03/2014 | 28/05/2014* | 23/03/2016 | 24/03/2016 | 23/03/2024 | 6.64 |
| 2016 T1 2016年第1批 | 01/04/2016 | 01/04/2016 | 31/03/2017 | 01/04/2017 | 31/03/2026 | 4.01 |
| 2016 T2 2016年第2批 | 01/04/2016 | 01/04/2016 | 31/03/2018 | 01/04/2018 | 31/03/2026 | 4.01 |
| 2016 T3 2016年第3批 | 01/04/2016 | 01/04/2016 | 31/03/2019 | 01/04/2019 | 31/03/2026 | 4.01 |
| 2016 T4 2016年第4批 | 01/04/2016 | 01/04/2016 | 31/03/2017 | 01/04/2017 | 31/03/2026 | 4.01 |
| 2016 T5 2016年第5批 | 01/04/2016 | 01/04/2016 | 31/03/2018 | 01/04/2018 | 31/03/2026 | 4.01 |
| 2016 T6 2016年第6批 | 01/04/2016 | 01/04/2016 | 31/03/2019 | 01/04/2019 | 31/03/2026 | 4.01 |
| 2016 T7 2016年第7批 | 01/04/2016 | 27/05/2016* | 31/03/2017 | 01/04/2017 | 31/03/2026 | 4.01 |
| 2016 T8 2016年第8批 | 01/04/2016 | 27/05/2016* | 31/03/2018 | 01/04/2018 | 31/03/2026 | 4.01 |
| 2016 T9 2016年第9批 | 01/04/2016 | 27/05/2016* | 31/03/2019 | 01/04/2019 | 31/03/2026 | 4.01 |

| Tranche number 批號 | Date of Grant as per Board's approval 按董事局批准的授出日期 | Vesting period 歸屬期 | | Exercise period 行使期 | | Exercise price 行使價 |
|----------------------|--|-----------------------|---------------------|------------------------|---------------------|-----------------------|
| | | from 由 | to 至 | from 由 | to 至 | |
| | DD/MM/YYYY 日/月/年 | DD/MM/YYYY 日/月/年 | DD/MM/YYYY 日/月/年 | DD/MM/YYYY 日/月/年 | DD/MM/YYYY 日/月/年 | HKD 港元 |
| 2019 T2 2019年第2批 | 02/01/2019 | 02/01/2019 | 31/03/2021 | 01/04/2021 | 01/01/2029 | 4.476 |
| 2019 T3 2019年第3批 | 02/01/2019 | 02/01/2019 | 31/03/2022 | 01/04/2022 | 01/01/2029 | 4.476 |
| 2019 T5 2019年第5批 | 02/01/2019 | 31/05/2019* | 31/03/2021 | 01/04/2021 | 01/01/2029 | 4.476 |
| 2019 T6 2019年第6批 | 02/01/2019 | 31/05/2019* | 31/03/2022 | 01/04/2022 | 01/01/2029 | 4.476 |
| 2020 T1 2020年第1批 | 24/03/2020 | 24/03/2020 | 31/03/2021 | 01/04/2021 | 23/03/2030 | 3.28 |
| 2020 T2 2020年第2批 | 18/06/2020 | 18/06/2020 | 31/03/2021 | 01/04/2021 | 17/06/2030 | 3.44 |

* the date on which the relevant shareholders' approval was granted

* 獲得相關股東批准的日期

The Share Option Scheme expired on 1 December 2023 and the share options outstanding at 31 December 2023 had a weighted average exercise price of HKD4.75 and a weighted average remaining contractual life of 3.07 years. No share option has been granted or cancelled under the Share Option Scheme during the year ended 31 December 2023 and up to the date of this report.

購股權計劃於2023年12月1日到期，及於2023年12月31日，尚未行使購股權加權平均行使價為4.75港元，加權平均剩餘合約年期約為3.07年。於截至2023年12月31日止年度及直至本報告日期，概無根據購股權計劃授出或註銷購股權。

As at the date of this report, 50,463,932 ordinary shares were available for issue under the Share Option Scheme, which represented approximately 6.21% of the total issued shares of the Company as at the date of this report.

於本報告日期，50,463,932股普通股將可於購股權計劃項下發行，代表本公司於本報告日期已發行股份總數之約6.21%。

SHARE AWARD SCHEME

The Board of the Company adopted a share award scheme (“**Share Award Scheme**”) on 21 July 2014 as a means to recognise the contributions by selected employees and provide them with incentives in order to retain them for the continual operation and development of the Group and attract suitable personnel for the further development of the Group.

Pursuant to the Share Award Scheme, the selected employees may be granted during the duration of the Share Award Scheme an award in the form of awarded shares (“**Awarded Shares**”). Awarded Shares will be purchased by the trustee of the Company (“**Trustee**”) on the market out of cash contributed by the Company and be held on trust for the selected employees until such shares are vested on them in accordance with the provisions of the Share Award Scheme. The Company does not need to issue new shares in respect of the Share Award Scheme. The Board shall not make any further award of Awarded Shares which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of Awarded Shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

The selected employees may be required to achieve certain performance targets as the Board may specify in the grant before any Awarded Share granted under the Share Award Scheme is vested. Other than the performance targets, no consideration is required to be paid for the acceptance of the Awarded Share and there is no minimum period for which Awarded Share must be held before it can be sold or transferred by the selected employees pursuant to the terms of the Share Award Scheme.

股份獎勵計劃

本公司董事局於2014年7月21日採納了一項股份獎勵計劃(「**股份獎勵計劃**」)，以嘉許獲選僱員作出的貢獻並以資獎勵，從而挽留彼等為本集團持續經營及發展效力，並為本集團進一步發展吸引合適人才。

根據該股份獎勵計劃，獲選僱員可於股份獎勵計劃期間獲授獎勵股份(「**獎勵股份**」)形式的獎勵。本公司受託人(「**受託人**」)將於市場以本公司的現金供款購買獎勵股份，並代表獲選僱員以信託形式持有獎勵股份，直至該等股份根據股份獎勵計劃條文歸屬予彼等為止。本公司並不需要就股份獎勵計劃發行新的股份。倘授出獎勵股份將導致董事局根據股份獎勵計劃授出的股份面值超出本公司不時之已發行股本的10%，則董事局不得增授獎勵股份。每一獲選僱員根據股份獎勵計劃可獲授的最高獎勵股份數目不得超出本公司不時之已發行股本的1%。

獲選僱員可能須達致董事局當時在授予時列明的特定表現目標，獎勵股份才會根據股份獎勵計劃歸屬。除表現目標外，並無根據股份獎勵計劃條款獲選僱員需要為接納獎勵股份而須支付的代價，或於出售或轉讓獎勵股份前必須持有獎勵股份的最短期限。

As at 31 December 2022, totally 1,516,513 Awarded Shares had been awarded by the Board under the Share Award Scheme and fully vested. During the year ended 31 December 2023, no Awarded Share was granted by the Board. The number of Awarded Shares that may be granted under the Share Award Scheme at 1 January 2023 and 31 December 2023 was 79,180,757 and 79,585,173 respectively.

As at 31 December 2023, 18,583,000 ordinary shares were held by the Trustee under the Share Award Scheme, among which 18,483,000 shares were held on behalf of the Company while the remaining 100,000 shares were held on behalf of certain employees.

Subject to earlier termination by the Board, the Share Award Scheme shall be valid and effective for a period of 10 years from the date of adoption and expire on 20 July 2024. As at 31 December 2023, the remaining life of the Share Award Scheme was approximately 0.55 years.

Apart from the aforesaid Share Option Scheme and Share Award Scheme, at no time during the year ended 31 December 2023 was any of the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercised any such right.

於2022年12月31日，董事局根據股份獎勵計劃已合共授出1,516,513份獎勵股份，並已經全部歸屬。於截至2023年12月31日止年度，董事局並無授出任何獎勵股份。於2023年1月1日及2023年12月31日可根據股份獎勵計劃授出的獎勵股份數目分別為79,180,757份及79,585,173份。

於2023年12月31日，受託人根據股份獎勵計劃持有18,583,000股普通股，其中18,483,000股股份為代表本公司持有，而其餘的100,000股股份則代表若干僱員持有。

除非經董事局提前終止，否則股份獎勵計劃應自採納日期起10年內有效及將於2024年7月20到期。於2023年12月31日，股份獎勵計劃的剩餘年期約為0.55年。

除上述購股權計劃及股份獎勵計劃外，於截至2023年12月31日止年度任何時間，本公司或其附屬公司任何一方概無成為任何安排的訂約方，致使董事可透過收購本公司或任何其他法人團體的股份或債權證而獲利，亦無任何董事、其配偶或未滿18歲的子女擁有認購本公司股份或債權證的任何權利或已行使任何有關權利。

Report of Directors 董事局報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2023, the Directors and chief executives of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company, its group members and/or associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

董事及主要行政人員於股份、相關股份及債權證之權益或淡倉

於2023年12月31日，董事及本公司主要行政人員於本公司、其集團成員公司及／或相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中，擁有已記入根據證券及期貨條例第352條規定存置的登記冊之權益或淡倉，或根據標準守則已另行知會本公司及聯交所的權益或淡倉如下：

| Name of Director | 董事姓名 | Nature of Interest and Capacity | Number and Class of Securities ⁽¹⁾ | Approximate Percentage of Shareholding |
|----------------------------|--------------------|---|---|--|
| | | 權益性質及身份 | 證券數目及類別 ⁽¹⁾ | 概約股權百分比 |
| An Meng | 安猛 | Beneficial owner 實益擁有人 | 14,531,000 Shares (L) 14,531,000股(L) | 1.79%(L) |
| An Meng ⁽²⁾ | 安猛 ⁽²⁾ | Beneficiary of a discretionary trust 酌情信託受益人 | 197,324,000 Shares (L) 197,324,000股(L) | 24.33%(L) |
| | | Sub-total 小計 | 211,855,000 Shares (L) 211,855,000股(L) | 26.12%(L) |
| Zhang Lihua ⁽³⁾ | 張麗華 ⁽³⁾ | Interest of spouse 配偶權益 | 211,855,000 Shares (L) 211,855,000股(L) | 26.12%(L) |
| Li Qian ⁽⁶⁾ | 黎倩 ⁽⁶⁾ | Beneficial owner 實益擁有人 | 22,936,899 Shares (L) 22,936,899股(L) | 2.83%(L) |
| Li Qian ⁽⁶⁾ | 黎倩 ⁽⁶⁾ | Interest of controlled corporation 受控制法團權益 | 128,426,000 Shares (L) 128,426,000股(L) | 15.83%(L) |
| | | Sub-total 小計 | 151,362,899 Shares (L) 151,362,899股(L) | 18.66%(L) |
| Zhu Quan ⁽⁴⁾ | 朱荃 ⁽⁴⁾ | Beneficial owner 實益擁有人 | 2,935,700 Shares (L) 2,935,700股(L) | 0.36%(L) |



Notes:

- (1) The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
- (2) The entire issued share capital of Central Success Developments Limited ("**Central Success**") is owned by Aali Resources Limited. Aali Resources Limited is held in the name of BOS Trustee Limited as a trustee of a discretionary trust, of which Mr. An Yubao is the founder and Mr. An Meng is one of the beneficiaries. Therefore, AN Meng is deemed to be interested in all the Shares held by Central Success under the provisions of SFO.
- (3) Dr. Zhang Lihua is the wife of Mr. An Meng and therefore is deemed to be interested in all the Shares/interests held by Mr. An Meng.
- (4) Including interests in relation to 15,219,000 share options and 2,935,700 share options granted to Ms. Li Qian and Professor Zhu Quan respectively under the Share Option Scheme adopted on 2 December 2013.
- (5) The entire issued share capital of Double Grace International Limited ("**Double Grace**") is owned by Ms. Li Qian, therefore, Ms. Li Qian is deemed to be interested in all the Shares held by Double Grace under the provisions of SFO.
- (6) Resigned from the office as a Director with effect from 17 January 2024.

Save as disclosed above, as at 31 December 2023, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company, any of its group members or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code.

附註：

- (1) 英文字母「L」代表董事於本公司或相關相聯法團的股份中的好倉。
- (2) 中成發展有限公司（「中成」）的全部已發行股本由Aali Resources Limited擁有。Aali Resources Limited由BOS Trustee Limited以一項酌情信託之信託人身份持有，而安郁寶先生為該酌情信託之成立人及安猛先生為受益人之一。因此，根據證券及期貨條例的條文，安猛先生被視為於中成所持全部股份中擁有權益。
- (3) 張麗華博士為安猛先生之妻子，因此被視為於安猛先生所持全部股份／權益中擁有權益。
- (4) 包括根據於2013年12月2日採納之購股權計劃分別授予黎倩女士的15,219,000份購股權及授予朱荃教授的2,935,700份購股權之相關權益。
- (5) Double Grace International Limited（「**Double Grace**」）的全部已發行股本由黎倩女士擁有，因此，根據證券及期貨條例的條文，黎倩女士被視為於Double Grace所持全部股份中擁有權益。
- (6) 已辭任董事職務，於2024年1月17日生效。

除上文披露者外，於2023年12月31日，董事及本公司主要行政人員概無於本公司、其任何集團成員公司或其相聯法團（定義見證券及期貨條例第XV部）任何股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的任何其他權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉），或根據證券及期貨條例第352條須記錄在該條文所述登記冊內或根據標準守則規定的任何其他權益或淡倉。

Report of Directors 董事局報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2023, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company, its group members and/or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於本公司股份及相關股份中之權益及／或淡倉

於2023年12月31日，就董事所知，以下人士／實體（董事或本公司主要行政人員除外）於本公司、其集團成員公司及／或相聯法團之股份或相關股份中，擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的權益或淡倉，或已記入根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉：

| Name of Shareholder | 股東名稱／姓名 | Nature of Interest and Capacity 權益性質及身份 | Number and Class of Securities ⁽¹⁾ 證券數目及類別 ⁽¹⁾ | Approximate Percentage of Shareholding 概約股權百分比 |
|---------------------------------------|---------------------------------------|---|--|---|
| An Yubao ⁽²⁾ | 安郁寶 ⁽²⁾ | Beneficial owner 實益擁有人 | 25,632,455 Shares (L) 25,632,455股(L) | 3.16%(L) |
| An Yubao ⁽³⁾ | 安郁寶 ⁽³⁾ | Founder of a discretionary trust 酌情信託成立人 | 197,324,000 Shares (L) 197,324,000股(L) | 24.33%(L) |
| | | Sub-total 小計 | 222,956,455 Shares (L) 222,956,455股(L) | 27.49%(L) |
| BOS Trustee Limited ⁽³⁾ | BOS Trustee Limited ⁽³⁾ | Trustee 信託人 | 197,324,000 Shares (L) 197,324,000股(L) | 24.33%(L) |
| Aali Resources Limited ⁽³⁾ | Aali Resources Limited ⁽³⁾ | Interest of controlled corporation 受控制法團權益 | 197,324,000 Shares (L) 197,324,000股(L) | 24.33%(L) |
| Central Success ⁽³⁾ | 中成 ⁽³⁾ | Beneficial owner 實益擁有人 | 197,324,000 Shares (L) 197,324,000股(L) | 24.33%(L) |
| Double Grace ⁽⁴⁾ | Double Grace ⁽⁴⁾ | Beneficial owner 實益擁有人 | 128,426,000 Shares (L) 128,426,000股(L) | 15.83%(L) |
| Guidoz Limited ⁽⁵⁾ | Guidoz Limited ⁽⁵⁾ | Beneficial owner 實益擁有人 | 110,050,000 Shares (L) 110,050,000股(L) | 13.57%(L) |
| Young Wai Po, Peter ⁽⁵⁾ | 楊惠波 ⁽⁵⁾ | Interest of controlled corporation 受控制法團權益 | 110,050,000 Shares (L) 110,050,000股(L) | 13.57%(L) |

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company or the relevant group member. The letter "S" denotes the person's short position in the shares of the Company or the relevant group member.
- (2) Including interests in relation to 15,219,000 share options granted to Mr. An Yubao under the Share Option Scheme adopted on 2 December 2013.
- (3) The entire issued share capital of Central Success is owned by Aali Resources Limited. Aali Resources Limited is held in the name of BOS Trustee Limited as a trustee of a discretionary trust, of which Mr. An Yubao is the founder. Therefore, Mr. An Yubao is deemed to be interested in all the Shares held by Central Success under the provisions of SFO.
- (4) The entire issued share capital of Double Grace is legally and beneficially owned by Ms. Li. By virtue of the SFO, Ms. Li is deemed to be interested in all the Shares held by Double Grace.
- (5) The entire issued share capital of Guidoz Limited is legally and beneficially owned by Mr. Young. By virtue of the SFO, Mr. Young is deemed to be interested in all the Shares held by Guidoz Limited.

Save as disclosed above, as at 31 December 2023, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, its group members or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

附註：

- (1) 英文字母「L」代表有關人士於本公司或相關集團成員公司的股份中的好倉。英文字母「S」代表有關人士於本公司或相關集團成員公司的股份中的淡倉。
- (2) 包括根據於2013年12月2日採納之購股權計劃授予安郁寶先生的15,219,000份購股權之相關權益。
- (3) 中成的全部已發行股本由Aali Resources Limited擁有。Aali Resources Limited由BOS Trustee Limited以一項酌情信託之信託人身份持有，而安郁寶先生為該酌情信託之成立人。因此，根據證券及期貨條例的條文，安郁寶先生被視為於中成所持全部股份中擁有權益。
- (4) Double Grace的全部已發行股本由黎女士合法及實益擁有。根據證券及期貨條例，黎女士被視為於Double Grace所持全部股份中擁有權益。
- (5) Guidoz Limited的全部已發行股本由楊先生合法及實益擁有。根據證券及期貨條例，楊先生被視為於Guidoz Limited所持全部股份中擁有權益。

除上文披露者外，於2023年12月31日，董事並不知悉任何其他人士／實體（董事及本公司主要行政人員除外）於本公司、其集團成員公司或相聯法團之股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或已記入根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉。

COMPETITION AND CONFLICT OF INTERESTS

During the year ended 31 December 2023, none of the Directors or Controlling Shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

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

During the year ended 31 December 2023, the Company issued a total of 4,044,154 ordinary shares pursuant to employees' exercise of share options granted under the Share Option Scheme (adopted on 2 December 2013) at consideration ranging from HKD3.28 to HKD4.476 per share (aggregate consideration approximately: HKD15,872,000 (equivalent to approximately RMB14,202,000)). The weighted average closing price of the Company's shares immediately before the dates on which such share options were exercised is approximately HKD5.27.

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

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporative activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Hong Kong Companies Ordinance when the Report of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Hong Kong Companies Ordinance.

競爭及利益衝突

於截至2023年12月31日止年度，概無董事或本公司控股股東或任何彼等各自的聯繫人從事與本集團業務構成或可能構成競爭的任何業務或與本集團有任何其他利益衝突。

購買、出售或贖回本公司上市證券

於截至2023年12月31日止年度，本公司因應員工行使根據購股權計劃（於2013年12月2日採納）而授予的購股權而以每股介乎3.28港元至4.476港元的代價發行了合共4,044,154股普通股（總代價約：15,872,000港元（相當於約人民幣14,202,000元））。本公司股份於緊接有關購股權行使日期前的加權平均收市價約為5.27港元。

除上文披露者外，於截至2023年12月31日止年度，本公司及其任何附屬公司均無購買、出售或贖回本公司任何上市證券。

優先購股權

本公司組織章程細則或開曼群島法例並無有關優先購股權的條文，致使本公司有責任按比例向現有股東發售新股份。

獲准許的彌償條文

本公司已就其董事及高層管理人員因企業活動產生之法律訴訟，為董事及行政人員之責任安排投保適當之保險。當董事編製之董事局報告根據香港公司條例第391(1)(a)條獲批准時，該獲准許的彌償條文已按香港公司條例第470條的規定基於董事利益生效。

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the year ended 31 December 2023 and up to the date of this report.

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 37 to 61 in this annual report.

ANNUAL GENERAL MEETING

The annual general meeting will be held on Friday, 31 May 2024. Shareholders should refer to details regarding the annual general meeting in the circular of the Company to be issued in due course and the notice of the annual general meeting and form of proxy accompanying thereto.

CLOSURE OF THE REGISTER OF MEMBERS

To determine the eligibility of the shareholders of the Company to attend the annual general meeting to be held on Friday, 31 May 2024, the Company's register of members will be closed from Tuesday, 28 May 2024 to Friday, 31 May 2024 (both days inclusive), during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all completed transfer documents accompanied by the relevant share certificates must be lodged with the 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, for registration not later than 4:30 p.m. on Monday, 27 May 2024.

In addition, in order to qualify for the entitlements to the final dividend, all completed transfers documents accompanied by the relevant share certificates must be lodged with the 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, for registration not later than 4:30 pm on Wednesday, 12 June 2024.

充足公眾持股量

根據本公司可公開取得的資料以及據董事所知，本公司於截至2023年12月31日止年度及直至本報告日期一直維持上市規則所訂明的公眾持股量。

企業管治報告

本集團企業管治常規的詳情，載於本年度報告第37至61頁的企業管治報告內。

股東周年大會

股東周年大會將於2024年5月31日（星期五）舉行。股東應參閱本公司將於適時刊發之通函中關於股東周年大會之詳情，以及隨附的股東周年大會通告及代表委任表格。

暫停辦理股份過戶登記

為釐定出席於2024年5月31日（星期五）舉行之股東周年大會之本公司股東資格，本公司將於2024年5月28日（星期二）至2024年5月31日（星期五）期間（包括首尾兩天）暫停辦理股份過戶登記手續，期間將不會辦理任何股份過戶登記。為符合資格出席股東周年大會並於會上投票，所有填妥之股份過戶文件連同相關股票最遲須於2024年5月27日（星期一）下午4時30分送交本公司之香港證券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號舖，以辦理登記。

再者，為符合獲得末期股息的資格，所有填妥之股份過戶文件連同相關股票最遲須於2024年6月12日（星期三）下午4時30分送交本公司之香港證券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號舖，以辦理登記。

Report of Directors

董事局報告

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events of the Group after the reporting period are set out in note 31 to the financial statements.

After the end of the reporting period and up to the date of this report, the Company issued a total of 970,200 ordinary shares pursuant to employees' exercise of share options at consideration ranging from HKD3.28 to HKD4.476 per share (aggregate consideration approximately: HKD3,843,000 (equivalent to approximately RMB3,495,000)). The weighted average closing price of the Company's shares immediately before the dates on which such share options were exercised is approximately HKD5.01.

Save as disclosed above and in other parts of this report, as at the date of this report, the Group has no significant events after the reporting period required to be disclosed.

AUDITORS

A resolution to re-appoint the retiring auditors, KPMG, is to be proposed at the forthcoming annual general meeting of the Company.

By order of the Board

Consun Pharmaceutical Group Limited

An Meng

Chairman and Executive Director

Hong Kong, 28 March 2024

報告期後事項

本集團的重大報告期後事項詳情載於財務報表附註31。

於報告期結束後至本報告日期，本公司因應員工行使購股權而以每股3.28港元至4.476港元的代價發行了合共970,200股普通股（總代價約：3,843,000港元（相當於約人民幣3,495,000元））。本公司股份於緊接有關購股權行使日期前的加權平均收市價約為5.01港元。

除上文及本報告其他部分所披露者外，於本報告日期，本集團並無任何需要披露的重大報告期後事項。

核數師

於本公司即將舉行之股東周年大會上，將提呈再度委任退任核數師畢馬威會計師事務所的決議案。

承董事局命

康臣藥業集團有限公司

安猛

主席兼執行董事

香港，2024年3月28日

Independent auditor's report to the shareholders of Consun Pharmaceutical Group Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Consun Pharmaceutical Group Limited (“the **Company**”) and its subsidiaries (“the **Group**”) set out on pages 100 to 235, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory 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 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**”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致康臣藥業集團有限公司股東的 獨立核數師報告

(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第100至235頁的康臣藥業集團有限公司(「貴公司」)及其附屬公司(「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表、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包括重大會計政策資料及其他詮釋資料的附註。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而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其綜合現金流量，並已遵照香港《公司條例》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「核數師就審計綜合財務報表承擔的責任」部份中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)以及任何與我們對開曼群島綜合財務報表的審計相關的道德要求，我們獨立於貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。



Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

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| <p>Revenue recognition: distributor arrangements 收入確認：經銷商安排</p> | |
| <p>Refer to note 3 to the consolidated financial statements and the accounting policies on page from 138 to 142. 請參閱綜合財務報表附註3及第138至142頁的會計政策。</p> | |
| <p>The Key Audit Matter 關鍵審計事項</p> | <p>How the matter was addressed in our audit 我們的審計如何處理該事項</p> |
| <p>Revenue mainly comprises sales of pharmaceutical products to a large number of distributors throughout Chinese Mainland. 收入主要包括向中國大陸各地眾多經銷商銷售藥品。</p> <p>Each year, the Group enters into standardised agreements with its distributors setting out the key terms of the distribution arrangements (“Distributor Agreements”), including the terms of delivery and policies for sales rebates and sales returns. Purchase orders are then placed with the Group and products are delivered to the location designated by the distributor, at which point the control of the goods are considered to have been transferred to the distributor and revenue is recognised at the point. 貴集團每年與其經銷商訂立標準化協議，當中載列經銷安排（「經銷商協議」）的主要條款，包括交付條款以及銷售返利及銷售退貨的政策。經銷商其後會向 貴集團下達採購訂單，而產品則交付至其指定地點，屆時，貨品控制權會被視為已轉讓予有關經銷商及收入於屆時確認。</p> <p>We identified recognition of revenue from distributor arrangements as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. 我們認為確認來自經銷商安排的收入屬關鍵審計事項，原因是收入乃 貴集團其中一大關鍵表現指標，故存在管理層操控確認收入的時機以達致特定目標或期望的固有風險。</p> | <p>Our audit procedures to assess the recognition of revenue from distributor arrangements included the following: 我們就評估確認來自經銷商安排的收入的審計程序包括以下程序：</p> <ul style="list-style-type: none"> assessing the design, implementation and operating effectiveness of management’s key internal controls which govern revenue recognition; 評估管理層規管收入確認的關鍵內部監控的設計、執行及運作有效性； inspecting Distributor Agreements, on a sample basis, to understand the terms of the sales transactions, including the terms of delivery, applicable rebates and sales return arrangements and to assess the Group’s revenue recognition criteria with reference to the requirements of the prevailing accounting standards; 抽樣檢查經銷商協議，以理解銷售交易的條款（包括交付、適用返利及銷售退貨安排的條款），以及參考現行會計準則的規定評估 貴集團的收入確認標準； for a sample of revenue transactions recorded just before and after the year end, inspecting the related goods delivery notes, which had been signed by the distributors as evidence of their receipt of the goods, to assess if the related revenue had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the Distributor Agreements and the terms of the purchase orders; 就剛好於年結日前後入賬的收入交易樣本而言，檢查相關的貨品交付票據（已由經銷商簽署，作為其收到貨品的證據），以評估相關收入是否已根據經銷商協議所載銷售條款及採購訂單的條款於適當的財政期間內確認； |

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

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| <p>Revenue recognition: distributor arrangements 收入確認：經銷商安排</p> | |
| <p><i>Refer to note 3 to the consolidated financial statements and the accounting policies on page from 138 to 142.</i> 請參閱綜合財務報表附註3及第138至142頁的會計政策。</p> | |
| <p>The Key Audit Matter 關鍵審計事項</p> | <p>How the matter was addressed in our audit 我們的審計如何處理該事項</p> |
| | <ul style="list-style-type: none"> • for a sample of sales rebates recorded during the year, comparing the details of the bases of the rebate calculations and the rebate ratios with the terms of the underlying Distributor Agreements and comparing the rebate bases (e.g. the sales amounts settled during the year) to sub-ledgers and underlying bank remittances, cheques, bills and other payment slips (where applicable); • 就年內入賬的銷售返利樣本而言，比較返利的計算基礎及返利比率的詳情與相關經銷商協議的條款，以及比較回扣金額基數（如年內結算的銷售金額）與分類賬及相關的銀行匯款、支票、票據及其他付款收據（如適用）； • scrutinising the sales ledger after the year end to identify significant credit notes issued and sales returns and inspecting relevant underlying documentation to assess if the related adjustments to revenue had been accounted for in the appropriate financial period in accordance with the requirements of the prevailing accounting standards; and • 檢查年結日後的銷售分類賬以識別已發出的大額扣減單據及銷售退貨，以及檢查相關文件以評估對收入進行的相關調整是否已根據現行會計準則的規定於適當的財政期間內入賬；及 • inspecting significant manual adjustments to revenue raised during the reporting period, enquiring of management the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentation. • 檢查於報告期內對收入作出的重大人工調整、向管理層詢問作出有關調整的原因及比較調整的詳情與相關文件。 |

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

| Assessing potential impairment of intangible assets – trademark 評估無形資產 – 商標的潛在減值 | |
|---|--|
| Refer to note 13 to the consolidated financial statements and the accounting policies on page from 124 to 131. 請參閱綜合財務報表附註13及第124至131頁的會計政策。 | |
| The Key Audit Matter 關鍵審計事項 | How the matter was addressed in our audit 我們的審計如何處理該事項 |
| <p>The Group acquired Guangxi Yulin Pharmaceutical Group Co., Ltd. and its subsidiaries (collectively referred to as “Yulin Pharmaceutical Group”) in 2016 and recognised intangible assets – trademark with indefinite useful life arising from the acquisition. 貴集團於2016年收購廣西玉林製藥集團有限責任公司及其附屬公司(統稱為「玉林製藥集團」)，並確認收購事項所產生之可使用年期為無限期的無形資產 – 商標。</p> <p>Management allocated intangible assets – trademark to the cash generating unit of Yulin Pharmaceutical Group (“Relevant CGU”) and performed impairment testing annually whether or not there was any indication of impairment. 管理層已將無形資產 – 商標分配至玉林製藥集團的現金產生單位(「相關現金產生單位」)，並按年進行減值測試，無論是否存在任何減值跡象。</p> | <p>Our audit procedures to assess the potential impairment of intangible assets – trademark included the following: 我們就評估無形資產 – 商標的潛在減值的審計程序包括以下程序：</p> <ul style="list-style-type: none"> evaluating management’s impairment assessment model, including the identification of and the allocation of intangible assets – trademark to the Relevant CGU with reference to the requirements of the prevailing accounting standards; 評估管理層的減值評估模型，包括參考現行會計準則的規定識別無形資產 – 商標及將其分配至相關現金產生單位； evaluating the competence, experience, capability and objectivity of the external valuer engaged by management to perform the calculation of the recoverable amount of intangible assets – trademark; 評價管理層所委聘為對無形資產 – 商標的可收回金額進行計算的外聘估值師的資歷、經驗、能力和客觀性； challenging the key estimates and assumptions adopted in the discounted cash flow forecast, including future revenue, future cost of sales, and other operating expenses, by comparing relevant data with the financial budget which was approved by the management, and by comparison with historical performance of the Relevant CGU and our knowledge of the business of Group; 對折現現金流量預測中採納的關鍵估計及假設(當中包括未來收入、未來銷售成本及其他經營開支)提出質疑，方法為比較相關數據與管理層批准的財務預算，以及比較相關現金產生單位的歷史表現與我們對 貴集團業務的認識； |

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

| Assessing potential impairment of intangible assets – trademark 評估無形資產 – 商標的潛在減值 | |
|---|--|
| Refer to note 13 to the consolidated financial statements and the accounting policies on page from 124 to 131. 請參閱綜合財務報表附註13及第124至131頁的會計政策。 | |
| The Key Audit Matter 關鍵審計事項 | How the matter was addressed in our audit 我們的審計如何處理該事項 |
| <p>Management engaged an external valuer to assess the recoverable amount of the Relevant CGU using the value in use method by preparing a discounted cash flow forecast derived from the most recent financial forecast approved by the management covering a five-year period.</p> <p>管理層已委聘一名外聘估值師，以運用使用價值法對相關現金產生單位的可收回金額進行評估，方法為編製管理層批准的最近期財務預測（涵蓋五年期間）得出的折現現金流量預測。</p> <p>The assessment of the recoverable amount of the Relevant CGU involves significant management estimation and judgement, in particular in determining the key assumptions adopted in the cash flow forecast, which include future revenue, future cost of sales, other operating expenses, and the discount rate applied.</p> <p>對相關現金產生單位的可收回金額的評估涉及重大的管理層估計和判斷，特別是確定現金流量預測時採納的關鍵假設，其中包括未來收入、未來銷售成本、其他經營開支和應用的折現率。</p> <p>We identified the assessment of impairment of intangible assets – trademark as a key audit matter because determining the level of impairment, if any, involves a significant degree of management judgement, which can be inherently uncertain and could be subject to management bias.</p> <p>我們將評估無形資產 – 商標的減值列為關鍵審計事項，原因是釐定減值水平（如有）涉及重大程度的管理層判斷，當中存在固有不确定性，並可能受到管理層偏見影響。</p> | <ul style="list-style-type: none"> comparing the data in discounted cash flow forecast prepared in the prior year with the current year's performance to assess how accurate the prior year's discounted cash flow forecast was and making enquiries of management as to the reasons for any significant variations identified; 比較往年制定折現現金流量預測的數據與本年表現，以評估往年折現現金流量預測是否準確，並就所識別出的任何重大偏差向管理層查詢理由； involving our internal valuation specialists to assist us in assessing whether the valuation methodologies adopted by the external valuer in the preparation of the discounted cash flow forecast is appropriate with reference to the requirements of the prevailing accounting standards, and assessing whether discount rate applied in the discounted cash flow forecast was within the range adopted by other companies in the same industry; 參考現行會計準則的規定，委派內部估值專家協助我們評估外部估值師於編製折現現金流量預測中採納的估值方法是否恰當，以及評估折現現金流量預測中應用的折現率是否處於其他同業公司採納的範圍內； |



KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

| | |
|--|---|
| <p>Assessing potential impairment of intangible assets – trademark 評估無形資產 – 商標的潛在減值</p> | |
| <p><i>Refer to note 13 to the consolidated financial statements and the accounting policies on page from 124 to 131.</i> 請參閱綜合財務報表附註13及第124至131頁的會計政策。</p> | |
| <p>The Key Audit Matter 關鍵審計事項</p> | <p>How the matter was addressed in our audit 我們的審計如何處理該事項</p> |
| | <ul style="list-style-type: none"> • performing a sensitivity analysis of key assumptions, including future revenue growth rates, future gross margins and the discount rate applied in the discounted cash flow forecast and considering the resulting impact on the impairment testing and whether there was any indicator of management bias in the selection of these key assumptions; and • 對關鍵假設(包括未來收入增長率、未來毛利率及折現現金流量預測中應用的折現率)進行敏感度分析，並考慮由此對減值測試產生的影響及挑選該等關鍵假設時是否存在任何管理層偏見的跡象；及 • considering the disclosures in the financial statements in respect of management's impairment assessments of intangible assets – trademark allocated to the Relevant CGU with reference to the requirements of the prevailing accounting standards. • 參考現行會計準則的規定，考慮財務報表中有關管理層對分配至相關現金產生單位的無形資產 – 商標進行減值評估的披露資料。 |

Independent Auditor's Report 獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或是否存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助董事履行監督貴集團的財務報告過程的責任。



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional 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.

核數師就審計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不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是僅向整體股東報告。除此以外，我們的報告不可用作其他用途。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。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來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，則有關的錯誤陳述被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制乃旨在設計適當的審計程序，惟並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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.

核數師就審計綜合財務報表須承擔的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，可能導致 貴集團的持續經營能力存在重大疑慮。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，則我們須修改意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

我們與審核委員會溝通了(其中包括)擬定的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已遵守有關獨立性的相關道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項以及用以消除威脅而採取的行動或應用的防範措施(如適用)。



**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT
OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(Continued)

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 Li Shiu Chung.

KPMG

Certified Public Accountants

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

28 March 2024

**核數師就審計綜合財務報表須承擔的責任
(續)**

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律或法規不允許公開披露這些事項，或在極端罕見的情況下，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，導致我們認為不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是李兆聰。

畢馬威會計師事務所

執業會計師

香港中環
遮打道10號
太子大廈八樓

2024年3月28日

Consolidated Statement of Profit or Loss 綜合損益表

for the year ended 31 December 2023 (Expressed in Renminbi)
截至2023年12月31日止年度 (以人民幣列示)

| | | Note 附註 | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 |
|--|----------------------|---------------|------------------------------------|------------------------------------|
| Revenue | 收入 | 3 | 2,590,115 | 2,339,650 |
| Cost of sales | 銷售成本 | | (668,437) | (576,738) |
| Gross profit | 毛利 | | 1,921,678 | 1,762,912 |
| Other income | 其他收入 | 4 | 118,498 | 56,385 |
| Distribution costs | 分銷成本 | | (852,206) | (771,960) |
| Administrative expenses | 行政開支 | | (315,599) | (322,504) |
| Reversals of impairment loss on trade and other receivables | 撥回貿易及其他應收款項的 減值虧損 | 18 & 27(a) | 12,596 | 32,493 |
| Profit from operations | 經營性溢利 | | 884,967 | 757,326 |
| Finance costs | 融資成本 | 5(a) | (21,264) | (10,933) |
| Profit before taxation | 稅前溢利 | 5 | 863,703 | 746,393 |
| Income tax | 所得稅 | 6(a) | (77,149) | (62,696) |
| Profit for the year | 年內溢利 | | 786,554 | 683,697 |
| Attributable to: | 以下人士應佔： | | | |
| – Equity shareholders of the Company | – 本公司權益股東 | | 784,534 | 682,907 |
| – Non-controlling interests | – 非控股權益 | | 2,020 | 790 |
| Profit for the year | 年內溢利 | | 786,554 | 683,697 |
| Earnings per share (RMB yuan) | 每股盈利 (人民幣元) | 9 | | |
| – Basic | – 基本 | | 0.99 | 0.86 |
| – Diluted | – 攤薄 | | 0.98 | 0.86 |

The notes on pages 107 to 235 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 26(c).

第107頁至第235頁之附註為該等財務報表的組成部份。就年內溢利應付本公司權益股東的股息詳情載於附註26(c)。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

for the year ended 31 December 2023 (Expressed in Renminbi)
截至2023年12月31日止年度 (以人民幣列示)

| | | 2023 | 2022 |
|---|-----------------------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Profit for the year | 年內溢利 | 786,554 | 683,697 |
| Other comprehensive income for the year that may be reclassified subsequently to profit or loss: | 其後可能重新分類至損益的年內其他全面收益： | | |
| Exchange differences on translation of financial statements of operations outside the Chinese Mainland | 轉換中國大陸境外業務的財務報表的匯兌差異 | (239) | 231 |
| Total comprehensive income for the year | 年內全面收益總額 | 786,315 | 683,928 |
| Attributable to: | 以下人士應佔： | | |
| – Equity shareholders of the Company | – 本公司權益股東 | 784,295 | 683,138 |
| – Non-controlling interests | – 非控股權益 | 2,020 | 790 |
| Total comprehensive income for the year | 年內全面收益總額 | 786,315 | 683,928 |

The notes on pages 107 to 235 form part of these financial statements.

第107頁至第235頁之附註為該等財務報表的組成部份。

Consolidated Statement of Financial Position

綜合財務狀況表

as at 31 December 2023 (Expressed in Renminbi)
於2023年12月31日 (以人民幣列示)

| | | | 2023 | 2022 |
|--|-----------------|-------------|------------------|-----------|
| | | <i>Note</i> | 2023年 | 2022年 |
| | | <i>附註</i> | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 |
| Non-current assets | 非流動資產 | | | |
| Investment property | 投資物業 | 10 | 14,634 | 15,127 |
| Property, plant and equipment | 物業、廠房及設備 | 11 | 739,056 | 746,213 |
| Right-of-use assets | 使用權資產 | 12 | 124,652 | 128,786 |
| Intangible assets | 無形資產 | 13 | 283,140 | 311,904 |
| Financial asset measured at fair value through profit or loss ("FVPL") | 按公允值計入損益計量的金融資產 | 15 | 9,230 | 6,500 |
| Other prepayments | 其他預付款 | 16 | 41,358 | 24,747 |
| Deferred tax assets | 遞延稅項資產 | 25(b) | 17,844 | 36,432 |
| | | | 1,229,914 | 1,269,709 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 17 | 367,087 | 276,080 |
| Trade and other receivables | 貿易及其他應收款項 | 18(a) | 309,966 | 295,663 |
| Prepayments | 預付款項 | 18(b) | 17,823 | 11,583 |
| Deposits with banks with original maturity date over three months | 原到期日超過三個月的銀行存款 | | 834,942 | 589,172 |
| Cash and cash equivalents | 現金及現金等值項目 | 19 | 2,748,262 | 2,450,173 |
| | | | 4,278,080 | 3,622,671 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付款項 | 20 | 942,429 | 861,109 |
| Bank loans | 銀行貸款 | 21 | 503,418 | 450,521 |
| Lease liabilities | 租賃負債 | 22 | 4,218 | 3,708 |
| Deferred income | 遞延收益 | 23 | 1,551 | 2,261 |
| Current taxation | 即期稅款 | 25(a) | 43,380 | 32,889 |
| | | | 1,494,996 | 1,350,488 |
| Net current assets | 流動資產淨值 | | 2,783,084 | 2,272,183 |

Consolidated Statement of Financial Position

綜合財務狀況表

as at 31 December 2023 (Expressed in Renminbi)
於2023年12月31日 (以人民幣列示)

| | | | 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 | 總資產減流動負債 | | 4,012,998 | 3,541,892 |
| Non-current liabilities | 非流動負債 | | | |
| Lease liabilities | 租賃負債 | 22 | 3,898 | 5,947 |
| Deferred income | 遞延收益 | 23 | 19,179 | 18,929 |
| Deferred tax liabilities | 遞延稅項負債 | 25(b) | 71,209 | 78,011 |
| | | | 94,286 | 102,887 |
| Net assets | 資產淨值 | | 3,918,712 | 3,439,005 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 26(d) | 63,812 | 63,450 |
| Reserves | 儲備 | 26(e) | 3,562,691 | 3,081,689 |
| Total equity attributable to equity shareholders of the Company | 本公司權益股東應佔權益總額 | | 3,626,503 | 3,145,139 |
| Non-controlling interests | 非控股權益 | | 292,209 | 293,866 |
| Total equity | 總權益 | | 3,918,712 | 3,439,005 |

Approved and authorised for issue by the board of directors on 28 March 2024. 2024年3月28日經董事局批准及授權刊發。

An Meng
安猛
Chairman
主席

Zhu Quan
朱荃
Executive Director
執行董事

The notes on pages 107 to 235 form part of these financial statements.

第107頁至第235頁之附註為該等財務報表的組成部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

for the year ended 31 December 2023 (Expressed in Renminbi)
截至2023年12月31日止年度 (以人民幣列示)

| | | Attributable to equity shareholders of the Company 本公司權益股東應佔 | | | | | | | Non-controlling interests | Total Equity | | | | | |
|---|-------------------|---|---------------|------------------|-----------------|----------------|---|-----------------------|---------------------------|---------------|--|-------------------|---------------|---------------|--|
| | | Share capital | Share premium | Exchange reserve | Capital reserve | Other reserves | Treasury shares held under Share Award Scheme | Other treasury shares | | | People's Republic of China statutory reserve (the "PRC") 中華人民共和國 (中國) 法定儲備 | Retained earnings | Total | | |
| | | RMB'000 | 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 | 人民幣千元 | |
| | | note 28(d)(i) | note 28(e)(i) | note 28(e)(i) | note 28(e)(ii) | note 28(e)(iv) | note 24(b) | note 28(b) | note 28(e)(v) | note 28(e)(v) | note 28(e)(v) | note 28(e)(v) | note 28(e)(v) | note 28(e)(v) | |
| | | 附註 28(d)(i) | 附註 28(e)(i) | 附註 28(e)(i) | 附註 28(e)(ii) | 附註 28(e)(iv) | 附註 24(b) | 附註 28(b) | 附註 28(e)(v) | 附註 28(e)(v) | 附註 28(e)(v) | 附註 28(e)(v) | 附註 28(e)(v) | 附註 28(e)(v) | |
| As at 1 January 2022 | 於2022年1月1日 | 64,800 | 19,789 | 1,832 | 171,267 | 80,769 | (83,173) | (30,151) | 232,618 | 2,159,934 | 2,617,705 | 233,076 | 2,910,781 | | |
| Changes in equity for 2022: | 2022年權益變動: | | | | | | | | | | | | | | |
| Profit for the year | 年內溢利 | - | - | - | - | - | - | - | - | 682,907 | 682,907 | 790 | 683,697 | | |
| Other comprehensive income | 其他全面收益 | - | - | 231 | - | - | - | - | - | - | 231 | - | 231 | | |
| Total comprehensive income | 全面收益總額 | - | - | 231 | - | - | - | - | - | 682,907 | 683,138 | 790 | 683,928 | | |
| Appropriations to statutory reserve | 轉撥至法定儲備 | - | - | - | - | - | - | - | 3,361 | (3,361) | - | - | - | | |
| Purchase of own shares during the year | 年內購買自身股份 | - | - | - | - | - | (29,066) | (29,066) | - | - | (29,066) | - | (29,066) | | |
| Cancellation of shares during the year | 年內註銷股份 | (1,424) | (22,992) | - | - | - | - | 59,217 | - | (34,801) | - | - | - | | |
| Dividends approved and paid to equity shareholders of the Company | 批准及已付本公司權益股東的股息 | - | - | - | - | - | - | - | - | (127,492) | (127,492) | - | (127,492) | | |
| Recognition of Employees' Share Option Scheme | 確認僱員購股權計劃 | - | - | - | (1,784) | - | - | - | - | - | (1,784) | - | (1,784) | | |
| Shares issued under the Share Option Scheme | 根據購股權計劃發行的股份 | 74 | 3,203 | - | (639) | - | - | - | - | - | 2,638 | - | 2,638 | | |
| As at 31 December 2022 | 於2022年12月31日 | 63,450 | - | 2,083 | 168,844 | 80,769 | (83,173) | - | 235,979 | 2,677,187 | 3,145,139 | 233,866 | 3,439,005 | | |

Consolidated Statement of Changes in Equity

綜合權益變動表

for the year ended 31 December 2023 (Expressed in Renminbi)
截至2023年12月31日止年度 (以人民幣列示)

| | | Attributable to equity shareholders of the Company 本公司權益股東應佔 | | | | | | | Total Equity | | | | |
|---|------------------------|---|-------------------|-------------------|-------------------|-------------------|--------------------|-----------------------|-------------------|-----------------------|-------------------|-------------------|---------------------------|
| | | Share capital | Share premium | Exchange reserve | Capital reserve | Other reserves | Share Award Scheme | Other treasury shares | | PRC statutory reserve | Retained earnings | Total | Non-controlling interests |
| | Note | 股本 | 股份溢價 | 匯兌儲備 | 資本儲備 | 其他儲備 | 持有的庫存股 | 其他庫存股 | 中國法定儲備 | 保留盈利 | 總計 | 非控股權益 | |
| | 附註 | RMB '000 人民幣千元 | RMB '000 人民幣千元 | RMB '000 人民幣千元 | RMB '000 人民幣千元 | RMB '000 人民幣千元 | RMB '000 人民幣千元 | RMB '000 人民幣千元 | RMB '000 人民幣千元 | RMB '000 人民幣千元 | RMB '000 人民幣千元 | RMB '000 人民幣千元 | |
| As at 1 January 2023 | 於2023年1月1日 | 63,450 | - | 2,083 | 168,844 | 80,769 | (83,173) | - | 235,979 | 2,677,187 | 3,145,139 | 293,866 | 3,439,005 |
| Changes in equity for 2023: | 2023年權益變動: | | | | | | | | | | | | |
| Profit for the year | 年內溢利 | - | - | - | - | - | - | - | - | 784,534 | 784,534 | 2,020 | 786,554 |
| Other comprehensive income | 其他全面收益 | - | - | (239) | - | - | - | - | - | - | (239) | - | (239) |
| Total comprehensive income | 全面收益總額 | - | - | (239) | - | - | - | - | - | 784,534 | 784,295 | 2,020 | 786,315 |
| Appropriations to statutory reserve | 轉撥至法定儲備 | - | - | - | - | - | - | - | 3,862 | (3,862) | - | - | - |
| Dividends approved and paid to equity shareholders of the Company | 批准及已付本公司權益股東的股息 | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends approved and paid to non-controlling interest holders of a subsidiary | 批准及已付一間附屬公司非控股權益持有人的股息 | - | - | - | - | - | - | - | - | (317,133) | (317,133) | - | (317,133) |
| Shares issued under the Share Option Scheme | 根據購股權計劃發行的股份 | 362 | 18,145 | - | (4,305) | - | - | - | - | - | 14,202 | (3,677) | 14,202 |
| As at 31 December 2023 | 於2023年12月31日 | 63,812 | 18,145 | 1,844 | 164,539 | 80,769 | (83,173) | - | 239,841 | 3,140,726 | 3,626,503 | 292,209 | 3,918,712 |

The notes on pages 107 to 235 form part of these financial statements. 第107頁至第235頁之附註為該等財務報表的組成部份。

Consolidated Cash Flow Statement

綜合現金流量表

for the year ended 31 December 2023 (Expressed in Renminbi)
截至2023年12月31日止年度 (以人民幣列示)

| | | Note 附註 | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|--------------------------|------------|-----------------------------------|-----------------------------------|
| Operating activities | 經營活動 | | | |
| Cash generated from operations | 經營活動所得現金 | 19(b) | 873,845 | 960,887 |
| Chinese Mainland income tax paid | 已付中國大陸所得稅 | 25(a) | (20,033) | (13,208) |
| Chinese Mainland dividend withholding tax paid | 已付中國大陸股息預扣稅 | 25(a) | (34,839) | - |
| Net cash generated from operating activities | 經營活動所得現金淨額 | | 818,973 | 947,679 |
| Investing activities | 投資活動 | | | |
| Interest received | 已收利息 | | 68,917 | 44,940 |
| Payment for deposits with banks with original maturity date over three months | 原到期日超過三個月的銀行存款付款 | | (555,000) | (459,172) |
| Proceeds from deposits with banks with original maturity date over three months | 原到期日超過三個月的銀行存款所得款項 | | 309,230 | 100,000 |
| Payment for purchase of unlisted investment fund | 購買非上市投資基金的款項 | | (2,500) | (6,500) |
| Withdrawal of restricted cash | 提取受限制現金 | | - | 2,320 |
| Payment for purchase of property, plant and equipment | 購買物業、廠房及設備的款項 | | (52,564) | (51,589) |
| Proceeds received from disposal of property, plant and equipment | 已收出售物業、廠房及設備所得款項 | | 145 | 1,197 |
| Net cash used in investing activities | 投資活動所用現金淨額 | | (231,772) | (368,804) |
| Financing activities | 融資活動 | | | |
| Proceeds from new bank loans | 新增銀行貸款所得款項 | 19(c) | 442,389 | 259,322 |
| Repayments of bank loans | 銀行貸款還款額 | 19(c) | (379,420) | (433,812) |
| Proceeds from shares issued under share option scheme | 根據購股權計劃發行股份所得款項 | 26(d)(ii) | 14,202 | 2,638 |
| Dividends paid to equity shareholders of the Company | 已付本公司權益股東的股息 | | (326,249) | (127,492) |
| Dividends paid to non-controlling interests holders | 已付非控股權益持有人的股息 | | (3,677) | - |
| Capital element of lease rentals paid | 已付租金之資本部分 | 19(c) | (3,514) | (2,862) |
| Interest element of lease rentals paid | 已付租金之利息部分 | 19(c) | (1,094) | (563) |
| Finance costs paid | 已付融資成本 | 19(c) | (22,737) | (10,370) |
| Payment for repurchase of shares which were subsequently cancelled by the Company | 購回其後已被本公司註銷的股份的款項 | | - | (29,066) |
| Net cash used in financing activities | 融資活動所用現金淨額 | | (280,100) | (342,205) |
| Net increase in cash and cash equivalents | 現金及現金等值項目增加淨額 | | 307,101 | 236,670 |
| Cash and cash equivalents at 1 January | 於1月1日的現金及現金等值項目 | 19(a) | 2,450,173 | 2,196,323 |
| Effect of foreign exchange rate changes | 匯率變動的影響 | | (9,012) | 17,180 |
| Cash and cash equivalents at 31 December | 於12月31日的現金及現金等值項目 | 19(a) | 2,748,262 | 2,450,173 |

The notes on pages 107 to 235 form part of these financial statements.

第107頁至第235頁之附註為該等財務報表的組成部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The consolidated financial statements are presented in Renminbi (“**RMB**”), rounded to the nearest thousand, which is the functional currency of the subsidiaries carrying out the principal activities of the Group.

1 重大會計政策

(a) 合規聲明

該等財務報表乃根據所有適用的香港財務報告準則（「**香港財務報告準則**」）編製，其集合條款包括香港會計師公會（「**香港會計師公會**」）頒佈的所有適用的個別香港財務報告準則、香港會計準則（「**香港會計準則**」）及詮釋，以及香港《公司條例》的披露規定。該等財務報表亦符合香港聯合交易所有限公司證券上市規則（「**上市規則**」）的適用披露條文。本集團所採納的重大會計政策於下文披露。

香港會計師公會已頒佈若干於本集團現行會計期間首次生效或可供提早採納的香港財務報告準則修訂本。附註1(c)就於本會計期間與本集團有關並已於該等財務報表內反映首次應用該等發展所導致的任何會計政策變動提供資料。

(b) 財務報表的編製基準

截至2023年12月31日止年度的綜合財務報表包括本公司及其附屬公司（統稱為「**本集團**」）。

綜合財務報表以人民幣（「**人民幣**」）呈列，並約整至最接近千元。人民幣是從事本集團主要業務的附屬公司的功能貨幣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following asset is stated at its fair value as explained in the accounting policies set out below:

– **investments in debt and equity securities (see note 1(e))**

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

1 重大會計政策 (續)

(b) 財務報表的編製基準 (續)

編製財務報表所使用的計量基準為歷史成本基準，惟下文所載會計政策闡明之以其公允值列賬之資產除外：

– **於債務及股本證券的投資 (見附註1(e))**

按照香港財務報告準則編製財務報表需要管理層作出判斷、估計及假設，該等判斷、估計及假設會影響政策應用以及所呈報的資產、負債、收益及開支金額。該等估計及相關假設乃基於過往經驗及在有關情況下相信屬合理的各項其他因素，而所得結果構成用作判斷顯然無法透過其他來源獲得的有關資產與負債賬面值的依據，實際結果或有別於該等估計。

該等估計及相關假設獲持續審閱。倘會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂會在該期間內確認；或倘會計估計的修訂對現時及未來期間均產生影響，則會在作出該修訂期間及未來期間內確認。

有關管理層在應用香港財務報告準則時所作的對財務報表有重大影響的判斷及估計不確定性的主要來源於附註2內論述。



Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(i) New and amended HKFRSs

The HKICPA has issued the following new and amended HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

1 重大會計政策 (續)

(c) 會計政策變動

(i) 新訂及經修訂香港財務報告準則

香港會計師公會已頒佈下列於本集團現行會計期間首次生效的新訂及經修訂香港財務報告準則。其中，下列修訂與本集團的財務報表相關：

- 香港財務報告準則第17號，*保險合約*
- 香港會計準則第8號 (修訂本)，*會計政策、會計估計變動及錯誤：會計估計的定義*
- 香港會計準則第1號 (修訂本)，*財務報表的呈報及香港財務報告準則實務報告第2號，作出重要性判斷：會計政策的披露*
- 香港會計準則第12號 (修訂本)，*所得稅：單一交易產生的資產及負債的相關遞延稅項*
- 香港會計準則第12號 (修訂本)，*所得稅：國際稅項改革 – 第二支柱模型規則*

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

(i) **New and amended HKFRSs (Continued)**

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(ii) **New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism**

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. The abolition of the offsetting mechanism did not have a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

1 重大會計政策 (續)

(c) 會計政策變動 (續)

(i) **新訂及經修訂香港財務報告準則 (續)**

該等發展本概無對本集團有關現時或過往期間業績及財務狀況的編製或呈列方式造成重大影響。本集團並無應用任何於本會計期間尚未生效的新訂準則或詮釋。

(ii) **有關取消強積金－長服金對沖機制的會計影響的香港會計師公會新指引**

於2023年7月，香港會計師公會頒佈「取消香港強積金－長服金對沖機制的會計影響」，就對沖機制及取消該機制提供會計指引。取消對沖機制概無對本集團有關當前或過往期間的業績及財務狀況的編製或呈列方式造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances, transactions and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company.

NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1 重大會計政策(續)

(d) 附屬公司及非控股權益

附屬公司指本集團控制的實體。本集團可以或有權從參與實體的業務分享非固定回報，且有能力行使對實體的權力而影響該等回報時，本集團即被視為對實體擁有控制權。附屬公司的財務報表自控制開始日起至控制終止日期間計入綜合財務報表。

集團內公司間的結餘、交易以及集團內公司間的交易所產生的任何未變現溢利及開支（除外幣交易收益或虧損）對銷。倘並無出現減值跡象，集團內公司間的交易所產生的未變現虧損則按照未變現收益的相同方式對銷。

就各業務合併而言，本集團可選擇按公允值或按非控股權益佔附屬公司的可識別資產淨值的比例計量任何非控股權益。非控股權益於綜合財務狀況表的權益內呈列，與本公司權益股東應佔權益分開列賬。

本集團業績內的非控股權益，乃於綜合損益表及綜合損益及其他全面收益表內列報，作為年內損益總額及全面收益總額在非控股權益與本公司權益股東之間的分配結果。

本集團於附屬公司的權益變動，倘不會引致喪失控制權，則以權益交易入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(k)).

(e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase / sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 27(e). These investments are subsequently accounted for as follows, depending on their classification.

1 重大會計政策 (續)

(d) 附屬公司及非控股權益 (續)

倘本集團喪失對附屬公司的控制權，本集團終止確認附屬公司的資產及負債以及任何相關非控股權益及其他權益組成部分。任何所產生的收益或虧損在損益內確認。於喪失控制權時於前附屬公司仍保留的任何權益乃按公允值計量。

於本公司的財務狀況表中，於附屬公司的投資按成本減減值虧損列賬（見附註1(k)）。

(e) 於證券的其他投資

本集團的證券投資（不包括於附屬公司的投資）政策載於下文。

證券投資於本集團承諾購買／出售投資當日確認／取消確認。除該等按公允值計入損益計量的投資的交易成本直接於損益確認外，有關投資初步以公允值另加直接應佔交易成本列賬。有關本集團如何釐定金融工具的公允值的闡釋，見附註27(e)。該等投資其後視乎其分類按以下方式入賬。



Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Other investments in securities (Continued)

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 1(u)(ii)(b)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Fair value through other comprehensive income (“FVOCI”) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in other comprehensive income (“OCI”). When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

1 重大會計政策 (續)

(e) 於證券的其他投資 (續)

(i) 非股權投資

非股權投資分類為以下其中一項計量類別：

- 按攤銷成本，倘投資乃持作收取合約現金流量，即純粹為支付本金及利息。預期信貸虧損、採用實際利率法計算的利息收入（見附註1(u)(ii)(b)）、匯兌收益及虧損在損益內確認。取消確認的任何收益或虧損在損益內確認。
- 按公允值計入其他全面收益（「按公允值計入其他全面收益」）— 可重新分類，倘投資的合約現金流量僅包括本金及利息付款，且投資乃於其目的為同時收取合約現金流量及出售的業務模式中持有。預期信貸虧損、利息收益（採用實際利率法計算）以及匯兌收益及虧損在損益內確認，並以猶如按攤銷成本計量金融資產相同的方式計算。公允值與攤銷成本之間差額在其他全面收益（「其他全面收益」）內確認。當投資被取消確認，於其他全面收益累計的金額從權益重新分類至損益。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Other investments in securities (Continued)

(i) Non-equity investments (Continued)

- Fair value through profit or loss (“FVPL”) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI.

Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

1 重大會計政策 (續)

(e) 於證券的其他投資 (續)

(i) 非股權投資 (續)

- 按公允值計入損益 (「按公允值計入損益」)，倘投資不符合按攤銷成本或按公允值計入其他全面收益 (可重新分類) 計量的標準。投資的公允值變動 (包括利息) 於損益確認。

(ii) 股權投資

於股本證券的投資分類為按公允值計入損益，除非投資並非持作買賣用途，且於首次確認時本集團不可撤回地選擇將投資指定為按公允值計入其他全面收益 (不可重新分類)，以致公允值的其後變動於其他全面收益確認。

有關選擇為按逐項工具準則作出，惟只有在有關投資從發行人的角度符合股本定義時，方可作出。倘若針對特定投資作出有關選擇，則在出售時，公允值儲備累計金額 (不可重新分類) 將轉撥至保留盈利，並且不會透過損益重新分類。來自股本證券投資的股息 (不論是否分類為按公允值計入損益或按公允值計入其他全面收益) 在損益內確認為其他收入。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(f) Investment property

Investment properties are accounted for using the cost model and stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 1(k)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful lives as follows.

| | |
|-------------------|----------|
| – Land use rights | 50 years |
| – Buildings | 6 years |

Rental income from investment properties is recognised in accordance with note 1(u)(ii)(a).

(g) Property, plant and equipment

The property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (see note 1(k)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 1(w)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

1 重大會計政策 (續)

(f) 投資物業

投資物業乃採用成本模式入賬，並於財務狀況表內按成本減累計折舊及減值虧損（見附註1(k)）列賬。投資物業的成本（扣除其估計殘值及累計減值虧損）以直線法於其估計可使用年期進行折舊，詳情如下。

| | |
|---------|-----|
| – 土地使用權 | 50年 |
| – 樓宇 | 6年 |

投資物業的租金收入乃根據附註1(u)(ii)(a)確認。

(g) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列賬（見附註1(k)）。

自建物業、廠房及設備項目的成本包括材料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌的初步估計成本（如適用），以及適當比例的生產間接費用及借款成本（見附註1(w)）。

倘物業、廠房及設備項目重要部分的可使用年期不同，則將其視為單獨項目（主要組成部分）入賬。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(g) Property, plant and equipment (Continued)

Any gains or losses on disposal of an item of property, plant and equipments recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion
- Machinery and equipment 5 – 20 years
- Motor vehicles 5 years
- Office equipment 5 years
- Right-of-use assets are depreciated over the period of the lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

1 重大會計政策 (續)

(g) 物業、廠房及設備 (續)

出售物業、廠房及設備項目的任何收益或虧損在損益內確認。

折舊按物業、廠房及設備項目的估計可使用年期，以直線法撇銷該等項目的成本(減去其估計殘值(如有))計算，並一般在損益內確認。

本期及可比較期間的估計可使用年期如下：

- 位於租賃土地上的建築物按未屆滿的租賃期及其估計可使用年期(以較短者為準，且不超過竣工日期後50年)折舊
- 機器及設備 5至20年
- 汽車 5年
- 辦公室設備 5年
- 使用權資產按租賃期折舊

折舊方式、可使用年期及殘值均於各個報告日期進行檢討及在適當時進行調整。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(h) Research and development costs

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

(i) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 1(k)).

Expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

| | |
|-----------|--------------|
| – Patents | 8 – 13 years |
|-----------|--------------|

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

1 重大會計政策 (續)

(h) 研發成本

研發成本包括所有與研發活動直接相關或可按合理基準分配至該等活動的成本。基於本集團研發活動的性質，該等成本一般要直至項目較後的發展階段，當餘下開發成本並不重大時，才會符合標準確認為資產。因此，研究成本及開發成本一般均於其產生的期間確認為開支。

(i) 無形資產 (商譽除外)

本集團所收購並具有有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損計量 (見附註 1(k))。

有關內部產生商譽及品牌的開支在產生時在損益內確認。

攤銷按無形資產的估計可使用年期 (如有)，以直線法撇銷該等無形資產的成本 (減去其估計殘值) 計算，並一般在損益內確認。

本期及可比較期間的估計可使用年期如下：

| | |
|------|-------|
| – 專利 | 8至13年 |
|------|-------|

攤銷方式、可使用年期及殘值於各個報告日期進行檢討及在適當時進行調整。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Intangible assets (other than goodwill) (Continued)

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

1 重大會計政策 (續)

(i) 無形資產 (商譽除外) (續)

倘無形資產被評估為具有無限可使用年期，則不會進行攤銷。無形資產具有無限可使用年期的任何結論會每年審閱，以釐定是否有事件及情況繼續支持該資產被評為具有無限可使用年期。倘並無事件及情況繼續支持該資產被評為具有無限可使用年期，則可使用年期由無限期轉為有限期的評估變動會自變動日期起，根據上文所載有限使用年期無形資產的攤銷政策前瞻性入賬。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a lease term of 12 months or less and leases of low-value items which, for the Group are primarily properties. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

1 重大會計政策 (續)

(j) 租賃資產

於合約開始時，本集團會評估合約是否屬於或包含租賃。倘合約轉移在一段時間內控制已識別資產使用的權利以換取代價，則屬此情況。當客戶有權指定已識別資產的用途以及從該用途中獲得絕大部分經濟利益時，即表示控制權已轉移。

(i) 作為承租人

倘合約包含租賃部分及非租賃部分，本集團已選擇不區分非租賃部分，並將各租賃部分及任何相關非租賃部分入賬列為所有租賃的單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租賃期為12個月或以內的租賃及低價值項目租賃（對本集團而言主要為物業）除外。當本集團就低價值項目訂立租賃時，本集團按個別租賃基準決定是否將租賃資本化。倘未進行資本化，相關租賃付款於租期內有系統地在損益內確認。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(i) As a lessee (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(g) and 1(k)(ii)).

1 重大會計政策 (續)

(j) 租賃資產 (續)

(i) 作為承租人 (續)

當租賃已資本化，租賃負債初步按租期內應付的租賃付款的現值確認，並按租賃中所隱含的利率折現，或倘該利率不能輕易釐定，則以相關遞增借款利率折現。於初步確認後，租賃負債按攤銷成本計量，而利息開支則採用實際利率法確認。租賃負債的計量並不包括毋須視乎指數或利率的可變租賃付款，並於其產生時在損益中扣除。

於租賃資本化時確認的使用權資產初步按成本計量，其中包括於開始日期或之前就任何租賃付款作出調整的租賃負債的初始金額，再加上任何所產生的初始直接成本，以及拆卸及移除相關資產或還原相關資產或該資產所在場所而產生的估計成本，並扣減任何所收取的租賃優惠。使用權資產隨後按成本減累計折舊及減值虧損列賬（見附註1(g)及1(k)(ii)）。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(i) As a lessee (Continued)

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 1(e)(i), 1(u)(ii)(b) and 1(k)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1 重大會計政策 (續)

(j) 租賃資產 (續)

(i) 作為承租人 (續)

根據按攤銷成本列賬的非股本證券投資所適用的會計政策，可退還租金與使用權資產分開入賬（見附註1(e)(i)、1(u)(ii)(b)及1(k)(i)）。按金面值減初始公允值的任何差額均作為已支付的額外租金付款入賬，並計入使用權資產成本。

倘指數或利率變化引致未來租賃付款出現變動，且本集團預期根據剩餘價值擔保應付的估計金額產生變化，或倘本集團對是否行使購買、續租或終止選擇權的評估有變，則租賃負債將重新計量。倘以此方式重新計量租賃負債，則會對使用權資產的賬面值進行相應調整，而當使用權資產的賬面值已減至零，則會於損益列賬。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(i) As a lessee (Continued)

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

1 重大會計政策 (續)

(j) 租賃資產 (續)

(i) 作為承租人 (續)

當租賃修訂(即租賃範圍發生變化或租賃合約原先並無規定的租賃代價發生變化)發生時，而倘若該修訂未作為單獨的租賃入賬時，則亦要對租賃負債進行重新計量。在此情況下，租賃負債根據經修訂的租賃付款及租賃期限，使用經修訂的折現率在修訂生效當日重新計量。唯一例外為因新型冠狀病毒疫情而直接產生的租金減讓，且其符合香港財務報告準則第16號租賃第46B段所載的條件。在該等情況下，本集團利用可行權宜方法不對租金寬減是否為租賃修訂進行評估，並於觸發租金減讓的事件或條件發生期間的損益內將代價變動確認為負可變租賃付款。

在綜合財務狀況表中，長期租賃負債的即期部分釐定為須於報告期後十二個月內清償之合約付款現值。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(u)(ii)(a).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 1(j)(i), then the Group classifies the sub-lease as an operating lease.

1 重大會計政策 (續)

(j) 租賃資產 (續)

(ii) 作為出租人

本集團於租賃初始階段釐定每一項租賃為融資租賃或經營租賃。倘租賃轉移相關資產的所有權附帶的絕大部分風險及回報予承租人，該租賃將分類為融資租賃。否則，該租賃將分類為經營租賃。

倘合約包含租賃及非租賃部分，本集團根據相對獨立的售價基準將合約代價分配予各部分。經營租賃產生的租金收入根據附註1(u)(ii)(a)確認。

倘本集團為中間出租人，經參考總租約產生的使用權資產，分租約將分類為融資租賃或經營租賃。倘總租約為本集團應用附註1(j)(i)所述豁免的短期租賃，則本集團將分租約分類為經營租賃。

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綜合財務報表附註

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (“ECL”s) on financial asset measured at amortised cost (including cash and cash equivalents and trade receivables and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

1 重大會計政策 (續)

(k) 信貸虧損及資產減值

(i) 來自金融工具的信貸虧損

本集團就按攤銷成本計量的金融資產(包括現金及現金等值項目、貿易應收款項及其他應收款項)的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。

預期信貸虧損的計量

預期信貸虧損是以概率加權估計的信貸虧損。一般而言，信貸虧損按合約及預期金額之間所有預期現金差額的現值計量。

倘影響屬重大，則預期現金差額將按以下利率折現：

- 固定利率金融資產、貿易及其他應收款項：初始確認時釐定的實際利率或其近似值；
- 浮動利率金融資產：當前的實際利率；

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

1 重大會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具的信貸虧損 (續)

預期信貸虧損的計量 (續)

預期信貸虧損基於下列其中一個基準計量：

- 12個月的預期信貸虧損：在報告日期後12個月內（或工具的預期存續期少於12個月，以較短者為準）可能發生的違約事件而導致的預期信貸虧損部分；及
- 整個存續期的預期信貸虧損：該等採用預期信貸虧損模式的項目在整個預期存續期內所有可能發生的違約事件而導致的預期信貸虧損。

本集團按相等於整個存續期的預期信貸虧損金額計算虧損撥備，惟下列按12個月的預期信貸虧損基準計量的情況除外：

- 在報告日期釐定為低信貸風險的金融工具；及
- 信貸風險（即在金融工具的整個預期存續期內發生違約事件的風險）自初始確認後並無顯著增加的其他金融工具（包括已發行的貸款承諾）。

貿易應收款項的虧損撥備一直按相等於整個存續期的預期信貸虧損金額計量。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

1 重大會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具的信貸虧損 (續)

信貸風險顯著增加

在釐定金融工具(包括貸款承諾)的信貸風險自初始確認後是否顯著增加，以及計量預期信貸虧損時，本集團考慮合理及有理據而毋須付出過多的成本或努力獲得的相關資料，包括根據本集團過往經驗及有依據信貸評估的定量及定性資料及分析(包括前瞻性資料)。

本集團假設倘金融資產逾期超過30天，其信貸風險已大幅增加。

就貸款承諾而言，評估預期信貸虧損的初始確認日期被視為本集團成為不可撤回承諾的一方當日。於評估貸款承諾初始確認後信貸風險是否顯著增加時，本集團考慮貸款承諾相關的貸款發生違約風險的變動。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk (Continued)

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

1 重大會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具的信貸虧損 (續)

信貸風險顯著增加 (續)

倘出現以下情況，本集團認為金融資產已出現違約事件：

- 債務人向本集團悉數支付其信貸承擔的可能偏低，且本集團並無追索權以採取變現證券（如有持有）等行動；或
- 金融資產已逾期90日。

預期信貸虧損於各報告日期重新計量，以反映自初始確認後金融工具信貸風險的變化。預期信貸虧損金額的任何變化均在損益中確認為減值收益或虧損。本集團透過虧損撥備賬戶對其賬面值進行相應調整，以確認所有金融工具的減值收益或虧損，惟以按公允值計入其他全面收益（可重新分類）計量的非股本證券投資除外。虧損撥備於其他全面收益中確認，並於公允值儲備（可重新分類）累計，並不會減少金融資產在財務狀況表中的賬面值。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments (Continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties of the issuer.

1 重大會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具的信貸虧損 (續)

信貸減值的金融資產

於各報告日期，本集團評估金融資產是否出現信貸減值。當一項或多項對金融資產的估計未來現金流造成負面影響的事件發生時，金融資產將被視為出現信貸減值。

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人面對重大財務困難；
- 違反合約，如拖欠或逾期超過90日；
- 本集團按本集團不會另行考慮的條款重組貸款或墊款；
- 債務人有可能申請破產或進行其他財務重組；
- 發行人面臨財務困難導致證券失去活躍市場。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Write-off policy

The gross carrying amount of a financial asset or lease receivable is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

1 重大會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具的信貸虧損 (續)

撇銷政策

倘並無實際可收回的前景，金融資產或租賃應收款項的賬面總額會被撇銷。該情況一般在本集團釐定債務人並無資產或收入來源可產生足夠的現金流以償還將予撇銷的款項時出現。

倘過往已撇銷的資產於其後收回，則於收回期間於損益確認為減值撥回。

(ii) 其他非流動資產減值

於各個報告日期，本集團審閱其非金融資產（存貨及遞延稅項資產除外）的賬面值，以釐定是否存在任何減值跡象。倘出現任何該等跡象，則會估計資產的可收回金額。商譽每年進行減值測試。

就減值測試而言，資產被分類成最小資產組別，有關資產組別透過持續使用產生現金流入，且基本上獨立於其他資產或現金產生單位（「現金產生單位」）的現金流入。業務合併所產生的商譽分配至現金產生單位或現金產生單位組別，有關組別預計將從合併的協同效應中受益。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets

(Continued)

(ii) Impairment of other non-current assets

(Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1 重大會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(ii) 其他非流動資產減值 (續)

資產或現金產生單位的可收回金額為其使用價值及其公允值減出售成本兩者間的較高者。使用價值乃按反映當時市場對貨幣時間價值及資產或現金產生單位特定風險評估的稅前折現率，將估計未來現金流量折現至其現值。

倘若資產或現金產生單位的賬面值超過其可收回金額，則確認為減值虧損。

減值虧損於損益中確認，並首先分配以減少分配至該現金產生單位的任何商譽賬面值，其後按比例減少現金產生單位內其他資產的賬面值。

有關商譽的減值虧損不予撥回。就其他資產而言，僅當最終賬面值並無超過在未確認減值虧損的情況下應釐定的賬面值（減去折舊或攤銷），才會撥回減值虧損。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 1(k)(i)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1 重大會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(iii) 中期財務報告及減值

根據上市規則，本集團須就財政年度首六個月編製符合香港會計準則第34號中期財務報告規定的中期財務報告。於中期期末，本集團應用與財政年度末所應用者相同的減值測試、確認及撥回準則（見附註1(k)(i)）。

於中期期間內就商譽確認的減值虧損不會於其後期間撥回。倘有關中期期間的減值評估僅於財政年度末進行，即使並無確認虧損或所確認的虧損屬較輕微，亦不會撥回減值虧損。

(l) 存貨

存貨乃按成本及可變現淨值的較低者計量。

成本乃按加權平均成本法計算，並包括所有採購成本、轉換成本及將存貨保存於現時所在地點及保持現有狀況所產生的其他成本。

可變現淨值是在日常業務過程中的估計售價減估計完成成本及作出銷售的估計所需成本。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(u)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 1(k)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 1(n)).

The current business model of the Group does not lead to any recognition of contract assets.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 1(u)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 1(n)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(u)).

The amount of contract liabilities are not individually sufficiently material and therefore is not separately presented in the statement of financial position. Relevant information is collectively presented in trade and other payables (see note 20).

1 重大會計政策 (續)

(m) 合約資產及合約負債

倘本集團於根據合約條款無條件符合資格收取代價前確認收入(見附註1(u))，則確認合約資產。合約資產進行預期信貸虧損評估(見附註1(k)(i))，並於取得代價的權利成為無條件時重新分類至應收款項(見附註1(n))。

本集團現時的業務模式並無導致任何合約資產確認。

倘客戶於本集團確認相關收入(見附註1(u))前支付代價，則確認合約負債。倘本集團擁有無條件權利可於本集團確認相關收入前收取不可退還代價，亦確認合約負債。在該等較遲情況下，亦將確認相應的應收款項(見附註1(n))。

倘合約包含重大融資部分，合約結餘包括按實際利率法計算的應計利息(見附註1(u))。

合約負債的金額個別而言的重要性不足，因此並無於財務狀況表內獨立呈列。相關資料於貿易及其他應付款項內共同呈列(見附註20)。



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1 MATERIAL ACCOUNTING POLICIES (Continued)

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 1(k)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 1(k)(i)).

(p) Trade and other payables (other than refund liabilities)

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

1 重大會計政策 (續)

(n) 貿易及其他應收款項

在本集團擁有無條件權利收取代價時，且在該代價到期支付前僅需經過一段時間，方可確認應收款項。

不包含重大融資成分的貿易應收款項初步按其交易價格計量。包含重大融資成分的貿易應收款項及其他應收款項初步按公允值加交易成本計量。所有應收款項其後按攤銷成本列賬（見附註1(k)(i)）。

(o) 現金及現金等值項目

現金及現金等值項目包括銀行存款及手頭現金、於銀行及其他金融機構的活期存款，以及可隨時兌換為已知金額現金且承受的價值變動風險並不重大的短期、高流動性投資（在購入時距離到期日不超過3個月）。現金及現金等值項目乃就預期信貸虧損進行評估（見附註1(k)(i)）。

(p) 貿易及其他應付款項（退還負債除外）

貿易及其他應付款項初步按公允值確認。於初步確認後，貿易及其他應付款項按攤銷成本列賬，除非折現的影響並不重大，在該情況下則按發票金額列賬。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 1(w)).

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

Contribution to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in Chinese Mainland are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

1 重大會計政策 (續)

(q) 計息借款

計息借款初步按公允價值減交易成本計量。其後，該等借款乃使用實際利率法按攤銷成本列賬。利息開支乃根據本集團的借貸成本會計政策確認(見附註1(w))。

(r) 僱員福利

(i) 短期僱員福利及界定供款退休計劃的供款

短期僱員福利在提供相關服務時列為開支。倘本集團因僱員過往提供服務而有現時法定或推定責任支付該款項，且該責任能可靠地予以估計，則確認預期支付的款項為負債。

界定供款退休計劃的供款責任在提供相關服務時列為開支。

除已計入但尚未確認為開支的存貨成本外，根據中國大陸有關勞工規則及法規向當地適當界定供款退休計劃作出的供款於產生期間在損益確認為開支。



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1 MATERIAL ACCOUNTING POLICIES (Continued)

(r) Employee benefits (Continued)

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group costs for a restructuring.

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

1 重大會計政策 (續)

(r) 僱員福利 (續)

(ii) 以股份為基礎的付款

授予僱員以股權結算並以股份為基礎的付款的授出日期公允值採用二項式點陣模型計量。該等款項一般在獲得獎勵的歸屬期內確認為開支，權益亦相應增加。確認為開支的金額會作出調整，以反映預期符合相關服務條件的獎勵數目。最終確認的金額則按歸屬日符合相關服務條件的獎勵數目計算。

(iii) 終止福利

終止福利會在本集團不再能夠撤回所提供的終止福利及需要進行重組(以較早者為準)時支銷。

(s) 所得稅

所得稅開支包括即期稅項及遞延稅項，並於損益內確認，惟與業務合併或直接於權益或其他全面收益內確認的項目有關者則除外。

即期稅項包括估計年內就應課稅收入或虧損應繳或應收的稅項，並根據過往年度的應繳或應收稅項作出任何調整。應繳或應收即期稅項的金額為對預期繳付或收取的稅項金額作出的最佳估計，反映與所得稅有關的任何不確定因素。即期稅項採用於報告日期已生效或實質已生效的稅率計算，並包括因股息所產生的任何稅項。

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綜合財務報表附註

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(s) Income tax (Continued)

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

1 重大會計政策 (續)

(s) 所得稅 (續)

僅在若干條件獲達成的情況下，才能抵銷即期稅項資產及負債。

遞延稅項乃是針對用於財務報告目的之資產和負債賬面金額與用於稅務目的之金額之間的暫時差額而確認的。概不會就以下的暫時差額確認遞延稅項：

- 在一項非業務合併交易中的資產或負債初始確認，且並不影響會計或應課稅溢利或虧損的暫時差額，並不會產生同等應課稅及可扣減的暫時差額；
- 有關於附屬公司、聯營公司及合營企業的投資的暫時差額，惟以本集團能夠控制暫時差額的撥回時間及於可見將來應不會撥回為限；及
- 因商譽初始確認所產生的應課稅暫時差額。

本集團就其租賃負債及使用權資產分別確認遞延稅項資產及遞延稅項負債。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(s) Income tax (Continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

1 重大會計政策 (續)

(s) 所得稅 (續)

遞延稅項資產乃針對未動用稅務虧損、未動用稅項抵免及可扣稅的暫時差額確認，只要在未來有可能獲得應課稅溢利並可用作抵扣的情況下，方確認遞延稅項資產。未來應課稅溢利乃根據相關應課稅暫時差額的撥回釐定。倘若應課稅暫時差額的金額不足以全額確認遞延稅項資產，則根據本集團個別附屬公司的業務計劃，考慮撥回現有暫時差額作出調整後的未來應課稅溢利。遞延稅項資產於各個報告日期進行檢討，並於相關稅項利益不再可能變現時予以扣減；當未來應課稅溢利的可能性提高時，該等經扣減的金額則會撥回。

僅在若干條件獲達成的情況下，才能抵銷遞延稅項資產及負債。

(t) 撥備及或然負債

一般而言，撥備按反映當時市場對貨幣的時間價值及該負債特定風險的評估的除稅前比率貼現預計未來現金流量釐定。

保證撥備乃於相關產品或服務售出時確認。撥備乃基於過往保證數據及潛在後果與彼等相關概率進行加權計算。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(t) Provisions and contingent liabilities (Continued)

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 1(k)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

1 重大會計政策 (續)

(t) 撥備及或然負債 (續)

多項虧損性合約之撥備乃按終止合約的預期成本及繼續執行合約的預期成本淨額(以較低者為準)的現值計量，根據履約責任的成本增加以及與履約直接相關的其他成本的分配而釐定。於計提撥備前，本集團就該合約相關資產確認任何減值虧損(見附註1(k)(ii))。

當需要經濟利益流出的可能性較低或當金額不能可靠估計時，責任會作為或然負債披露，除非經濟利益流出的可能性極低。可能的責任(其存在將僅由一項或以上未來事件的出現或不出現確認)亦作為或然負債披露，除非經濟利益流出的可能性極低者，則另當別論。

倘結算撥備所需的部分或全部支出預期將由另一方作出彌償，則就幾乎確定的任何預期彌償確認一項獨立資產。就彌償確認的金額以撥備的賬面值為限。

(u) 收入及其他收入

於本集團日常業務過程中，本集團將因銷售貨品、提供服務或由其他人士根據租賃使用本集團資產所產生的收益分類為收入。



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1 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Revenue and other income (Continued)

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of goods that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the goods. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers, but the Group generally provides credit terms to customers within three months upon invoice date. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

1 重大會計政策 (續)

(u) 收入及其他收入 (續)

有關本集團收入及其他收入確認政策的進一步詳情如下：

(i) 來自與客戶訂立之合約的收入

本集團是其收入交易的主體，並以總額基準確認收入，包括銷售外部採購的商品。於釐定本集團屬負責人或代理人時，本集團考慮以是否在產品轉移至客戶前取得產品的控制權而定。控制權指本集團能夠主導產品的使用並取得產品幾乎全部剩餘利益的能力。

收入在產品或服務的控制權按本集團預期有權收取的承諾代價金額（不包括代表第三方收取的該等金額，如增值稅或其他銷售稅）轉讓予客戶時確認。

(a) 銷售貨品

收入乃於客戶擁有及接收貨品時確認。付款條款與條件因客戶而異，並取決於與客戶簽訂的合約或採購訂單中規定之收款時間表，惟本集團通常向客戶提供發票日後3個月內的信貸期。本集團利用香港財務報告準則第15號第63段中的實際權宜方法，不就重大融資部分的任何影響調整代價，原因是融資期限為12個月或更短。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Revenue and other income (Continued)

(i) Revenue from contracts with customers (Continued)

(a) Sale of goods (Continued)

The Group typically offers sales rebates to customers when their purchases amount and settlement amount during the period reach an agreed threshold. Such rights of return and sales rebates give rise to variable consideration. The Group uses the rebate bases and the rebate ratios with the terms of the underlying contracts with customers to calculate variable consideration. This amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur. At the time of sale of goods, the Group recognises revenue after taking into account adjustment to transaction price arising from returns and rebates as mentioned above. A refund liability is recognised for sales rebates, and is included in other payables (see note 20).

(b) Services income

Revenue from services rendered is recognised in profit or loss at the time of provision of the service is completed.

1 重大會計政策 (續)

(u) 收入及其他收入 (續)

(i) 來自與客戶訂立之合約的收入 (續)

(a) 銷售貨品 (續)

倘客戶於期內的採購金額及結算金額達到議定指標時，本集團通常會向彼等提供銷售返利。該等退還權及銷售返利會產生可變代價。本集團利用回扣金額基數及返利比率以及與客戶的相關合約條款來計算可變代價。計入交易價格之金額受限於累計已確認收入很大可能將不會出現重大撥回。在銷售貨品時，本集團在計及上述因退貨及返利引致對交易價格作出調整後確認收入。就銷售返利確認退還負債，退還負債計入其他應付款項(見附註20)。

(b) 服務收入

來自提供服務之收益於提供服務完成時於損益確認。



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1 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Revenue and other income (Continued)

(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(b) Interest income

Interest income is recognised using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

1 重大會計政策 (續)

(u) 收入及其他收入 (續)

(ii) 來自其他來源之收益及其他收入

(a) 經營租賃的租金收入

經營租賃項下的租金收入乃於租賃期所涵蓋的期間內，以直線法於損益中確認。授予的租賃優惠乃於租賃期所涵蓋的期間內確認為總租金收入的組成部分。毋須視乎指數或利率的可變租賃付款乃於其賺取的會計期間確認為收入。

(b) 利息收益

利息收益使用實際利率法確認。「實際利率法」指按於金融資產之預計年期內將估計未來現金收入準確折現至金融資產總賬面值之利率。於計算利息收益時，實際利率法用於資產的賬面總值（倘若資產並無出現信貸減值）。然而，對於初始確認後已出現信貸減值的金融資產，利息收益乃向金融資產攤銷成本採用實際利率計算。倘若資產不再出現信貸減值，利息收益將回復至以總額基準計算。

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1 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Revenue and other income (Continued)

(ii) Revenue from other sources and other income (Continued)

(c) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

1 重大會計政策 (續)

(u) 收入及其他收入 (續)

(ii) 來自其他來源之收益及其他收入 (續)

(c) 政府補助

當可以合理確定本集團將會收到政府補助並會遵守其附帶條件時，政府補助會初步於財務狀況表內予以確認。

用作補償本集團所產生的開支的補助於產生開支的同一期間有系統地於損益內確認為收入。

補償本集團資產成本的補助自資產賬面值扣減，其後透過減少折舊開支於該項資產的可使用年期於損益內實際確認。

(v) 外幣換算

外幣交易以交易日期的匯率換算為集團公司各自的功能貨幣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(v) Translation of foreign currencies (Continued)

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

1 重大會計政策 (續)

(v) 外幣換算 (續)

以外幣計值的貨幣資產及負債乃按於報告日期的匯率換算為功能貨幣。以外幣按公允值計量的非貨幣資產及負債乃使用於釐定公允值時的匯率換算為功能貨幣。以外幣的歷史成本計量的非貨幣資產及負債乃使用於交易日期的匯率換算。外幣差額一般於損益內確認。

海外業務的資產及負債(包括收購產生的商譽及公允值調整)乃按於報告日期的匯率換算為人民幣。海外業務的收入及開支則按於交易日期的匯率換算為人民幣。

外幣差額於其他全面收益內確認，並於匯兌儲備中累計，惟換算差額則分配至非控股權益。

(w) 借款成本

需要相當長時間方可作擬定用途或可供銷售的資產的收購、建設或生產直接產生的借款成本資本化為該資產成本的一部分。其他借款成本於其產生期間支銷。

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綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(x) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

1 重大會計政策 (續)

(x) 關連人士

- (a) 在以下情況下，某人士或其近親家庭成員與本集團有關聯：
- (i) 可控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。
- (b) 在以下任何情況下，某實體與本集團有關聯：
- (i) 該實體及本集團均為同一集團的成員公司（即母公司、附屬公司及同系附屬公司各自與其他方有關聯）。
 - (ii) 某實體為另一實體的聯營公司或合營公司（或另一實體為成員公司的某集團的成員公司的聯營公司或合營公司）。
 - (iii) 兩家實體均為同一第三方的合營公司。
 - (iv) 某實體為第三方實體的合營公司而另一實體則為該第三方實體的聯營公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(x) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
(Continued)
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

1 重大會計政策 (續)

(x) 關連人士 (續)

- (b) 在以下任何情況下，某實體與本集團有關聯：(續)
- (v) 該實體為本集團或與本集團有關聯的實體為其僱員利益而設立的離職後福利計劃。
- (vi) 該實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 向本集團或向本集團之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

某人士的近親家庭成員為在與實體交易時預期會影響該名人士或受到該名人士影響的家庭成員。

(y) 分部報告

經營分部及財務報表所呈報各分部項目的金額，乃從就本集團各項業務及地理位置分配資源及評估表現而定期向本集團最高行政管理人員提供的財務資料當中加以識別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(以人民幣列示，除非另有註明)

1 MATERIAL ACCOUNTING POLICIES (Continued)

(y) Segment reporting (Continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 SOURCES OF ESTIMATION UNCERTAINTY

Note 27 contain information about the assumptions and their risk factors relating to valuation of fair value of financial instruments. Other significant source of estimation uncertainty are as follows:

(a) Impairments for intangible assets – trademark

In considering the impairment losses that may be required for intangible assets – trademark, recoverable amount of these assets needs to be determined. The Group assesses the recoverable amount of the Group's cash-generating units of Yulin Pharmaceutical and its subsidiaries (collectively referred to as "Yulin Pharmaceutical Group") ("Yulin CGU"), using the value in use method by preparing a discounted cash flow forecast derived from the most recent financial forecast approved by the management covering a five-year period. The assessment of the recoverable amounts of the Yulin CGU involves significant management estimation and judgement, in particular in determining the key assumptions adopted in the cash flow forecast, which include future revenue, future cost of sales, other operating expenses, and the discount rate applied.

1 重大會計政策 (續)

(y) 分部報告 (續)

就財務報告而言，將不會併入個別重大經營分部，除非該等分部具有類似經濟特性，且在產品及服務性質、生產工序性質、客戶類型或階層、分銷產品或提供服務所使用的方法及監管環境的性質等方面相似。倘個別不重大的經營分部符合大部份該等標準，則可進行合併。

2 估計不確定因素的來源

附註27載有有關金融工具公允價值估值的假設及其風險因素的資料。其他估計不確定因素的主要來源如下：

(a) 無形資產 – 商標之減值

考慮無形資產 – 商標可能須作出的減值虧損時，須釐定該等資產的可收回金額。本集團運用使用價值法對本集團的玉林製藥及其附屬公司（統稱「玉林製藥集團」）的現金產生單位（「玉林現金產生單位」）的可收回金額進行評估，方法為制定管理層批准的最近期財務預測（涵蓋五年期間）得出的折現現金流量預測。對玉林現金產生單位的可收回金額的評估涉及重大的管理層估計和判斷，特別是確定現金流量預測時採納的關鍵假設，其中包括未來收入、未來銷售成本、其他經營開支和應用的折現率。

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綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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2 SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

(b) Loss allowances for trade receivables

The Group estimates the loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives.

2 估計不確定因素的來源(續)

(b) 貿易應收款項之虧損撥備

本集團透過評估預期信貸虧損估計貿易應收款項的虧損撥備。這需要使用估計及判斷。預期信貸虧損乃基於本集團過往信貸虧損經驗，並按在報告期末債務人的特定因素及對當前和預測整體經濟狀況的評估予以調整。當估計有別於原始估計，則有關差額將影響貿易應收款項的賬面值，從而影響有關估計變動期間的減值虧損。本集團於各貿易應收款項年期內持續評估其預期信貸虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacturing and sales of pharmaceutical products. Further details regarding the Group's principal activities are disclosed in note 3(b).

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

| | | 2023 | 2022 |
|---|--------------------------------------|------------------|-----------|
| | | 2023年 | 2022年 |
| | | RMB' 000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Revenue from contracts with customers within the scope of HKFRS 15 | 屬香港財務報告準則第15號範圍內來自與客戶訂立之合約的收入 | | |
| Kidney medicines | 腎科藥物 | 1,741,298 | 1,569,418 |
| Gynaecology and paediatrics medicines | 婦兒藥物 | 293,706 | 239,393 |
| Contrast medium | 對比劑 | 155,894 | 163,394 |
| Orthopedics medicines | 骨科藥物 | 153,186 | 175,022 |
| Dermatologic medicines | 皮膚科藥物 | 128,211 | 114,930 |
| Hepatobiliary medicines | 肝膽藥物 | 79,254 | 46,330 |
| Others | 其他 | 38,566 | 31,163 |
| | | 2,590,115 | 2,339,650 |

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 3(b)(i) and 3(b)(iii) respectively.

The Group's customer base is diversified and includes two customers (2022: two) with whom transactions have exceeded 10% of the Group's revenues. In 2023 revenues to each of these two customers, including sales to entities which are known to the Group to be under common control with these customers are as follows. Details of concentrations of credit risk arising from these two customers are set out in note 27(a).

3 收入及分部報告

(a) 收入

本集團的主要業務為藥品生產及銷售。有關本集團主要業務的進一步詳情披露於附註3(b)。

來自與客戶訂立之合約的收入按主要產品之分拆如下：

| | 2023 | 2022 |
|---|------------------|-----------|
| | 2023年 | 2022年 |
| | RMB' 000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| Revenue from contracts with customers within the scope of HKFRS 15 | | |
| Kidney medicines | 1,741,298 | 1,569,418 |
| Gynaecology and paediatrics medicines | 293,706 | 239,393 |
| Contrast medium | 155,894 | 163,394 |
| Orthopedics medicines | 153,186 | 175,022 |
| Dermatologic medicines | 128,211 | 114,930 |
| Hepatobiliary medicines | 79,254 | 46,330 |
| Others | 38,566 | 31,163 |
| | 2,590,115 | 2,339,650 |

來自與客戶訂立合約之收入按收入確認之時間及按地區市場之分拆分別披露於附註3(b)(i)及3(b)(iii)。

本集團擁有多元化的客戶基礎，且包括兩名(2022年：兩名)交易佔本集團收入超過10%的客戶。於2023年，來自該兩名客戶的收入(包括向本集團得悉與該等客戶受共同控制之實體作出的銷售)如下。該兩名客戶產生的信貸風險集中度詳情載於附註27(a)。



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綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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3 REVENUE AND SEGMENT REPORTING

(Continued)

(a) Revenue (Continued)

| | | 2023 | 2022 |
|------------|-----|-----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB' 000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Customer A | 客戶甲 | 714,038 | 630,804 |
| Customer B | 客戶乙 | 296,666 | 306,138 |

As at 31 December 2023, the transaction price under the Group's existing contracts was fully recognised as revenue.

The Group has applied practical expedient in paragraph 121(a) of HKFRS 15, Revenue from Contracts with Customers, to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with the customers in existence at the end of reporting period as the performance obligation is part of a contract that has an original expected duration of one year or less.

(b) Segment reporting

The Group manages its businesses by product lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- **Consun Pharmaceutical Segment:** this segment manufactures and sells modern Chinese medicines and medical contrast medium.
- **Yulin Pharmaceutical Segment:** this segment manufactures and sells traditional Chinese medicines.

3 收入及分部報告 (續)

(a) 收入 (續)

於2023年12月31日，本集團現有合約項下交易價格悉數確認為收入。

本集團已應用香港財務報告準則第15號來自與客戶訂立之合約的收入第121(a)段所提供的可行權宜方法，豁免披露來自於報告期末已存在的與客戶訂立之合約所產生且預期將於未來確認的收入，原因為該履約責任為原預期年期為一年或以下的合約的一部分。

(b) 分部報告

本集團按產品線管理其業務。本集團已呈列下列兩個可呈報分部，其列報方式與為分配資源及評估表現目的而向本集團最高行政管理人員內部報告資料的方式貫徹一致。

- **康臣藥業分部：**此分部生產及銷售現代中成藥及醫用成像對比劑。
- **玉林製藥分部：**此分部生產及銷售傳統中成藥。

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3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of financial asset measured at FVPL and deferred tax assets. Segment liabilities include trade and other payables, deferred income and lease liabilities attributable to the manufacturing and sales activities of the individual segments and bank loans managed directly by the segments with the exception of current taxation and deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and gross profit.

3 收入及分部報告(續)

(b) 分部報告(續)

(i) 分部業績、資產及負債

為評估分部表現及在分部間分配資源，本集團最高行政管理人員根據以下基準監察各可呈報分部應佔的業績、資產及負債：

分部資產包括所有有形、無形資產及流動資產，而按公允值計入損益計量的金融資產及遞延稅項資產則除外。分部負債包括由各分部直接管理的個別分部生產及銷售活動應佔的貿易及其他應付款項遞延收益及租賃負債以及銀行貸款，而即期稅款及遞延稅項負債則除外。

收入及開支乃經參照該等分部產生的銷售額及開支或該等分部應佔資產折舊或攤銷產生的開支，分配至可呈報分部。

用於呈報分部溢利的指標為毛利。本集團資深行政管理層獲提供有關分部收入及毛利的分部資料。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2023 and 2022 is set out below:

3 收入及分部報告 (續)

(b) 分部報告 (續)

(i) 分部業績、資產及負債 (續)

下文載列來自與客戶訂立之合約之收入按收入確認之時間之分拆，以及截至2023年及2022年12月31日止年度為分配資源及評估分部表現而向本集團最高行政管理人員提供的本集團可呈報分部之資料：

| | Consun Pharmaceutical Segment 康臣藥業分部 | | Yulin Pharmaceutical Segment 玉林製藥分部 | | Total 總計 | |
|---|--|------------------------------------|---|------------------------------------|------------------------------------|------------------------------------|
| | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 |
| For the year ended 31 December 截至12月31日止年度 | | | | | | |
| Disaggregated by timing of revenue recognition | | | | | | |
| Point in time | 2,195,051 | 1,981,051 | 395,064 | 358,599 | 2,590,115 | 2,339,650 |
| Reportable segment revenue | | | | | | |
| Revenue from external customers | 2,195,051 | 1,981,051 | 395,064 | 358,599 | 2,590,115 | 2,339,650 |
| Reportable segment profit | | | | | | |
| Gross profit | 1,721,408 | 1,574,367 | 200,270 | 188,545 | 1,921,678 | 1,762,912 |
| Interest income from bank deposits | 64,918 | 49,652 | 3,999 | 2,762 | 68,917 | 52,414 |
| Interest expense | 20,291 | 8,659 | 973 | 2,274 | 21,264 | 10,933 |
| Depreciation and amortisation for the year | 30,173 | 28,272 | 47,916 | 48,083 | 78,089 | 76,355 |
| (Reversals)/recognition of impairment loss | | | | | | |
| – trade and other receivables | (4,502) | 6,800 | (8,094) | (39,293) | (12,596) | (32,493) |
| Reportable segment assets | 3,935,496 | 3,295,645 | 1,553,241 | 1,557,768 | 5,488,737 | 4,853,413 |
| Reportable segment liabilities | 1,050,452 | 920,958 | 432,058 | 425,482 | 1,482,510 | 1,346,440 |

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綜合財務報表附註

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3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

3 收入及分部報告 (續)

(b) 分部報告 (續)

(ii) 可呈報分部收入、損益、資產及負債的對賬

| | | 2023 | 2022 |
|---|-------------------|------------------|-----------|
| | | 2023年 | 2022年 |
| | | RMB' 000 | RMB' 000 |
| | | 人民幣千元 | 人民幣千元 |
| Reportable segment gross profit derived from the Group's external customers | 來自本集團外部客戶之可呈報分部毛利 | 1,921,678 | 1,762,912 |
| Other income (note 4) | 其他收入(附註4) | 118,498 | 56,385 |
| Distribution costs | 分銷成本 | (852,206) | (771,960) |
| Administrative expenses | 行政開支 | (315,599) | (322,504) |
| Reversals of impairment loss on trade and other receivables | 撥回貿易及其他應收款項的減值虧損 | 12,596 | 32,493 |
| Finance costs (note 5(a)) | 融資成本(附註5(a)) | (21,264) | (10,933) |
| Consolidated profit before taxation | 綜合稅前溢利 | 863,703 | 746,393 |

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綜合財務報表附註

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3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (Continued)

3 收入及分部報告 (續)

(b) 分部報告 (續)

(ii) 可呈報分部收入、損益、資產及負債的對賬 (續)

| | | 2023 | 2022 |
|--|-----------------------|-----------|-----------|
| | | 2023年 | 2022年 |
| | | RMB' 000 | RMB' 000 |
| | | 人民幣千元 | 人民幣千元 |
| Assets | | | |
| 資產 | | | |
| Reportable segment assets | 可呈報分部資產 | 5,488,737 | 4,853,413 |
| Elimination of inter-segment receivables | 分部間應收款項之對銷 | (7,817) | (3,965) |
| | | 5,480,920 | 4,849,448 |
| Financial asset measured at FVPL (note 15) | 按公允值計入損益計量的金融資產(附註15) | 9,230 | 6,500 |
| Deferred tax assets (note 25(b)) | 遞延稅項資產(附註25(b)) | 17,844 | 36,432 |
| Consolidated total assets | | 5,507,994 | 4,892,380 |
| | | | |
| | | 2023 | 2022 |
| | | 2023年 | 2022年 |
| | | RMB' 000 | RMB' 000 |
| | | 人民幣千元 | 人民幣千元 |
| Liabilities | | | |
| 負債 | | | |
| Reportable segment liabilities | 可呈報分部負債 | 1,482,510 | 1,346,440 |
| Elimination of inter-segment payables | 分部間應付款項之對銷 | (7,817) | (3,965) |
| | | 1,474,693 | 1,342,475 |
| Current taxation (note 25(a)) | 即期稅款(附註25(a)) | 43,380 | 32,889 |
| Deferred tax liabilities (note 25(b)) | 遞延稅項負債(附註25(b)) | 71,209 | 78,011 |
| Consolidated total liabilities | | 1,589,282 | 1,453,375 |

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3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(iii) Geographic information

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as 99% of the Group's operating profit is derived from activities of manufacturing and sales of pharmaceutical products in Chinese Mainland.

4 OTHER INCOME

3 收入及分部報告 (續)

(b) 分部報告 (續)

(iii) 地理資料

由於本集團99%的經營利潤來自中國大陸的藥品生產與銷售活動，故並無按地區市場呈列本集團收入及業績之分析，以及本集團分部資產賬面值及物業、廠房及設備添置之分析。

4 其他收入

| | | 2023 | 2022 |
|---|----------------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Government grants (i) | 政府補助(i) | | |
| – Unconditional subsidies | – 無條件補貼 | 53,901 | 16,275 |
| – Conditional subsidies (note 23) | – 有條件補貼 (附註23) | 2,260 | 2,241 |
| Rental income from investment property | 投資物業租金收入 | 727 | 828 |
| Interest income | 利息收益 | 68,917 | 52,414 |
| Loss on disposal of property, plant and equipment | 處置物業、廠房及設備的虧損 | (846) | (1,218) |
| Net exchange losses | 淨匯兌虧損 | (9,026) | (9,278) |
| Others | 其他 | 2,565 | (4,877) |
| | | 118,498 | 56,385 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

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4 OTHER INCOME (Continued)

(i) Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in Chinese Mainland.

– Unconditional subsidies

The entitlements to certain government grants amounting to RMB53,901,000 (2022: RMB16,275,000) were unconditional, which mainly consisted of the operating expenses subsidies and value added tax refund of the Chinese Mainland subsidiaries of the Group during the current or prior years.

– Conditional subsidies

The remaining government grants were conditional government grants and initially recorded as deferred income. The amount of conditional government grants charged to the consolidated statement of profit or loss for the year ended 31 December 2023 was RMB2,260,000 (2022: RMB2,241,000) (see note 23).

5 PROFIT BEFORE TAXATION

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

(a) Finance costs

| | | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 |
|--|-------------------|------------------------------------|------------------------------------|
| Interest on bank loans (note 19(c)) | 銀行貸款利息(附註19(c)) | 20,565 | 10,271 |
| Interest expenses on discounted bills (note 19(c)) | 貼現票據利息開支(附註19(c)) | 1 | 99 |
| Interest on lease liabilities (note 19(c)) | 租賃負債利息(附註19(c)) | 698 | 563 |
| | | 21,264 | 10,933 |

4 其他收入(續)

(i) 政府補貼指中國大陸地方政府機關授予本集團的不同形式獎勵及補貼。

– 無條件補貼

可獲無條件政府補助部份金額為人民幣53,901,000元(2022年:人民幣16,275,000元)，主要包括本集團在中國大陸境內附屬公司本年度或過往年度的營運費用補貼及退還增值稅。

– 有條件補貼

其餘政府補助為有條件政府補助及其初步按遞延收入記賬。有條件政府補助被計入截至2023年12月31日止年度綜合損益表的金額為人民幣2,260,000元(2022年:人民幣2,241,000元)(見附註23)。

5 稅前溢利

稅前溢利乃扣除/(計入)以下各項後得出:

(a) 融資成本

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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5 PROFIT BEFORE TAXATION (Continued) (b) Staff costs

5 稅前溢利(續) (b) 員工成本

| | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 |
|---|------------------------------------|------------------------------------|
| Salaries, wages, bonuses and benefits 薪金、工資、花紅及福利 | 463,536 | 432,151 |
| Contributions to defined contribution retirement schemes 界定供款退休計劃供款 | 19,972 | 15,302 |
| Equity settled share-based transactions: 以股權結算並以股份為基礎的交易： | - | - |
| Share Option Scheme (note 24(a)) 購股權計劃(附註24(a)) | - | (1,784) |
| | 483,508 | 445,669 |

Pursuant to the relevant labour rules and regulations in Chinese Mainland, the Chinese Mainland subsidiaries participate in defined contribution retirement schemes organised by the local government authorities, to which the Chinese Mainland subsidiaries are required to make contributions based on certain percentages of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

The Group also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of Hong Kong Dollars ("HKD") 30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

根據中國大陸的相關勞動規則及規例，中國大陸附屬公司參與由地方政府機關組織的界定供款退休計劃，據此，中國大陸附屬公司須按照合資格僱員薪金的某百分比向計劃作出供款。地方政府機關承擔向退休僱員支付全部退休金的責任。

本集團亦根據香港強制性公積金計劃條例，為在香港僱傭條例下受僱及不受先前界定福利退休計劃保障之僱員，經營強制性公積金計劃(「強積金計劃」)。強積金計劃為界定供款退休計劃，由獨立信託人管理。根據強積金計劃，僱主及其僱員各自須對該計劃按僱員有關收入之5%作出供款，惟每月有關收入之上限為30,000港元(「港元」)。作出之供款即時投入該計劃，並無已沒收供款，可供本集團用以減低現有供款水平。



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5 PROFIT BEFORE TAXATION (Continued)

(b) Staff costs (Continued)

The Group has no other material obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

(c) Other items

5 稅前溢利(續)

(b) 員工成本(續)

除上述供款外，本集團並無其他重大責任支付僱員的退休及其他退休後福利。

(c) 其他項目

| | | 2023 | 2022 |
|---|------------------|----------|---------------|
| | | 2023年 | 2022年 |
| | | RMB' 000 | RMB' 000 |
| | | 人民幣千元 | 人民幣千元 |
| | | Note | |
| | | 附註 | |
| Depreciation and amortisation charge | 折舊及攤銷費用 | | |
| – investment property | – 投資物業 | 10 | 493 |
| – property, plant and equipment | – 物業、廠房及設備 | 11 | 41,327 |
| – right-of-use assets | – 使用權資產 | 12 | 6,505 |
| – intangible assets | – 無形資產 | 13 | 29,764 |
| | | | 78,089 |
| Auditor's remuneration | 核數師酬金 | | |
| – audit services | – 審計服務 | | 2,500 |
| – non-audit services | – 非審計服務 | | 500 |
| | | | 3,000 |
| Reversals of impairment loss on trade and other receivables | 撥回貿易及其他應收款項的減值虧損 | | (12,596) |
| Leases charges | 租賃費用 | 12 | 4,657 |
| Research and development costs (i) | 研發成本(i) | | 108,535 |
| Cost of inventories (ii) | 存貨成本(ii) | 17 | 668,437 |

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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5 PROFIT BEFORE TAXATION (Continued)

(c) Other items (Continued)

- (i) During the year ended 31 December 2023, research and development costs included RMB23,268,000 (2022: RMB25,817,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in the note 5(b) for each of these types of expenses.
- (ii) During the year ended 31 December 2023, cost of inventories included RMB119,169,000 (2022: RMB111,092,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in the note 5(b) for each of these types of expenses.

5 稅前溢利(續)

(c) 其他項目(續)

- (i) 截至2023年12月31日止年度，研發成本包括與員工成本、折舊及攤銷開支相關的人民幣23,268,000元(2022年：人民幣25,817,000元)，以上金額亦計入上文或附註5(b)就各開支類別獨立披露的相應總金額內。
- (ii) 截至2023年12月31日止年度，存貨成本包括與員工成本、折舊及攤銷開支相關的人民幣119,169,000元(2022年：人民幣111,092,000元)，以上金額亦計入上文或附註5(b)就各開支類別獨立披露的相關總金額內。

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綜合財務報表附註

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

6 綜合損益表內的所得稅

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

(a) 綜合損益表內的稅項指：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|-------------------------|-----------------------------------|-----------------------------------|
| Current tax | | | |
| | 即期稅項 | | |
| Provision for Chinese Mainland income tax for the year | 年內中國大陸所得稅撥備 | 21,347 | 19,826 |
| Chinese Mainland dividend withholding tax (iv) (note 25(a)) | 中國大陸股息預扣稅(iv) (附註25(a)) | 34,839 | - |
| Under-provision for Chinese Mainland income tax in respect of prior years | 過往年度中國大陸所得稅撥備不足 | 9,177 | 23,735 |
| | | 65,363 | 43,561 |
| Deferred tax | | | |
| | 遞延稅項 | | |
| Origination and reversal of temporary differences | 產生及撥回暫時性差額 | 46,625 | 19,135 |
| Effect on distribution of dividends (iv) (note 25(b)) | 股息分派的影響(iv) (附註25(b)) | (34,839) | - |
| | | 11,786 | 19,135 |
| | | 77,149 | 62,696 |

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

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

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) No provision was made for Hong Kong Profits Tax as the Group did not earn income subject to Hong Kong Profits Tax for the year ended 31 December 2023 (2022: Nil).
- (iii) Taxable income for the subsidiaries of the Company in Chinese Mainland is subject to Chinese Mainland income tax rate of 25%, unless otherwise specified below.

Guangzhou Consun Pharmaceutical Company Limited (“Guangzhou Consun”) was qualified as an “High and New Technology Enterprises”, and was entitled to the preferential income tax rate of 15% from 2023 to 2025.

6 綜合損益表內的所得稅(續)

(a) 綜合損益表內的稅項指：(續)

- (i) 根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。
- (ii) 由於本集團於截至2023年12月31日止年度並無賺取須繳納香港利得稅的收入(2022年：無)，故並無就香港利得稅作出撥備。
- (iii) 除非下文另有規定，否則本公司的中國大陸附屬公司的應課稅收入須按25%的稅率繳納中國大陸所得稅。

廣州康臣藥業有限公司(「廣州康臣」)獲認證為「高新技術企業」，並從2023年至2025年享受優惠所得稅稅率15%。

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

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

- (iii) (Continued)
Consun Pharmaceutical (Inner Mongolia) Co., Ltd. (“**Inner Mongolia Consun**”), Guangxi Yulin Pharmaceutical Group Co., Ltd. (“**Yulin Pharmaceutical**”) and Guangxi Yulin Pharmaceutical Capsule Co., Limited (“**Yulin Capsule**”) were qualified as encouraged industry that operates in western China. Inner Mongolia Consun was entitled to the preferential income tax rate of 15% from 2023 to 2030. Yulin Pharmaceutical and Yulin Capsule were entitled to the preferential income tax rate of 15% from 2011 to 2030.

6 綜合損益表內的所得稅(續)

(a) 綜合損益表內的稅項指：(續)

- (iii) (續)
康臣藥業(內蒙古)有限責任公司(「**內蒙古康臣**」)、廣西玉林製藥集團有限責任公司(「**玉林製藥**」)及廣西玉林玉藥膠囊有限公司(「**玉林膠囊**」)獲認證為於中國西部營運的鼓勵性產業公司。內蒙古康臣可從2023年至2030年享受優惠所得稅稅率15%。玉林製藥及玉林膠囊均可從2011年至2030年享受優惠所得稅稅率15%。

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

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

(iii) (Continued)

Guangxi Yulin Pharmaceutical Group Yuming Chinese Traditional Medicine Co., Limited (“**Yuming Chinese Traditional Medicine**”) and Guangxi Yulin Pharmaceutical Group Hongsheng Trading Co., Limited (“**Hongsheng Trading**”) met the criteria for preferential income tax rate granted to small and low profit-making enterprises in Chinese Mainland, and were entitled to the preferential income tax rate of 20% in 2023 (2022: 10%).

Guangxi Yulin Pharmaceutical Group Yonglv Chinese Traditional Medicine Industry Co., Limited (“**Yonglv Chinese Traditional Medicine**”) met the exemption criteria on income generated through planting of agricultural products and was exempted from Chinese Mainland income tax in 2022 and 2023.

Consun Pharmaceutical (Horgos) Co., Ltd. (“**Horgos Consun**”) enjoyed the benefit of income tax exemption for five years from the financial year starting to generate operating revenue in 2021 under the Notice of the Ministry of Finance and the State Administration of Taxation on Income Tax Incentives for Newly-established Enterprises in Poverty Areas of Xinjiang.

6 綜合損益表內的所得稅(續)

(a) 綜合損益表內的稅項指：(續)

(iii) (續)

廣西玉藥集團玉銘中藥有限責任公司(「**玉銘中藥**」)及廣西玉林製藥集團宏升貿易有限公司(「**宏升貿易**」)符合標準申請授予中國大陸小型微利企業的優惠所得稅稅率，並於2023年享受優惠所得稅稅率20%(2022年：10%)。

廣西玉藥集團永綠中藥產業有限公司(「**永綠中藥**」)符合農產品種植收入的豁免標準，並於2022年及2023年獲豁免繳納中國大陸所得稅。

康臣藥業(霍爾果斯)有限公司(「**霍爾果斯康臣**」)可自開始產生營業收入的2021年財政年度起五年內享有《財政部國家稅務總局關於新疆困難地區新辦企業所得稅優惠政策的通知》項下的所得稅豁免優惠。

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

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

- (iv) According to the relevant tax law and its implementation rules, dividends receivable by non-PRC-resident corporate investors from PRC-resident enterprises are subject to withholding tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. The Group's Hong Kong subsidiaries have obtained the Certificate of Resident Status of the Hong Kong Special Administrative Region (the "Certificate") and have satisfied the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on income" and therefore have adopted the withholding tax rate at 5% for Chinese Mainland withholding tax.

As at 31 December 2023, deferred tax liabilities of RMB18,045,000 (31 December 2022: RMB19,915,000) (note 25(b)(i)) have been provided for in this regard based on the expected dividends to be distributed from the Chinese Mainland subsidiaries in the foreseeable future.

6 綜合損益表內的所得稅(續)

(a) 綜合損益表內的稅項指：(續)

- (iv) 根據有關稅法及其實施細則，除非自2008年1月1日起賺取的溢利獲稅務條例或安排寬減，否則非中國居民企業投資者應收中國居民企業的股息須按10%繳納預扣稅。本集團之香港附屬公司已獲得香港特別行政區居民身分證明書(「證明書」)，並符合「內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排」的條件。因此，就中國大陸預扣稅而言，本集團之香港附屬公司已採用5%的預扣稅率。

於2023年12月31日，根據於可預見的未來中國大陸附屬公司預期會派發股息，故就此而言計提遞延稅項負債人民幣18,045,000元(2022年12月31日：人民幣19,915,000元)(附註25(b)(i))。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

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

- (v) According to relevant tax law in Chinese Mainland, Chinese Mainland subsidiaries of the Group engaging in research and development activities are entitled to claim additional 100% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for each year (“**Super Deduction**”). The Group has made its best estimate for Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the year.

6 綜合損益表內的所得稅(續)

(a) 綜合損益表內的稅項指：(續)

- (v) 根據中國大陸相關稅法，本集團從事研發活動的中國大陸附屬公司有權在釐定其各年度的應課稅溢利時，額外申索其就此產生的100%研發開支作為可扣稅開支(「**加計扣除**」)。本集團已於釐定本集團實體的年內應課稅溢利時就其將予申索的加計扣除作出最佳估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*

6 綜合損益表內的所得稅(續)

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

(b) 稅項開支與按適用稅率計算的會計溢利的對賬：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|---------------------------|-----------------------------------|-----------------------------------|
| Profit before taxation for the year | 年內稅前溢利 | 863,703 | 746,393 |
| Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned | 按相關司法權區溢利適用稅率計算的稅前溢利的名義稅項 | 233,220 | 199,584 |
| Effect of non-deductible expenses | 不可扣稅開支的影響 | 24,353 | 18,038 |
| Effect of tax concessions | 稅務寬減的影響 | (226,201) | (189,094) |
| Effect of Super Deduction of research and development expenses (note 6(a)(v)) | 研發費用加計扣除的影響(附註6(a)(v)) | (2,881) | (3,225) |
| Reversal of tax losses previously recognised | 撥回先前已確認的稅項虧損 | 6,512 | - |
| Provision of withholding tax on undistributed profits retained by Chinese Mainland subsidiaries | 有關中國大陸附屬公司保留未分派溢利的預扣稅撥備 | 32,969 | 13,658 |
| Under-provision in respect of prior years | 過往年度撥備不足 | 9,177 | 23,735 |
| Actual tax expenses | 實際稅項開支 | 77,149 | 62,696 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

7 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

7 董事酬金

根據香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部分而需要披露的董事酬金詳情如下：

| | | Year ended 31 December 2023 截至2023年12月31日止年度 | | | | | |
|--|----------------------|--|--------------------------------|--|--|-------------------|--|
| | | Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 | Discretionary bonus 酌情花紅 | Retirement scheme contribution 退休計劃供款 | Share- based payment (i) 以股份為 基礎的付款(i) | Total 總計 | |
| | | Directors' fees 董事袍金 | | | | | |
| | | RMB' 000 人民幣千元 | RMB' 000 人民幣千元 | RMB' 000 人民幣千元 | RMB' 000 人民幣千元 | RMB' 000 人民幣千元 | |
| Executive directors | 執行董事 | | | | | | |
| Mr. AN Meng | 安猛先生 | 2,326 | 1,091 | 16,355 | 21 | 19,793 | |
| Ms. LI Qian (resigned on 17 January 2024) | 黎倩女士(於2024年1月17日辭任) | 2,446 | 1,200 | 16,355 | 32 | 20,033 | |
| Mr. ZHU Quan | 朱荃先生 | - | 462 | 280 | - | 742 | |
| Mr. XU Hanxing | 徐瀚星先生 | - | 518 | 235 | 21 | 774 | |
| Non-executive director | 非執行董事 | | | | | | |
| Ms. ZHANG Lihua | 張麗華女士 | - | - | - | - | - | |
| Independent non-executive directors | 獨立非執行董事 | | | | | | |
| Mr. SU Yuanfu (resigned on 24 March 2024) | 蘇元福先生(於2024年3月24日辭任) | 200 | - | - | - | 200 | |
| Mr. FENG Zhongshi | 馮仲實先生 | 200 | - | - | - | 200 | |
| Ms. CHEN Yujun | 陳玉君女士 | 200 | - | - | - | 200 | |
| | | 5,372 | 3,271 | 33,225 | 74 | 41,942 | |

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

7 DIRECTORS' EMOLUMENTS (Continued)

7 董事酬金 (續)

| | | Year ended 31 December 2022 截至2022年12月31日止年度 | | | | | |
|--|----------------------|--|------------------------|--------------------------------------|--------------------------------|---------|--|
| | | Salaries, allowances and benefits in kind | Discretionary bonus | Retirement scheme contribution | Share- based payment (i) | Total | |
| | | 薪金、津貼及 實物福利 | 酌情花紅 | 退休計劃供款 | 以股份為 基礎的付款(i) | 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 | |
| Executive directors | 執行董事 | | | | | | |
| Mr. AN Meng | 安猛先生 | 2,326 | 1,098 | 13,316 | 20 | 16,760 | |
| Ms. LI Qian (resigned on 17 January 2024) | 黎倩女士(於2024年1月17日辭任) | 2,446 | 1,210 | 13,316 | 31 | 17,576 | |
| Mr. ZHU Quan | 朱荃先生 | - | 3,481 | 280 | - | 3,778 | |
| Mr. XU Hanxing | 徐瀚星先生 | - | 429 | 307 | 19 | 755 | |
| Non-executive director | 非執行董事 | | | | | | |
| Ms. ZHANG Lihua | 張麗華女士 | - | - | - | - | - | |
| Independent non-executive directors | 獨立非執行董事 | | | | | | |
| Mr. SU Yuanfu (resigned on 24 March 2024) | 蘇元福先生(於2024年3月24日辭任) | 144 | - | - | - | 144 | |
| Mr. FENG Zhongshi | 馮仲實先生 | 144 | - | - | - | 144 | |
| Ms. CHEN Yujun | 陳玉君女士 | 144 | - | - | - | 144 | |
| | | 5,204 | 6,218 | 27,219 | 70 | 39,301 | |

(i) These represent the estimated value of share options granted to the directors under the Company's Share Option Scheme, and fair value of share award granted and vested to the directors under the Share Award Scheme. These values are measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(r)(ii).

(i) 這代表根據本公司購股權計劃授予董事之購股權的估計價值，以及根據股份獎勵計劃已授予及歸屬於董事之股份獎勵的公允值。該等價值按照本集團對以股份為基礎的付款交易的會計政策（載於附註1(r)(ii)）計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(以人民幣列示，除非另有註明)

7 DIRECTORS' EMOLUMENTS (Continued)

(i) (Continued)

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share Option Scheme" and "Share Award Scheme" in the Report of Directors and notes 24(a) and (b).

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, two (2022: three) are directors of the Company whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other three (2022: two) individuals are as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|------------|-----------------------------------|-----------------------------------|
| Salaries and other emoluments | 薪金及其他薪酬 | 4,414 | 2,894 |
| Contributions to defined contribution retirement schemes | 界定供款退休計劃供款 | 35 | 32 |
| Share-based payment | 以股份為基礎的付款 | - | (186) |
| | | 4,449 | 2,740 |

The emoluments of the three (2022: two) individuals with the highest emoluments are within the following bands:

| | | 2023 2023年 Number of individuals 人士數目 | 2022 2022年 Number of individuals 人士數目 |
|-----------------------------|-------------------------|---|---|
| HKD Nil – HKD1,000,000 | 零港元至1,000,000港元 | - | - |
| HKD1,000,001 – HKD1,500,000 | 1,000,001港元至1,500,000港元 | - | 1 |
| HKD1,500,001 – HKD2,000,000 | 1,500,001港元至2,000,000港元 | 3 | 1 |

7 董事酬金 (續)

(i) (續)

該等實物福利的詳情(包括授出購股權的主要條款及數目)在董事局報告「購股權計劃」及「股份獎勵計劃」段落以及附註24(a)及(b)披露。

8 最高薪酬人士

五名最高薪酬人士中有兩名(2022年:三名)為本公司董事,其薪酬於附註7披露。另外三名(2022年:兩名)人士的薪酬總額如下:

該三名(2022年:兩名)最高薪酬人士的薪酬介乎以下範圍:

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

9 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB784,534,000 (2022: RMB682,907,000) and the weighted average number of ordinary shares of 790,908,000 shares (2022: 790,627,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

| | | 2023 2023年 '000 shares 千股 | 2022 2022年 '000 shares 千股 |
|--|--------------------------------|------------------------------------|------------------------------------|
| Issued ordinary shares at 1 January | 於1月1日已發行普通股 | 806,973 | 824,218 |
| Effect of shares repurchased and cancelled (note 26(b)) | 購回及註銷股份的影響 (附註26(b)) | - | (15,761) |
| Effect of share options exercised (note 24(a)) | 已行使購股權的影響 (附註24(a)) | 2,418 | 653 |
| Effect of treasury shares held under the Share Award Scheme (note 24(b)) | 根據股份獎勵計劃持有的 庫存股的影響(附註24(b)) | (18,483) | (18,483) |
| Weighted average number of ordinary shares at 31 December | 於12月31日普通股的 加權平均數 | 790,908 | 790,627 |

9 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據年內本公司權益股東應佔溢利人民幣784,534,000元(2022年: 人民幣682,907,000元)及已發行普通股的加權平均數790,908,000股股份(2022年: 790,627,000股股份)計算，計算如下：

普通股加權平均數

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

9 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2023 is based on the profit attributable to equity shareholders of the Company of RMB784,534,000 (2022: RMB682,907,000) and the weighted average number of ordinary shares of 799,168,000 shares (2022: 791,997,000 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

| | | 2023 2023年 '000 shares 千股 | 2022 2022年 '000 shares 千股 |
|---|----------------------|---|------------------------------------|
| Weighted average number of ordinary shares at 31 December | 於12月31日普通股的加權平均數 | 790,908 | 790,627 |
| Dilutive effect of deemed issue of shares under the Share Option Scheme | 購股權計劃項下視同發行股份的攤薄影響 | 8,260 | 1,370 |
| Weighted average number of ordinary shares (diluted) at 31 December | 於12月31日普通股的加權平均數(攤薄) | 799,168 | 791,997 |

9 每股盈利(續)

(b) 每股攤薄盈利

截至2023年12月31日止年度的每股攤薄盈利乃根據本公司權益股東應佔溢利人民幣784,534,000元(2022年:人民幣682,907,000元)及普通股的加權平均數799,168,000股股份(2022年:791,997,000股股份)計算,計算如下:

普通股加權平均數(攤薄)

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

10 INVESTMENT PROPERTY

10 投資物業

| | | Land use rights 土地使用權 RMB' 000 人民幣千元 | Buildings 樓宇 RMB' 000 人民幣千元 | Total 總計 RMB' 000 人民幣千元 |
|---|--|--|--------------------------------------|----------------------------------|
| Cost | 成本 | | | |
| At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023 | 於2022年1月1日、 2022年12月31日、 2023年1月1日及 2023年12月31日 | 5,004 | 13,886 | 18,890 |
| Accumulated depreciation: | 累計折舊： | | | |
| At 1 January 2022 | 於2022年1月1日 | (743) | (2,527) | (3,270) |
| Charge for the year | 年內扣除 | (135) | (358) | (493) |
| At 31 December 2022 | 於2022年12月31日 | (878) | (2,885) | (3,763) |
| Charge for the year | 年內扣除 | (135) | (358) | (493) |
| At 31 December 2023 | 於2023年12月31日 | (1,013) | (3,243) | (4,256) |
| Net book value: | 賬面淨值： | | | |
| At 31 December 2023 | 於2023年12月31日 | 3,991 | 10,643 | 14,634 |
| At 31 December 2022 | 於2022年12月31日 | 4,126 | 11,001 | 15,127 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(以人民幣列示，除非另有註明)

10 INVESTMENT PROPERTY (Continued)

The Group leases out investment property under operating leases. The leases typically run for an initial period ranging from 1 to 10 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments usually reflect market rentals. None of the leases includes variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|----------------------------------|-----------|-----------------------------------|-----------------------------------|
| Within 1 year | 1年內 | 222 | 653 |
| After 1 year but within 2 years | 超過1年但少於2年 | 228 | 222 |
| After 2 years but within 3 years | 超過2年但少於3年 | 235 | 228 |
| After 3 years but within 4 years | 超過3年但少於4年 | 242 | 235 |
| After 4 years but within 5 years | 超過4年但少於5年 | 250 | 242 |
| After 5 years | 超過5年 | 42 | 292 |
| | | 1,219 | 1,872 |

Investment properties of the Group were stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses. The carrying amounts of the investment properties were not materially different from their fair value as at 31 December 2022 and 2023.

10 投資物業(續)

本集團根據經營租賃出租投資物業。初始租期通常介乎於1至10年，於該日後可選擇續訂租約，屆時會重新商定所有條款。租賃付款通常反映市場租金。租賃概無包括可變租賃付款。

本集團將於未來期間根據於報告日期訂立的不可解除經營租賃應收的未折現租賃付款如下：

本集團的投資物業於綜合財務狀況表按成本減累計折舊及減值虧損列賬。於2022年及2023年12月31日投資物業的賬面值與其公允值並無重大差異。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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11 PROPERTY, PLANT AND EQUIPMENT

11 物業、廠房及設備

Reconciliation of carrying amount

賬面值的對賬

| | | Buildings 樓宇 RMB' 000 人民幣千元 | Machinery and equipment 機器及設備 RMB' 000 人民幣千元 | Motor vehicles 汽車 RMB' 000 人民幣千元 | Office equipment 辦公設備 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 |
|---|----------------------------|--------------------------------------|---|--|--|--|----------------------------------|
| Cost: | 成本： | | | | | | |
| At 1 January 2022 | 於2022年1月1日 | 334,102 | 235,816 | 21,651 | 24,682 | 381,670 | 997,921 |
| Transfer from construction in progress | 自在建工程轉撥 | 2,059 | 10,625 | 7 | 943 | (13,634) | - |
| Other additions | 其他添置 | 2,413 | 13,272 | 612 | 2,852 | 47,977 | 67,126 |
| Disposals | 處置 | (3,756) | (6,938) | (393) | (970) | - | (12,057) |
| At 31 December 2022 and 1 January 2023 | 於2022年12月31日及 2023年1月1日 | 334,818 | 252,775 | 21,877 | 27,507 | 416,013 | 1,052,990 |
| Transfer from construction in progress | 自在建工程轉撥 | - | 12,274 | 243 | 243 | (12,760) | - |
| Other additions | 其他添置 | 3,465 | 14,300 | 4,124 | 96 | 13,176 | 35,161 |
| Disposals | 處置 | - | (5,894) | (1,855) | (829) | - | (8,578) |
| At 31 December 2023 | 於2023年12月31日 | 338,283 | 273,455 | 24,389 | 27,017 | 416,429 | 1,079,573 |
| Accumulated depreciation: | 累計折舊： | | | | | | |
| At 1 January 2022 | 於2022年1月1日 | (129,161) | (116,182) | (10,848) | (17,097) | - | (273,288) |
| Charge for the year | 年內扣除 | (13,658) | (20,600) | (1,727) | (4,242) | - | (40,227) |
| Written back on disposal | 於處置時撥回 | 850 | 4,955 | 59 | 874 | - | 6,738 |
| At 31 December 2022 and 1 January 2023 | 於2022年12月31日及 2023年1月1日 | (141,969) | (131,827) | (12,516) | (20,465) | - | (306,777) |
| Charge for the year | 年內扣除 | (12,740) | (22,822) | (4,440) | (1,325) | - | (41,327) |
| Written back on disposal | 於處置時撥回 | - | 5,277 | 1,542 | 768 | - | 7,587 |
| At 31 December 2023 | 於2023年12月31日 | (154,709) | (149,372) | (15,414) | (21,022) | - | (340,517) |
| Net book value: | 賬面淨值： | | | | | | |
| At 31 December 2023 | 於2023年12月31日 | 183,574 | 124,083 | 8,975 | 5,995 | 416,429 | 739,056 |
| At 31 December 2022 | 於2022年12月31日 | 192,849 | 120,948 | 9,361 | 7,042 | 416,013 | 746,213 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

12 RIGHT-OF-USE ASSETS

12 使用權資產

| | | Land use rights | Buildings | Total |
|----------------------------------|--------------|----------------------------|------------------|-----------------|
| | | 土地使用權 | 樓宇 | 總計 |
| | | RMB' 000 | RMB' 000 | RMB' 000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | Note (i) | Note (ii) | |
| | | 附註(i) | 附註(ii) | |
| Cost: | 成本： | | | |
| At 1 January 2022 | 於2022年1月1日 | 143,799 | 14,601 | 158,400 |
| Additions | 添置 | – | 846 | 846 |
| At 31 December 2022 | 於2022年12月31日 | 143,799 | 15,447 | 159,246 |
| Additions | 添置 | – | 2,371 | 2,371 |
| At 31 December 2023 | 於2023年12月31日 | 143,799 | 17,818 | 161,617 |
| Accumulated depreciation: | 累計折舊： | | | |
| At 1 January 2022 | 於2022年1月1日 | (23,257) | (1,328) | (24,585) |
| Charge for the year | 年內扣除 | (3,133) | (2,742) | (5,875) |
| At 31 December 2022 | 於2022年12月31日 | (26,390) | (4,070) | (30,460) |
| Charge for the year | 年內扣除 | (3,134) | (3,371) | (6,505) |
| At 31 December 2023 | 於2023年12月31日 | (29,524) | (7,441) | (36,965) |
| Net book value: | 賬面淨值： | | | |
| At 31 December 2023 | 於2023年12月31日 | 114,275 | 10,377 | 124,652 |
| At 31 December 2022 | 於2022年12月31日 | 117,409 | 11,377 | 128,786 |

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12 RIGHT-OF-USE ASSETS (Continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

12 使用權資產 (續)

有關於損益確認的租賃的開支項目分析如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|------------------------------|-----------------------------------|-----------------------------------|
| Depreciation charge of right-of-use assets of underlying asset | 相關資產之使用權資產折舊支出 | 6,505 | 5,875 |
| Interest on lease liabilities (note 5(a)) | 租賃負債之利息(附註5(a)) | 698 | 563 |
| Expense relating to short-term leases | 與短期租賃有關的開支 | 4,624 | 4,210 |
| Expense relating to leases of low-value assets, excluding short-term leases of low-value assets | 與低價值資產租賃有關的開支(不包括低價值資產的短期租賃) | 33 | 35 |

During the year, additions to right-of-use assets were RMB2,371,000 (2022: RMB846,000). This amount was related to the capitalised lease payments payable under new tenancy agreements.

於年內，使用權資產添置為人民幣2,371,000元(2022年：人民幣846,000元)。該金額與根據新租賃協議應付資本化租賃付款有關。

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 19(d) and 27(b), respectively.

有關總租賃現金流出及租賃負債到期日分析之詳情，分別載列於附註19(d)及27(b)內。

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12 RIGHT-OF-USE ASSETS (Continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows: (Continued)

(i) Land use rights

It represents prepayments for the land use rights which was identified as right-of-use assets under HKFRS 16 in Chinese Mainland paid to the Chinese Mainland authorities, on which the Group's manufacturing plants were built. The Group was granted land use rights for a period of 50 years initially and the remaining periods range from 26 to 44 years.

On 31 May 2019, the Group entered into a series of cooperative development agreements with Guangxi Huafa Real Estate Development Co., Ltd. ("Guangxi Huafa") and Yulin City Shunlang Real Estate Investment Co., Ltd. ("Yulin Shunlang") in relation to a development project of a plant site of Yulin Pharmaceutical. Pursuant to the cooperative development agreements, a parcel of land wholly owned by Yulin Pharmaceutical with the total site area of approximately 83,670 sq.m. ("Parcel-1"), shall be developed integrally together with other parcels of land planned to be acquired after Yulin Pharmaceutical has removed all plant and machinery located on the site. Parcel-1 is located at No.3, Jiangnan Road, Yulin City, Guangxi Province, the PRC.

As at 31 December 2023, the development project was still in the initial planning stage and Parcel-1 was still being occupied and wholly owned by Yulin Pharmaceutical for its own use for production, office and storage purposes.

12 使用權資產 (續)

有關於損益確認的租賃的開支項目分析如下：(續)

(i) 土地使用權

其為就根據香港財務報告準則第16號被識別為使用權資產的中國大陸土地使用權(本集團生產廠房建於有關土地上)而已付予中國大陸機關的預付款項。本集團最初獲授為期50年的土地使用權，餘下年期介乎26至44年。

本集團於2019年5月31日與廣西華發房地產開發集團有限公司(「廣西華發」)及玉林市順浪置業投資有限公司(「玉林順浪」)訂立了一系列合作開發協議，內容有關玉林製藥之一個廠區開發項目。根據該等合作開發協議，一幅由玉林製藥全資擁有，總面積約83,670平方米之地塊(「地塊1」)應於玉林製藥搬遷位處該地點的所有廠房及機器後與計劃購入之其他地塊一併作整體發展。地塊1位於中國廣西玉林市江南路3號。

於2023年12月31日，該開發項目仍然處於初步計劃階段及地塊1仍然為玉林製藥自用並全資擁有，作生產、辦公室及倉儲用途。



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12 RIGHT-OF-USE ASSETS (Continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows: (Continued)

(ii) Buildings

The Group has obtained the right to use certain buildings through tenancy agreements. The leases typically run for an initial period of 5 years. Lease payments are usually increased to reflect market rentals.

12 使用權資產 (續)

有關於損益確認的租賃的開支項目分析如下：(續)

(ii) 樓宇

本集團透過租賃協議獲得使用部分樓宇的權利。租賃一般初步為期5年。租賃付款通常會遞增以反映市場租金水平。

13 INTANGIBLE ASSETS

13 無形資產

| | | Patents 專利 RMB' 000 人民幣千元 | Trademark 商標 RMB' 000 人民幣千元 | Total 總計 RMB' 000 人民幣千元 |
|--|------------------------------------|------------------------------------|--------------------------------------|----------------------------------|
| Cost: | 成本： | | | |
| At 31 December 2022 | 於2022年12月31日 | 253,283 | 256,233 | 509,516 |
| Addition | 添置 | 1,000 | - | 1,000 |
| At 31 December 2023 | 於2023年12月31日 | 254,283 | 256,233 | 510,516 |
| Accumulated amortisation: | 累計攤銷： | | | |
| At 1 January 2022 | 於2022年1月1日 | (162,363) | - | (162,363) |
| Charge for the year | 年內扣除 | (29,760) | - | (29,760) |
| At 31 December 2022 | 於2022年12月31日 | (192,123) | - | (192,123) |
| Charge for the year | 年內扣除 | (29,764) | - | (29,764) |
| At 31 December 2023 | 於2023年12月31日 | (221,887) | - | (221,887) |
| Accumulated impairment losses: | 累計減值虧損： | | | |
| At 1 January 2022, 31 December 2022 and 31 December 2023 | 於2022年1月1日、2022年12月31日及2023年12月31日 | - | (5,489) | (5,489) |
| Net book value: | 賬面淨值： | | | |
| At 31 December 2023 | 於2023年12月31日 | 32,396 | 250,744 | 283,140 |
| At 31 December 2022 | 於2022年12月31日 | 61,160 | 250,744 | 311,904 |

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13 INTANGIBLE ASSETS (Continued)

The amortisation charge for the year is included in “cost of sales” in the consolidated statement of profit or loss.

Four patents with an aggregate net book value of RMB1,897,000 (2022: Nil) were pledged as securities for bank loans of the Group as at 31 December 2023 (note 21(b)).

Trademark acquired through business combination is assessed to have indefinite useful lives when, based on an analysis of all of the relevant factors including beneficial pattern, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. The recoverable amount of the trademark that has indefinite useful life is estimated annually whether or not there is any indication of impairment. The amount is allocated to the Yulin CGU.

The recoverable amount of Yulin CGU was determined based on value-in-use calculations by the directors of the Company, with the reference to professional valuation reports issued by Jones Lang LaSalle Incorporated, independent firm of professionally qualified valuers. These calculations apply the cash flow projections based on financial budgets approved by management covering a five-year period. The average budgeted sales growth rate of the five-year period is 11.2% (2022: 11.6%). Cash flows beyond the aforementioned financial forecasts period are extrapolated using estimated sales growth rate of 2.5% (2022: 3%), which was estimated on the basis of the long-term inflation rate in Chinese Mainland. It is a commonly used valuation assumption that the long-term growth rate of a company will converge with the long-term growth rate of Chinese Mainland. The cash flows are discounted using a discount rate of 16.87% (2022: 16.97%). The discount rates used are pre-tax and reflect specific risks relating to the Yulin CGU.

13 無形資產(續)

於年內扣除的攤銷被包含在綜合損益表內的「銷售成本」中。

於2023年12月31日，總賬面淨值為人民幣1,897,000元(2022年：無)的四項專利被抵押作為本集團銀行貸款的擔保(附註21(b))。

透過業務合併而獲得的商標，基於對所有相關因素(包括獲益模式)的分析，在資產預期為本集團產生淨現金流入期間並無可見限制時，被評估為具有無限可使用年期。對於具有無限可使用年期的商標通過每年評估可回收金額測試是否出現任何減值跡象。該金額被分配到玉林現金產生單位。

玉林現金產生單位的可收回金額乃由本公司董事根據使用價值計算，並經參考獨立專業合資格估值公司仲量聯行所出具的專業估值報告而釐定。該等計算採用以經管理層批准的財務預算(涵蓋五年期間)為基準的現金流量預測。五年期的平均預算銷售增長率為11.2%(2022年：11.6%)。超過上述財務預測期的現金流量使用估計銷售增長率2.5%(2022年：3%)推斷，而估計銷售增長率乃基於中國大陸長期通脹率估計得出。此乃一種常用的估值假設，即公司的長期增長率將與中國大陸的長期增長率接軌。現金流量採用折現率16.87%(2022年：16.97%)折現。所使用的折現率乃稅前折現率，並反映與玉林現金產生單位有關的特定風險。



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13 INTANGIBLE ASSETS (Continued)

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

No impairment loss was recognised during the year ended 31 December 2023 (2022: Nil).

Had the estimated key assumptions during the forecast period been changed as below, all changes taken in isolation, the recoverable amount of Yulin CGU would be approximately equal to its carrying amount:

| | |
|---|--------|
| Pre-tax discount rate increase to | 18.70% |
| Average revenue growth rate decrease to | 9.53% |

13 無形資產(續)

關鍵假設所採用的價值代表管理層對相關行業的未來趨勢的評估，並以來自外部及內部資料來源的歷史數據為依據。

截至2023年12月31日止年度，概無確認減值虧損(2022年：無)。

倘於預測期的估計關鍵假設出現下列變動，而所有變動予以獨立考慮，則玉林現金產生單位的可收回金額將與其賬面值相若：

| | |
|------------|--------|
| 稅前折現率增加至 | 18.70% |
| 平均收益增長率減少至 | 9.53% |

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14 INVESTMENTS IN SUBSIDIARIES

(a) List of subsidiaries

As at 31 December 2023, the Company had direct or indirect interests in the following subsidiaries, all of which are private companies, particulars of which are set out below:

| Name of company 公司名稱 | Place of incorporation and business 註冊成立及營業地點 | Authorised/ registered and fully paid up capital 法定／已登記及繳足股本 | Attributable equity interest held by the Company | | Principal activities 主要業務 |
|--|--|--|---|----------------|---|
| | | | 由本公司持有的應佔股本權益 | | |
| | | | Direct 直接 | Indirect 間接 | |
| Brilliant Reach Group Limited 智達集團有限公司 | BVI 英屬處女群島 | United States Dollars ("USD") 50,000/USD1 50,000美元(「美元」)／ 1美元 | 100% | – | Investment holding 投資控股 |
| Immense Value Holdings Limited Immense Value Holdings Limited | BVI 英屬處女群島 | USD50,000/USD1 50,000美元／1美元 | 100% | – | Investment holding 投資控股 |
| Century International Develop Limited 世紀國際拓展有限公司 | Hong Kong 香港 | HKD10,000/HKD1 10,000港元／1港元 | – | 100% | Investment holding 投資控股 |
| Grand Reach Company Limited 宏致有限公司 | Hong Kong 香港 | HKD10,000/HKD1,000 10,000港元／1,000港元 | – | 100% | Investment holding 投資控股 |
| Guangzhou Consun (廣州康臣藥業有限公司)* ⁽ⁱ⁾ 廣州康臣藥業有限公司* ⁽ⁱ⁾ | Chinese Mainland 中國大陸 | RMB300,000,000/ RMB300,000,000 人民幣300,000,000元／ 人民幣300,000,000元 | – | 100% | Production and sales of pharmaceutical products 產銷藥品 |

14 於附屬公司的投資

(a) 附屬公司名單

於2023年12月31日，本公司於下列附屬公司(全部為私人公司)擁有直接或間接權益，詳情載列如下：

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14 INVESTMENTS IN SUBSIDIARIES (Continued)

14 於附屬公司的投資(續)

(a) List of subsidiaries (Continued)

(a) 附屬公司名單(續)

| Name of company 公司名稱 | Place of incorporation and business 註冊成立及營業地點 | Authorised/ registered and fully paid up capital 法定/已登記及繳足股本 | Attributable equity interest held by the Company 由本公司持有的應佔股本權益 | | Principal activities 主要業務 |
|--|--|--|--|----------------|--|
| | | | Direct 直接 | Indirect 間接 | |
| Inner Mongolia Consun (康臣藥業(內蒙古)有限責任公司)* 康臣藥業(內蒙古)有限責任公司* | Chinese Mainland 中國大陸 | RMB25,000,000/ RMB25,000,000 人民幣25,000,000元/ 人民幣25,000,000元 | - | 100% | Production and sales of pharmaceutical products 產銷藥品 |
| Consun Pharmaceutical (Horgos) Co., Ltd. (康臣藥業(霍爾果斯)有限公司)* 康臣藥業(霍爾果斯)有限公司* | Chinese Mainland 中國大陸 | RMB50,000,000/ RMB50,000,000 人民幣50,000,000元/ 人民幣50,000,000元 | - | 100% | Production and sales of pharmaceutical products 產銷藥品 |
| Yulin Pharmaceutical (廣西玉林製藥集團有限責任公司)* 廣西玉林製藥集團有限責任公司* | Chinese Mainland 中國大陸 | RMB448,834,102/ RMB448,834,102 人民幣448,834,102元/ 人民幣448,834,102元 | - | 72.69% | Production and sales of pharmaceutical products 產銷藥品 |

* These entities are all Chinese Mainland limited liability companies. The English translation of the company names are for reference only. The official names of these companies are in Chinese.

* 該等實體全部均為中國大陸有限責任公司。公司名稱的英文譯名僅供參考。該等公司的官方名稱為中文。

(i) This subsidiary is registered under Chinese Mainland law as a wholly foreign owned enterprise.

(i) 該附屬公司根據中國大陸法律註冊為全外資擁有企業。

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14 INVESTMENTS IN SUBSIDIARIES (Continued)

(b) The following table lists out the information relating to Yulin Pharmaceutical Group, the only sub-group of the Group which has a material NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

14 於附屬公司的投資(續)

(b) 下表列出有關玉林製藥集團(本集團擁有重大非控股權益的唯一子集團)的資料。下文呈列的財務資料概要為未計任何集團內公司間對銷前的金額。

| | | 2023 | 2022 |
|---|-----------------|------------------|-----------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| NCI percentage at 31 December | 於12月31日非控股權益百分比 | 27.31% | 27.31% |
| Current assets | 流動資產 | 657,595 | 634,864 |
| Non-current assets | 非流動資產 | 893,979 | 926,509 |
| Current liabilities | 流動負債 | (416,695) | (416,546) |
| Non-current liabilities | 非流動負債 | (63,864) | (67,859) |
| Net assets | 資產淨值 | 1,071,015 | 1,076,968 |
| Carrying amount of NCI | 非控股權益賬面值 | 292,209 | 294,090 |
| Revenue of the year | 年度收入 | 395,064 | 358,599 |
| Gain and total comprehensive income of the year | 年度收益及全面收益總額 | 7,506 | 3,017 |
| Gain allocated to NCI | 分配予非控股權益的收益 | 2,050 | 824 |
| Cash flows generated from operating activities | 經營活動所得現金流 | 30,018 | 24,548 |
| Cash flows use in investing activities | 投資活動所用現金流 | (21,873) | (10,331) |
| Cash flows (used in)/ generated from financing activities | 融資活動(所用)/所得現金流 | (14,438) | 17,726 |

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15 FINANCIAL ASSET MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS 15 按公允值計入損益計量的金融資產

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|----------------------------------|-----------|-----------------------------------|-----------------------------------|
| Investments not held for trading | 並非持作買賣的投資 | | |
| – Unlisted investment fund | – 非上市投資基金 | 9,230 | 6,500 |

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16 OTHER PREPAYMENTS

16 其他預付款

| | | 2023 | 2022 |
|---|----------------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Prepayments for purchase of property, plant and equipment | 購買物業、廠房及設備的預付款 | 41,358 | 24,747 |

17 INVENTORIES

17 存貨

| | | 2023 | 2022 |
|------------------|-----|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Raw materials | 原材料 | 214,126 | 192,200 |
| Work in progress | 在製品 | 54,104 | 37,794 |
| Finished goods | 製成品 | 98,857 | 46,086 |
| | | 367,087 | 276,080 |

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

已確認為開支並計入損益的存貨金額分析如下：

| | | 2023 | 2022 |
|--------------------------------------|----------------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Cost of inventories sold (note 5(c)) | 已售存貨成本(附註5(c)) | 668,437 | 576,738 |
| Write down of inventories | 存貨撇減 | 12,329 | 21,859 |
| | | 680,766 | 598,597 |

All of the inventories are expected to be recovered within one year.

預計所有存貨將於一年內收回。

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18 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

18 貿易應收款項、其他應收款項及預付款項

(a) 貿易及其他應收款項

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Trade receivables net of loss allowance (i) | 貿易應收款項， 扣除虧損撥備(i) | 195,068 | 163,237 |
| Bills receivable(ii) | 應收票據(ii) | 60,770 | 96,325 |
| Interest receivables | 應收利息 | 26,633 | 14,956 |
| Other debtors, net of loss allowance (iii) | 其他應收賬款， 扣除虧損撥備(iii) | 27,495 | 21,145 |
| | | 309,966 | 295,663 |

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

The Group accepts bank acceptance bills from major banks in Chinese Mainland for settlement of trade debts. The management considered that the risk of these bills relates substantially to credit risk. Accordingly, when these bills were transferred by either discounting or endorsement, they were derecognised as a financial asset.

預計所有貿易及其他應收款項將於一年內收回或確認為開支。

本集團接納中國大陸主要銀行的銀行承兌票據以結清貿易債務。管理層認為該等票據的風險主要與信貸風險有關。因此，當該等票據透過貼現或背書轉讓時，該等票據已終止確認為金融資產。

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18 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(a) Trade and other receivables (Continued)

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date or the receipt date of the bills 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 | 187,970 | 187,762 |
| 3 to 12 months | 3至12個月 | 25,796 | 39,605 |
| Over 12 months | 12個月以上 | 42,072 | 32,195 |
| | | 255,838 | 259,562 |

- (i) Trade debtors are generally due within 30 to 90 days from the date of billing.
- (ii) Bills receivable are generally due within 90 to 180 days from the date of bills acceptance.
- (iii) As at 31 December 2023, the Group's other receivables of RMB3,253,000 (31 December 2022: RMB524,000) were determined to be impaired in full.

Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivable are set out in note 27(a).

18 貿易應收款項、其他應收款項及預付款項(續)

(a) 貿易及其他應收款項(續)

賬齡分析

於報告期末，貿易應收賬款及應收票據(已計入貿易及其他應收款項)以發票日期或票據接納日期為基準並扣除虧損撥備的賬齡分析如下：

| | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-----------------|-----------------------------------|-----------------------------------|
| Within 3 months | 187,970 | 187,762 |
| 3 to 12 months | 25,796 | 39,605 |
| Over 12 months | 42,072 | 32,195 |
| | 255,838 | 259,562 |

- (i) 貿易應收賬款一般自發出賬單日期起計30至90日內到期。
- (ii) 應收票據一般自票據承兌日期起計90至180日內到期。
- (iii) 於2023年12月31日，本集團其他應收款項人民幣3,253,000元(2022年12月31日：人民幣524,000元)已確定完全減值。

本集團信貸政策以及來自貿易應收賬款及應收票據的信貸風險的進一步詳情載於附註27(a)。

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18 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Prepayments

| | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Prepayments for raw materials and others | 17,823 | 11,583 |

18 貿易應收款項、其他應收款項及預付款項 (續)

(b) 預付款項

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

| | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--------------------------|-----------------------------------|-----------------------------------|
| Cash at bank and on hand | 2,748,262 | 2,450,173 |

19 現金及現金等值項目以及其他現金流量資料

(a) 現金及現金等值項目包括：

As at 31 December 2023, cash and cash equivalents situated in Chinese Mainland amounted to RMB1,953,944,000 (31 December 2022: RMB2,071,203,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

於2023年12月31日，位於中國大陸的現金及現金等值項目為人民幣1,953,944,000元（2022年12月31日：人民幣2,071,203,000元）。將資金匯出中國大陸須遵守外匯管制的相關規則及法規。

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

19 現金及現金等值項目以及其他現金流 量資料(續)

(b) Reconciliation of profit before taxation to cash generated from operations:

(b) 稅前溢利與經營所得現金的對賬：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|---------------------------|-----------------------------------|-----------------------------------|
| Profit before taxation | 稅前溢利 | 863,703 | 746,393 |
| Adjustments for | 經調整 | | |
| Depreciation and amortisation | 折舊及攤銷 | 78,089 | 76,355 |
| Reversals of impairment loss on trade and other receivables | 撥回貿易及其他應收款項的 減值虧損 | (12,596) | (32,493) |
| Interest income | 利息收益 | (68,917) | (52,414) |
| Finance costs | 融資成本 | 21,264 | 10,933 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及 設備產生的虧損 | 846 | 4,122 |
| Equity-settled share-based transactions | 以股權結算並以股份為 基礎的交易 | - | (1,784) |
| Write down of inventories | 存貨撇減 | 12,329 | 21,859 |
| Foreign exchange losses | 外匯虧損 | 9,026 | 9,278 |
| Fair value change of financial assets measured at FVPL | 按公允值計入損益計量的 金融資產的公允值變動 | (230) | - |
| Changes in working capital | 營運資金變化 | | |
| Increase in inventories | 存貨增加 | (102,020) | (54,904) |
| (Increase)/decrease in trade and other receivables | 貿易及其他應收款項 (增加)/減少 | (1,707) | 113,871 |
| (Increase)/decrease in prepayments | 預付款項(增加)/減少 | (6,240) | 3,001 |
| Increase in trade and other payables | 貿易及其他應付款項增加 | 80,758 | 114,411 |
| (Decrease)/increase in deferred income | 遞延收益(減少)/增加 | (460) | 2,259 |
| Cash generated from operations | 經營活動所得現金 | 873,845 | 960,887 |

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

19 現金及現金等值項目以及其他現金流 量資料(續)

(c) Reconciliation of liabilities arising from financing activities:

(c) 融資活動產生的負債對賬：

| | | Bank loans 貸款及借款 RMB' 000 人民幣千元 (note 21) (附註21) | Lease liabilities 租賃負債 RMB' 000 人民幣千元 (note 22) (附註22) | Total 總計 RMB' 000 人民幣千元 |
|---|------------------------|---|--|----------------------------------|
| At 1 January 2022 | 於2022年1月1日 | 599,302 | 11,671 | 610,973 |
| Changes from financing cash flows: | 融資現金流量變動： | | | |
| Proceeds from new bank loans | 新增銀行貸款所得款項 | 259,322 | - | 259,322 |
| Repayments of bank loans | 銀行貸款還款額 | (433,812) | - | (433,812) |
| Capital element of lease rentals paid | 已付租金之資本部分 | - | (2,862) | (2,862) |
| Interest element of lease rentals paid | 已付租金之利息部分 | - | (563) | (563) |
| Other borrowing costs paid | 已付其他借款成本 | (10,370) | - | (10,370) |
| Total changes from financing cash flows | 融資現金流量變動總額 | (184,860) | (3,425) | (188,285) |
| Exchange adjustments | 匯兌調整 | 25,709 | - | 25,709 |
| Other changes: | 其他變動： | | | |
| Increase in lease liabilities from entering into new leases during the period (note 12) | 期內因訂立新租賃而增加的租賃負債(附註12) | - | 846 | 846 |
| Interest on bank loans (note 5(a)) | 銀行貸款利息(附註5(a)) | 10,271 | - | 10,271 |
| Interest expenses on discounted bills (note 5(a)) | 貼現票據利息開支(附註5(a)) | 99 | - | 99 |
| Interest on lease liabilities (note 5(a)) | 租賃負債之利息(附註5(a)) | - | 563 | 563 |
| Total other changes | 其他變動總額 | 10,370 | 1,409 | 11,779 |
| At 31 December 2022 | 於2022年12月31日 | 450,521 | 9,655 | 460,176 |
| Changes from financing cash flows: | 融資現金流量變動： | | | |
| Proceeds from new bank loans | 新增銀行貸款所得款項 | 442,389 | - | 442,389 |
| Repayments of bank loans | 銀行貸款還款額 | (379,420) | - | (379,420) |
| Capital element of lease rentals paid | 已付租金之資本部分 | - | (3,514) | (3,514) |
| Interest element of lease rentals paid | 已付租金之利息部分 | - | (1,094) | (1,094) |
| Other borrowing costs paid | 已付其他借款成本 | (22,737) | - | (22,737) |
| Total changes from financing cash flows | 融資現金流量變動總額 | 40,232 | (4,608) | 35,624 |
| Exchange adjustments | 匯兌調整 | (7,901) | - | (7,901) |
| Other changes: | 其他變動： | | | |
| Increase in lease liabilities from entering into new leases during the period (note 12) | 期內因訂立新租賃而增加的租賃負債(附註12) | - | 2,371 | 2,371 |
| Interest on bank loans (note 5(a)) | 銀行貸款利息(附註5(a)) | 20,565 | - | 20,565 |
| Interest expenses on discounted bills (note 5(a)) | 貼現票據利息開支(附註5(a)) | 1 | - | 1 |
| Interest on lease liabilities (note 5(a)) | 租賃負債之利息(附註5(a)) | - | 698 | 698 |
| Total other changes | 其他變動總額 | 20,566 | 3,069 | 23,635 |
| At 31 December 2023 | 於2023年12月31日 | 503,418 | 8,116 | 511,534 |

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

| | | 2023 | 2022 |
|-----------------------------|----------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Within operating cash flows | 於經營現金流量內 | 4,657 | 4,245 |
| Within financing cash flows | 於融資現金流量內 | 4,608 | 3,425 |
| | | 9,265 | 7,670 |

These amounts relate to the following:

| | | 2023 | 2022 |
|--------------------|------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Lease rentals paid | 已付租金 | 9,265 | 7,670 |

19 現金及現金等值項目以及其他現金流 量資料(續)

(d) 租賃現金流出總額

就租賃計入綜合現金流量表的金額
包括下列各項：

| | | 2023 | 2022 |
|-----------------------------|----------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Within operating cash flows | 於經營現金流量內 | 4,657 | 4,245 |
| Within financing cash flows | 於融資現金流量內 | 4,608 | 3,425 |
| | | 9,265 | 7,670 |

該等金額與下列各項有關：

| | | 2023 | 2022 |
|--------------------|------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Lease rentals paid | 已付租金 | 9,265 | 7,670 |

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20 TRADE AND OTHER PAYABLES

20 貿易及其他應付款項

| | | 2023 | 2022 |
|---|-----------------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Trade payables (i) | 貿易應付款項(i) | 83,098 | 59,891 |
| Contract liabilities (ii) | 合約負債(ii) | 16,008 | 37,714 |
| Accrued expenses | 應計開支 | 438,558 | 380,176 |
| Employee benefits payable | 應付僱員福利 | 200,199 | 185,956 |
| Payable for purchase of property, plant and equipment | 購買物業、廠房及設備的應付款項 | 17,856 | 17,648 |
| Other payables | 其他應付款項 | 70,377 | 68,647 |
| Project development deposits (iii) | 項目開發按金(iii) | 31,674 | 31,674 |
| Financial liabilities measured at amortised cost | 按攤銷成本計量的金融負債 | 857,770 | 781,706 |
| Refund liabilities: | 退還負債： | | |
| – arising from sales rebates | – 因銷售返利而產生 | 84,659 | 79,403 |
| Total | 總計 | 942,429 | 861,109 |

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

所有貿易及其他應付款項預期將於一年內結清或確認為收入，或須按要求償還。

(i) As of the end of the reporting period, the ageing analysis of trade payables (which are included in the trade and other payables), based on the invoice date, is as follows:

(i) 於報告期末，貿易應付款項（已計入貿易及其他應付款項）以發票日期為基準的賬齡分析如下：

| | | 2023 | 2022 |
|----------------|--------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Within 1 month | 1個月內 | 73,376 | 43,405 |
| 1 to 12 months | 1至12個月 | 9,055 | 14,882 |
| Over 12 months | 超過12個月 | 667 | 1,604 |
| | | 83,098 | 59,891 |

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20 TRADE AND OTHER PAYABLES (Continued)

- (ii) As of the end of the reporting period, the contract liabilities are as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--------------------------------------|----------|-----------------------------------|-----------------------------------|
| Sales contracts | 銷售合約 | | |
| – Billings in advance of performance | – 履約的預付款 | 16,008 | 37,714 |

Movements in contract liabilities:

合約負債變動：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|----------------------------|-----------------------------------|-----------------------------------|
| Balance at 1 January | 於1月1日的結餘 | 37,714 | 18,979 |
| Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year | 因年內確認計入年初合約負債的收益而產生的合約負債減少 | (37,714) | (18,979) |
| Increase in contract liabilities as a result of receiving advances from customers during the year | 因年內收取客戶的預付款而產生的合約負債增加 | 16,008 | 37,714 |
| Balance at 31 December | 於12月31日的結餘 | 16,008 | 37,714 |

All of the contract liabilities are expected to be recognised as income within one year.

所有合約負債預期於一年內確認為收入。

- (iii) As of 31 December 2023, project development deposits represented deposits received by the Group from Guangxi Huafa and Yulin Shunlang pursuant to a series of cooperative development agreements (see note 12(i)).

- (iii) 截至2023年12月31日，項目開發按金為本集團根據一系列合作開發協議自廣西華發及玉林順浪收取的按金（見附註12(i)）。

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21 BANK LOANS

(a) The analysis of the repayment schedule of bank loans is as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|----------------------------|---------|--|-----------------------------------|
| Within 1 year or on demand | 一年內或按要求 | 503,418 | 450,521 |

(b) Assets pledged as security and covenants for bank loans

At 31 December 2023, the bank loans were secured as follows:

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-------------|-------|--|-----------------------------------|
| Bank loans | 銀行貸款 | | |
| – secured | – 有抵押 | 30,000 | – |
| – unsecured | – 無抵押 | 473,418 | 450,521 |
| | | 503,418 | 450,521 |

At 31 December 2023, the loan of RMB30,000,000 were secured by four patents with an aggregate net book value of RMB1,897,000 as at 31 December 2023 (2022: Nil).

At 31 December 2023, the Group's banking facilities amounted to RMB1,378,030,000 (2022: RMB1,459,975,000) were utilised to the extent of RMB503,418,000 (2022: RMB450,521,000).

21 銀行貸款

(a) 銀行貸款的還款時間表分析如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|----------------------------|---------|--|-----------------------------------|
| Within 1 year or on demand | 一年內或按要求 | 503,418 | 450,521 |

(b) 已質押作為銀行貸款擔保及契諾的資產

於2023年12月31日，銀行貸款的抵押情況如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|-------------|-------|--|-----------------------------------|
| Bank loans | 銀行貸款 | | |
| – secured | – 有抵押 | 30,000 | – |
| – unsecured | – 無抵押 | 473,418 | 450,521 |
| | | 503,418 | 450,521 |

於2023年12月31日，人民幣30,000,000元貸款由四項專利作抵押，總賬面淨值為人民幣1,897,000元（2022年：無）。

於2023年12月31日，本集團的銀行融資為人民幣1,378,030,000元（2022年：人民幣1,459,975,000元），當中已動用人民幣503,418,000元（2022年：人民幣450,521,000元）。

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21 BANK LOANS (Continued)

(b) Assets pledged as security and covenants for bank loans (Continued)

As at 31 December 2023, banking facilities of the Group amounted to RMB674,596,000 (31 December 2022: RMB591,315,000) are subject to the fulfilment of covenants relating to certain of the Group's or the subsidiaries' financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breached the covenants, the drawn down loans would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2023, none of the covenants relating to drawn down loans had been breached (31 December 2022: Nil).

22 LEASE LIABILITIES

At 31 December 2023, the lease liabilities were repayable as follows:

21 銀行貸款(續)

(b) 已質押作為銀行貸款擔保及契諾的資產(續)

於2023年12月31日，本集團銀行融資人民幣674,596,000元(2022年12月31日：人民幣591,315,000元)受制於對本集團或附屬公司若干財務比率的契諾(該等契諾常見於金融機構的貸款安排中)。假若本集團違反了該等契諾，已提取的貸款便會變成須按要求償還。本集團定期監察遵守該等契諾的情況。於2023年12月31日，本集團並無違反任何與已提取貸款相關的契諾(2022年12月31日：無)。

22 租賃負債

於2023年12月31日，租賃負債的還款期如下：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|----------------------------------|-----------|-----------------------------------|-----------------------------------|
| Within 1 year or on demand | 1年內或按要求 | 4,218 | 3,708 |
| After 1 year but within 2 years | 超過1年但少於2年 | 3,680 | 3,113 |
| After 2 years but within 5 years | 超過2年但少於5年 | 218 | 2,834 |
| | | 3,898 | 5,947 |
| | | 8,116 | 9,655 |

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23 DEFERRED INCOME

23 遞延收益

| | | 2023 | 2022 |
|-------------------------------------|------------|----------------|---------|
| | | 2023年 | 2022年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At 1 January | 於1月1日 | 21,190 | 18,931 |
| Additions | 添置 | 1,800 | 4,500 |
| Credited to profit or loss (note 4) | 計入損益(附註4) | (2,260) | (2,241) |
| At 31 December | 於12月31日 | 20,730 | 21,190 |
| Representing: | 表示： | | |
| Current portion | 即期部分 | 1,551 | 2,261 |
| Non-current portion | 非即期部分 | 19,179 | 18,929 |
| | | 20,730 | 21,190 |

Deferred income of the Group mainly includes various conditional government grants for research and development projects of new or existing pharmaceutical products and subsidies relating to purchase of land use rights, which would be recognised as income on a systematic basis in the same periods in which the related costs of relevant activities are incurred or on straight-line basis over the expected useful life of the relevant assets.

本集團的遞延收益主要包括新藥品或現有藥品研發項目的多項有條件政府補助，以及與購買土地使用權有關的補貼，其將於產生相關活動的有關開支的同一期間有系統地或相關資產的預計可使用年期內以直線法確認為收入。

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24 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) Employees' Share Option Scheme

- (i) The terms and conditions of the grants are as follows:

In 2014, the Company adopted a share option scheme (the "Share Option Scheme") whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any Company in the Group, to take up options at a consideration of HKD1 to subscribe for shares of the Company. Each option entitles the option holder to subscribe one ordinary share of the Company. The Company granted share options to certain directors and employees in 2014, 2016, 2019 and 2020 respectively.

24 以股權結算並以股份為基礎的交易

(a) 僱員購股權計劃

- (i) 授出的條款及條件如下：

於2014年，本公司採納一項購股權計劃（「購股權計劃」），據此，本公司董事獲授權可酌情邀請本集團僱員（包括本集團旗下任何成員公司的董事）接納購股權，以代價1港元認購本公司股份。每份購股權均賦予購股權持有人權利可認購一股本公司普通股。本公司分別於2014年、2016年、2019年及2020年向若干董事及僱員授出購股權。

| Date of grant 授出日期 | Tranche number 批號 | Number of options granted 已授出購股權數目 | Vesting period 歸屬期 | Contractual life of options 購股權的合約年期 |
|--|-------------------------|--|--|--|
| Options granted to employees: 授予僱員的購股權： | | | | |
| – on 28 March 2014 – 於2014年3月28日 | 2014 T1 2014年第一批 | 10,000,000 | 1 year after the date of grant 授出日期後1年 | 10 years 10年 |
| – on 28 March 2014 – 於2014年3月28日 | 2014 T2 2014年第二批 | 10,000,000 | 2 years after the date of grant 授出日期後2年 | 10 years 10年 |
| – on 1 April 2016 – 於2016年4月1日 | 2016 T1 2016年第一批 | 12,600,000 | 1 year after the date of grant 授出日期後1年 | 10 years 10年 |
| – on 1 April 2016 – 於2016年4月1日 | 2016 T2 2016年第二批 | 12,600,000 | 2 years after the date of grant 授出日期後2年 | 10 years 10年 |
| – on 1 April 2016 – 於2016年4月1日 | 2016 T3 2016年第三批 | 16,800,000 | 3 years after the date of grant 授出日期後3年 | 10 years 10年 |
| – on 2 January 2019 – 於2019年1月2日 | 2019 T1 2019年第一批 | 13,650,000 | 15 months after the date of grant 授出日期後15個月 | 10 years 10年 |
| – on 2 January 2019 – 於2019年1月2日 | 2019 T2 2019年第二批 | 13,650,000 | 27 months after the date of grant 授出日期後27個月 | 10 years 10年 |
| – on 2 January 2019 – 於2019年1月2日 | 2019 T3 2019年第三批 | 18,200,000 | 39 months after the date of grant 授出日期後39個月 | 10 years 10年 |
| – on 24 March 2020 – 於2020年3月24日 | 2020 T1 2020年第一批 | 16,500,000 | 1 year after the date of grant 授出日期後1年 | 10 years 10年 |

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24 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) Employees' Share Option Scheme (Continued)

(i) The terms and conditions of the grants are as follows: (Continued)

| Date of grant 授出日期 | Tranche 批號 | Number of options granted 已授出購股權數目 | Vesting period 歸屬期 | Contractual life of options 購股權的合約年期 |
|---|---------------------|--|--|--|
| Options granted to directors: 授予董事的購股權： | | | | |
| – on 28 May 2014 – 於2014年5月28日 | 2014 T3 2014年第3批 | 6,000,000 | 1 year after the date of grant 授出日期後1年 | 9.8 years 9.8年 |
| – on 28 May 2014 – 於2014年5月28日 | 2014 T4 2014年第4批 | 6,000,000 | 2 years after the date of grant 授出日期後2年 | 9.8 years 9.8年 |
| – on 1 April 2016 – 於2016年4月1日 | 2016 T4 2016年第4批 | 600,000 | 1 year after the date of grant 授出日期後1年 | 10 years 10年 |
| – on 1 April 2016 – 於2016年4月1日 | 2016 T5 2016年第5批 | 600,000 | 2 years after the date of grant 授出日期後2年 | 10 years 10年 |
| – on 1 April 2016 – 於2016年4月1日 | 2016 T6 2016年第6批 | 800,000 | 3 years after the date of grant 授出日期後3年 | 10 years 10年 |
| – on 27 May 2016 – 於2016年5月27日 | 2016 T7 2016年第7批 | 2,400,000 | 1 year after the date of grant 授出日期後1年 | 9.8 years 9.8年 |
| – on 27 May 2016 – 於2016年5月27日 | 2016 T8 2016年第8批 | 2,400,000 | 2 years after the date of grant 授出日期後2年 | 9.8 years 9.8年 |
| – on 27 May 2016 – 於2016年5月27日 | 2016 T9 2016年第9批 | 3,200,000 | 3 years after the date of grant 授出日期後3年 | 9.8 years 9.8年 |
| – on 31 May 2019 – 於2019年5月31日 | 2019 T4 2019年第4批 | 5,250,000 | 11 months after the date of grant 授出日期後11個月 | 9.6 years 9.6年 |
| – on 31 May 2019 – 於2019年5月31日 | 2019 T5 2019年第5批 | 5,250,000 | 23 months after the date of grant 授出日期後23個月 | 9.6 years 9.6年 |
| – on 31 May 2019 – 於2019年5月31日 | 2019 T6 2019年第6批 | 7,000,000 | 35 months after the date of grant 授出日期後35個月 | 9.6 years 9.6年 |
| – on 18 June 2020 – 於2020年6月18日 | 2020 T2 2020年第2批 | 1,688,000 | 9.5 months after the date of grant 授出日期後9.5個月 | 10 years 10年 |
| Total share options granted 授出購股權總數 | | 165,188,000 | | |

The Company did not grant any options under the Share Option Scheme during the year ended 31 December 2023 (2022: Nil).

於截至2023年12月31日止年度，本公司並無根據購股權計劃授出任何購股權（2022年：無）。

24 以股權結算並以股份為基礎的交易 (續)

(a) 僱員購股權計劃 (續)

(i) 授出的條款及條件如下：
(續)

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24 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) Employees' Share Option Scheme (Continued)

(ii) The number and weighted average exercise prices of share options are as follows:

| | | 2023 2023年 | | 2022 2022年 | |
|----------------------------|-------------|--|---|--|---|
| | | Weighted average exercise price 加權平均 行使價 HKD 港元 | Number of options 購股權數目 '000 千份 | Weighted average exercise price 加權平均 行使價 HKD 港元 | Number of options 購股權數目 '000 千份 |
| Outstanding at 1 January | 於1月1日尚未行使 | 4.70 | 73,788 | 4.68 | 83,477 |
| Exercised during the year | 年內行使 | 3.92 | (4,044) | 3.66 | (866) |
| Forfeited during the year | 年內沒收 | 4.48 | (85) | 4.59 | (8,823) |
| Outstanding at 31 December | 於12月31日尚未行使 | 4.75 | 69,659 | 4.70 | 73,788 |
| Exercisable at 31 December | 於12月31日可行使 | 4.75 | 69,659 | 4.70 | 73,788 |

The weighted average share price at the date of exercise for share options exercised during the year was HKD5.27 (2022: HKD4.38).

The share options outstanding at 31 December 2023 had an exercise price of HKD6.64, HKD4.01, HKD4.476, HKD3.28 or HKD3.44 and a weighted-average remaining contractual life of 3.1 years (31 December 2022: 4.1 years).

The Group did not recognise or reverse any share option expenses during the year ended 31 December 2023 (2022: reversed RMB1,784,000).

24 以股權結算並以股份為基礎的交易 (續)

(a) 僱員購股權計劃 (續)

(ii) 購股權數目及加權平均行使價如下：

年內已行使的購股權於行使日期的加權平均股價為5.27港元(2022年：4.38港元)。

於2023年12月31日，尚未行使購股權行使價為6.64港元、4.01港元、4.476港元、3.28港元或3.44港元，加權平均剩餘合約年期為3.1年(2022年12月31日：4.1年)。

截至2023年12月31日止年度，本集團概無確認或撥回任何購股權費用(2022年：撥回人民幣1,784,000元)。

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24 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) Employees' Share Option Scheme (Continued)

- (iii) Fair value of share options and assumptions: The fair value of services received in return for the share options granted is measured by reference to the fair value of share options granted. The estimated fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the share options is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

24 以股權結算並以股份為基礎的交易 (續)

(a) 僱員購股權計劃(續)

- (iii) 購股權公允值及假設：用以換取授出購股權所獲服務的公允值乃參考所授出購股權之公允值計量。授出購股權的估計公允值乃基於二項式點陣模型計量。購股權合約年期在此模型中用作為一項輸入數據。提前行使的預期已納入此二項式點陣模型。

預期波幅以歷史波幅（根據購股權的加權平均剩餘年期計算）為基準，並根據可公開獲得的資料就未來波幅之任何預期變化予以調整。預期股息以歷史股息為基準。主觀輸入數據假設的變動可對公允值之估計產生重大影響。

購股權在附帶服務條件下授出。此條件並未計入所獲服務於授出日期的公允值計量。購股權之授出並無附帶市場條件。

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24 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) Employees' Share Award Scheme

In 2014, the board of directors of the Company approved the adoption of a share award scheme (the “**Share Award Scheme**”) under which shares of the Company (the “**Awarded Shares**”) may be awarded to selected employees (the “**Selected Employees**”) in accordance with the provisions of the Share Award Scheme and the nominal value of the shares awarded under the Share Award Scheme shall not exceed 10% of the issued share capital of the Company from time to time.

Unless terminated earlier by the board of directors in accordance with the rules of the Share Award Scheme, the Share Award Scheme will be valid and effective for a term of 10 years starting on 21 July 2014. A trust has been set up and fully funded by the Company for the purpose of purchasing, administrating and holding the Company's shares for the Share Award Scheme.

There was no share award expenses recognised during the year ended 31 December 2023 (2022: Nil).

(i) Details of the treasury shares held under the Share Award Scheme are set out below:

24 以股權結算並以股份為基礎的交易 (續)

(b) 僱員股份獎勵計劃

於2014年，本公司董事局批准採納一項股份獎勵計劃（「**股份獎勵計劃**」），據此可根據股份獎勵計劃的規定授予特定僱員（「**特定僱員**」）本公司的股份（「**獎勵股份**」），股份獎勵計劃項下獎勵的股份面值不得超過本公司不時已發行股本的10%。

除非被董事局根據股份獎勵計劃的規則提早終止，股份獎勵計劃的有效期將自2014年7月21日起計為期10年。本公司已成立一項信託並提供全部資金，信託用作購買、管理和持有本公司股份獎勵計劃下的股份。

截至2023年12月31日止年度，概無確認股份獎勵費用（2022年：無）。

(i) 根據股份獎勵計劃持有的庫存股詳情載於下文：

| | | Average purchase price | No. of shares held | Value of shares | |
|------------------------------|------------------------|------------------------|--------------------|-----------------|------------------|
| | | 平均購買價 | 持有股份數目 | 股份價值 | |
| | | HKD 港元 | '000 千股 | HKD'000 千港元 | RMB'000 人民幣千元 |
| At 31 December 2022 and 2023 | 於2022年及 2023年12月31日 | 5.68 | 18,483 | 104,953 | 83,173 |

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24 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) Employees' Share Award Scheme (Continued)

At 31 December 2022 and 2023, 18,583,000 shares ordinary shares were held by the trustee under the Share Award Scheme, among which 100,000 shares in respect of the Awarded Shares vested were held on behalf of certain employees, while the remaining 18,483,000 shares were held on behalf of the Company.

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

24 以股權結算並以股份為基礎的交易 (續)

(b) 僱員股份獎勵計劃 (續)

於2022年及2023年12月31日，受託人根據股份獎勵計劃持有18,583,000股普通股，其中已歸屬的獎勵股份的100,000股股份為代表若干僱員持有，而其餘18,483,000股股份則代表本公司持有。

25 綜合財務狀況表內的所得稅

(a) 綜合財務狀況表內的即期稅項指：

| | | 2023 2023年 RMB'000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|---|-----------------|-----------------------------------|-----------------------------------|
| At 1 January | 於1月1日 | 32,889 | 2,536 |
| Provision of Chinese Mainland income tax for the year | 年內中國大陸所得稅撥備 | 21,347 | 19,826 |
| Chinese Mainland dividend withholding tax for the year | 年內中國大陸股息預扣稅 | 34,839 | - |
| Under-provision for Chinese Mainland income tax in respect of prior years | 過往年度中國大陸所得稅撥備不足 | 9,177 | 23,735 |
| | | 65,363 | 43,561 |
| Chinese Mainland income tax paid | 已付中國大陸所得稅 | (20,033) | (13,208) |
| Chinese Mainland dividend withholding tax paid | 已付中國大陸股息預扣稅 | (34,839) | - |
| | | (54,872) | (13,208) |
| At 31 December | 於12月31日 | 43,380 | 32,889 |

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25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

| Deferred tax (liabilities)/assets arising from: | 來自下列各項的遞延稅項(負債)/資產： | Withholding tax on future dividend income from Chinese Mainland subsidiaries | Unused tax losses [#] | Provisions and accruals | Fair value adjustment from business acquisition | Intra group unrealised profits | Total |
|---|------------------------|--|--------------------------------|-------------------------|---|--------------------------------|------------------|
| | | 來自中國大陸附屬公司未來股息收益的預扣稅 | | | 業務收購的公允值調整 | | |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| At 1 January 2022 | 於2022年1月1日 | (6,257) | 10,728 | 36,131 | (63,684) | 638 | (22,444) |
| (Charged)/credited to profit or loss | (扣除自)/計入損益 | (13,658) | 4,043 | (14,470) | 4,950 | - | (19,135) |
| At 31 December 2022 and 1 January 2023 | 於2022年12月31日及2023年1月1日 | (19,915) | 14,771 | 21,661 | (58,734) | 638 | (41,579) |
| Released upon distribution of dividends | 於分派股息後返還 | 34,839 | - | - | - | - | 34,839 |
| (Charged)/credited to profit or loss | (扣除自)/計入損益 | (32,969) | (11,784) | (6,804) | 4,932 | - | (46,625) |
| At 31 December 2023 | 於2023年12月31日 | (18,045) | 2,987 | 14,857 | (53,802) | 638 | (53,365) |

25 綜合財務狀況表內的所得稅(續)

(b) 已確認遞延稅項資產及負債：

(i) 遞延稅項資產及負債的各個組成部份的變動

於綜合財務狀況表內確認的遞延稅項資產/(負債)的組成部份及年內變動如下：

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25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(b) **Deferred tax assets and liabilities recognised:**
(Continued)

(ii) **Reconciliation to the consolidated statement of financial position**

| | 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 | 17,844 | 36,432 |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | (71,209) | (78,011) |
| | (53,365) | (41,579) |

(iii) **Deferred tax liabilities not recognised:**

At 31 December 2023, deferred tax liabilities of RMB103,586,000 (31 December 2022: RMB93,995,000) in respect of temporary differences relating to the undistributed profits of subsidiaries amounted to RMB2,071,714,000 (2022: RMB1,879,892,000) were not recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that those profits will not be distributed in the foreseeable future.

25 綜合財務狀況表內的所得稅 (續)

(b) 已確認遞延稅項資產及負債：(續)

(ii) 綜合財務狀況表的對賬

(iii) 未確認的遞延稅項負債：

於2023年12月31日，並未確認與附屬公司未分配溢利人民幣2,071,714,000元（2022年：人民幣1,879,892,000元）有關的暫時性差異的遞延稅項負債人民幣103,586,000元（2022年12月31日：人民幣93,995,000元），乃由於本公司控制該等附屬公司的股息政策，並已決定於可預見的未來不會派發該等溢利。

26 CAPITAL, RESERVES AND DIVIDENDS

(a) **Movement in components of equity**

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

26 資本、儲備及股息

(a) **權益組成部分的變動**

本集團綜合權益的各個組成部份於期初及期末結餘之間的對賬載於綜合權益變動表。本公司權益的個別組成部份於年初及年末之間的變動詳情載於下文：

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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(a) Movement in components of equity (Continued)

Company

| | | Share capital | Share premium | Other reserves | Capital reserve | Share Award Scheme | Treasury shares held under Other treasury shares | Retained profits | Total |
|--|----------------|---------------|---------------|----------------|-----------------|--------------------|--|------------------|----------------|
| | | 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 |
| | Note | note 26(d)(i) | note 26(e)(i) | note 26(e)(iv) | note 26(e)(iii) | note 24(b) | note 26(b) | | |
| | 附註 | 附註26(d)(i) | 附註26(e)(i) | 附註26(e)(iv) | 附註26(e)(iii) | 附註24(b) | 附註26(b) | | |
| At 1 January 2022 | 於2022年1月1日 | 64,800 | 19,789 | 143,091 | 169,766 | (83,173) | (30,151) | 796,200 | 1,080,322 |
| Dividends approved and paid | 批准及已付的股息 | - | - | - | - | - | - | (127,492) | (127,492) |
| Purchase of own shares during the year | 年內購買自身股份 | - | - | - | - | - | (29,066) | - | (29,066) |
| Cancellation of shares during the year | 年內註銷股份 | (1,424) | (22,992) | - | - | - | 59,217 | (34,801) | - |
| Recognition of Employees' Share Option Scheme | 確認僱員購股權計劃 | - | - | - | (1,784) | - | - | - | (1,784) |
| Shares issued due to exercise of Share Option Scheme | 因購股權計劃行權而發行的股份 | 74 | 3,203 | - | (639) | - | - | - | 2,638 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | - | - | (49,122) | (49,122) |
| At 31 December 2022 | 於2022年12月31日 | 63,450 | - | 143,091 | 167,343 | (83,173) | - | 584,785 | 875,496 |
| At 1 January 2023 | 於2023年1月1日 | 63,450 | - | 143,091 | 167,343 | (83,173) | - | 584,785 | 875,496 |
| Dividends approved and paid | 批准及已付的股息 | - | - | - | - | - | - | (317,133) | (317,133) |
| Shares issued due to exercise of Share Option Scheme | 因購股權計劃行權而發行的股份 | 362 | 18,145 | - | (4,305) | - | - | - | 14,202 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | - | - | 407,433 | 407,433 |
| At 31 December 2023 | 於2023年12月31日 | 63,812 | 18,145 | 143,091 | 163,038 | (83,173) | - | 675,085 | 979,998 |

26 資本、儲備及股息 (續)

(a) 權益組成部分的變動 (續)

本公司

| | | Share capital | Share premium | Other reserves | Capital reserve | Share Award Scheme | Treasury shares held under Other treasury shares | Retained profits | Total |
|--|----------------|---------------|---------------|----------------|-----------------|--------------------|--|------------------|----------------|
| | | 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 |
| | Note | note 26(d)(i) | note 26(e)(i) | note 26(e)(iv) | note 26(e)(iii) | note 24(b) | note 26(b) | | |
| | 附註 | 附註26(d)(i) | 附註26(e)(i) | 附註26(e)(iv) | 附註26(e)(iii) | 附註24(b) | 附註26(b) | | |
| At 1 January 2022 | 於2022年1月1日 | 64,800 | 19,789 | 143,091 | 169,766 | (83,173) | (30,151) | 796,200 | 1,080,322 |
| Dividends approved and paid | 批准及已付的股息 | - | - | - | - | - | - | (127,492) | (127,492) |
| Purchase of own shares during the year | 年內購買自身股份 | - | - | - | - | - | (29,066) | - | (29,066) |
| Cancellation of shares during the year | 年內註銷股份 | (1,424) | (22,992) | - | - | - | 59,217 | (34,801) | - |
| Recognition of Employees' Share Option Scheme | 確認僱員購股權計劃 | - | - | - | (1,784) | - | - | - | (1,784) |
| Shares issued due to exercise of Share Option Scheme | 因購股權計劃行權而發行的股份 | 74 | 3,203 | - | (639) | - | - | - | 2,638 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | - | - | (49,122) | (49,122) |
| At 31 December 2022 | 於2022年12月31日 | 63,450 | - | 143,091 | 167,343 | (83,173) | - | 584,785 | 875,496 |
| At 1 January 2023 | 於2023年1月1日 | 63,450 | - | 143,091 | 167,343 | (83,173) | - | 584,785 | 875,496 |
| Dividends approved and paid | 批准及已付的股息 | - | - | - | - | - | - | (317,133) | (317,133) |
| Shares issued due to exercise of Share Option Scheme | 因購股權計劃行權而發行的股份 | 362 | 18,145 | - | (4,305) | - | - | - | 14,202 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | - | - | - | - | 407,433 | 407,433 |
| At 31 December 2023 | 於2023年12月31日 | 63,812 | 18,145 | 143,091 | 163,038 | (83,173) | - | 675,085 | 979,998 |

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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(b) Purchase of own shares

During the year ended 31 December 2022, the Company repurchased 7,996,000 shares (the “Buy-back Shares”) of the Company on The Stock Exchange of Hong Kong Limited as follows:

| | | 2022 2022年 | | | |
|--------------|------------------------------|------------------------------|-----------------------------|----------------------|--------|
| Month/year | Number of shares repurchased | Highest price paid per share | Lowest price paid per share | Aggregate price paid | |
| 年/月 | 已回購股份數目 | 最高價格 | 最低價格 | 已付價格總額 | |
| | | HKD 港元 | HKD 港元 | HKD'000 千港元 | |
| January 2022 | 2022年1月 | 590,000 | 4.59 | 4.38 | 2,649 |
| April 2022 | 2022年4月 | 4,578,000 | 4.64 | 3.82 | 19,835 |
| May 2022 | 2022年5月 | 2,828,000 | 4.70 | 4.18 | 12,460 |
| | | | | | 34,944 |

The repurchase was governed by section 257 of the Hong Kong Companies Ordinance.

During the year ended 31 December 2022, the total amount paid on the repurchased shares of HKD34,944,000 (equivalent to approximately RMB29,066,000) was paid wholly out of distributable reserve of the Company.

During the year ended 31 December 2022, 18,111,000 Buy-back Shares were cancelled.

26 資本、儲備及股息(續)

(b) 購買自身股份

截至2022年12月31日止年度，本公司於香港聯合交易所有限公司回購其自身7,996,000股股份（「購回股份」）如下：

回購乃受香港公司條例第257條規管。

截至2022年12月31日止年度，回購股份的已付總額34,944,000港元（相當於約人民幣29,066,000元）乃以本公司的可供分派儲備全額撥付。

於截至2022年12月31日止年度，18,111,000股購回股份被註銷。

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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(c) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

26 資本、儲備及股息(續)

(c) 股息

(i) 年內應付本公司權益股東股息

| | | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 |
|---|-------------------------------------|------------------------------------|------------------------------------|
| Interim dividend of HKD0.15 per ordinary share declared and paid after the interim period (2022: Nil) | 中期期間後宣派及支付的中期股息每股普通股0.15港元(2022年：無) | 109,068 | - |
| Final dividend proposed after the end of the year of HKD0.30 per ordinary share (2022: HKD0.30) | 年末後建議的末期股息每股普通股0.30港元(2022年：0.30港元) | 221,122 | 208,065 |
| | | 330,190 | 208,065 |

The final dividend proposed after the end of the year have not been recognised as liabilities as at the end of the year.

於年末，年末後建議的末期股息尚未確認為負債。

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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(c) Dividends (Continued)

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

26 資本、儲備及股息(續)

(c) 股息(續)

(ii) 歸屬於上一財政年度但於本年度批准及派付的應付本公司權益股東的股息

| | | 2023 | 2022 |
|---|--|-----------------|----------|
| | | 2023年 | 2022年 |
| | | RMB' 000 | RMB' 000 |
| | | 人民幣千元 | 人民幣千元 |
| Final dividend in respect of the previous financial year, approved and paid during the year of HKD0.30 per ordinary share (2022: HKD0.20) | 上一財政年度末期股息，已於年內獲批准及支付每股普通股0.30港元(2022年：0.20港元) | 208,065 | 128,691 |
| Less: Dividends for Buy-back Shares | 減：就購回股份支付的股息 | - | (1,199) |
| | | 208,065 | 127,492 |

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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(d) Share capital

(i) Issued share capital

26 資本、儲備及股息(續)

(d) 股本

(i) 已發行股本

| | | Number of shares 股份數目 '000 千股 | Nominal value of fully paid shares 繳足股份面值 HKD'000 千港元 | Nominal value of fully paid shares 繳足股份面值 RMB'000 人民幣千元 |
|--|-------------------------------|---|---|---|
| Ordinary shares, issued and fully paid: | 已發行及繳足普通股 | | | |
| As at 1 January 2022 | 於2022年1月1日 | 824,218 | 82,422 | 64,800 |
| Cancellation of repurchased shares during the year (note 26(b)) | 年內註銷回購股份(附註26(b)) | (18,111) | (1,811) | (1,424) |
| Shares issued due to exercise of Share Option Scheme (ii) | 因購股權計劃行權而發行的股份(ii) | 866 | 87 | 74 |
| As at 31 December 2022 and 1 January 2023 | 於2022年12月31日及2023年1月1日 | 806,973 | 80,698 | 63,450 |
| Shares issued due to exercise of Share Option Scheme (ii) | 因購股權計劃行權而發行的股份(ii) | 4,044 | 404 | 362 |
| As at 31 December 2023 | 於2023年12月31日 | 811,017 | 81,102 | 63,812 |

The ordinary shares of the Company have a par value of HKD0.10 per share.

本公司普通股面值為每股0.10港元。

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the company's residual assets.

普通股持有人有權收取不時宣派的股息，並有權於本公司會議上以每股一票進行表決。所有普通股就本公司的剩餘資產而言具有同等地位。

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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(d) Share capital (Continued)

(ii) Shares issued due to exercise of Share Option Scheme

During 2023, share options were exercised to subscribe for a total of 4,044,000 (2022: 866,000) ordinary shares in the Company at a consideration of HKD15,872,000 (equivalent to approximately RMB14,202,000) (2022: HKD3,171,000 (equivalent to approximately RMB2,638,000)), of which RMB362,000 and RMB13,840,000 (2022: RMB74,000 and RMB2,564,000) were credited to share capital and the share premium account respectively. RMB4,305,000 (2022: RMB639,000) was transferred from the capital reserve to the share premium account.

(e) Nature and purpose of reserves

(i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

26 資本、儲備及股息(續)

(d) 股本(續)

(ii) 因購股權計劃行權而發行的股份

2023年，購股權獲行使以認購合共4,044,000股(2022年：866,000股)本公司普通股，代價為15,872,000港元(相當於約人民幣14,202,000元)(2022年：3,171,000港元(相當於約人民幣2,638,000元))，其中人民幣362,000元及人民幣13,840,000元(2022年：人民幣74,000元及人民幣2,564,000元)分別計入股本及股份溢價賬。人民幣4,305,000元(2022年：人民幣639,000元)由資本儲備轉撥至股份溢價賬。

(e) 儲備的性質及用途

(i) 股份溢價

股份溢價指本公司股份面值與自發行本公司股份收取的所得款項之間的差額。

根據開曼群島公司法(經修訂)，本公司股份溢價賬中的資金可供分派予本公司股東，惟緊隨建議分派股息當日後，本公司將須有能力償還其於日常業務過程中到期的債務。

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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(e) Nature and purpose of reserves (Continued)

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial information of operations with functional currency other than RMB.

(iii) Capital reserve

The capital reserve represents (a) the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in note 1(r)(ii); and (b) the difference between the consideration paid by NCI and the proportion of the carrying amount of the net assets/liabilities of the subsidiary attributable to the ownership interest being disposed of.

26 資本、儲備及股息(續)

(e) 儲備的性質及用途(續)

(ii) 匯兌儲備

匯兌儲備包括換算以人民幣以外的功能貨幣列值的業務的財務資料所產生的所有外匯差額。

(iii) 資本儲備

資本儲備指(a)按照附註1(r)(ii)就以股份為基礎的付款所採納之會計政策，就授予本公司僱員的未行使購股權已確認的授出日期公允值之部份；及(b)由非控股權益所付代價與所出售所有權權益應佔附屬公司淨資產／負債賬面值之部份之差額。



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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(e) Nature and purpose of reserves (Continued)

(iv) Other reserves

The other reserves of the Group represent the difference between (a) the nominal value of share capital of Guangzhou Consun; and (b) the nominal value of the shares issued by the Company in exchange under the reorganisation of the Group completed on 24 December 2012.

The other reserves of the Company represent the difference between (a) the consolidated net assets of the subsidiaries acquired; and (b) the nominal value of the shares issued by the Company in exchange under the reorganisation of the Group on 24 December 2012.

26 資本、儲備及股息(續)

(e) 儲備的性質及用途(續)

(iv) 其他儲備

本集團的其他儲備是指下列兩者之間的差額：(a)廣州康臣的股本面值；及(b)本公司根據於2012年12月24日完成的本集團重組所發行用作交換的股份面值。

本公司的其他儲備是指下列兩者之間的差額：(a)所收購附屬公司的綜合資產淨值；及(b)本公司根據於2012年12月24日的本集團重組所發行用作交換的股份面值。

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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(e) Nature and purpose of reserves (Continued)

(v) Chinese Mainland statutory reserves

Pursuant to the articles of association of the Group's Chinese Mainland subsidiaries now comprising the Group, appropriations to the PRC statutory reserves were made at a certain percentage of profit after taxation determined in accordance with the accounting rules and regulations of Chinese Mainland, until the PRC statutory reserves was equal to 50% of the entity's registered capital. The percentage for this appropriation was decided by the directors of the respective subsidiaries. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the subsidiaries and is non-distributable other than in liquidation.

During 2023, Yulin Pharmaceutical and Yuming Chinese Traditional Medicine appropriated 10% of its net profit to the PRC statutory reserves. The PRC statutory reserves balances of Guangzhou Consun, Horgos Consun and Inner Mongolia Consun had reached 50% of their registered capital, and no further appropriation was made for the year ended 31 December 2023. Other Chinese Mainland subsidiaries of the Group had made losses during 2023 or had accumulated losses, no appropriation was made accordingly.

26 資本、儲備及股息(續)

(e) 儲備的性質及用途(續)

(v) 中國大陸法定儲備

根據本集團現時旗下各中國大陸附屬公司的組織章程細則，本集團已按照中國大陸會計規則及法規釐定的除稅後溢利的某個百分比向中國法定儲備作出撥款，直至中國法定儲備相等於實體註冊資本的50%。該撥款的百分比由相關附屬公司的董事釐定。該儲備金可用於抵銷附屬公司的累計虧損或增資，惟不可用於分派（清盤除外）。

於2023年，玉林製藥及玉銘中藥將其純利的10%分配到中國法定儲備。廣州康臣、霍爾果斯康臣及內蒙古康臣的中國法定儲備結餘已達致其註冊資本的50%，因而於截至2023年12月31日止年度並無作出進一步撥款。本集團的其他中國大陸附屬公司於2023年錄得虧損或累計虧損，故並無作出撥款。



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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(f) Distributability of reserves

As at 31 December 2023, the aggregate amount of distributable reserves of the Company, calculated in accordance with the Companies Law of the Cayman Islands, amounted to RMB916,186,000 (2022: RMB812,046,000).

(g) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings) plus unaccrued proposed dividends, less cash and cash equivalents and deposits with banks with original maturity date over three months. Adjusted capital comprises all components of equity.

26 資本、儲備及股息(續)

(f) 可供分派儲備

於2023年12月31日，本公司根據開曼群島公司法計算的可供分派儲備總額為人民幣916,186,000元(2022年：人民幣812,046,000元)。

(g) 資本管理

本集團管理資本的主要目的是維護其持續經營的能力，從而使其能夠透過按相應的風險水平為產品及服務定價，以及憑藉以合理成本取得融資而繼續為股東提供回報，並為其他利益相關者提供利益。

本集團積極定期檢討及管理其資本結構，以維持較高借貸水平可能帶來的較高股東回報與穩健資本狀況所帶來的優勢及安全之間的平衡，並根據經濟情況變化對資本結構進行調整。

本集團按照經調整淨債務與資本比率監察其資本架構。就此而言，經調整淨債務乃界定為總債務(包括計息貸款及借款)加未計擬派股息再減去現金及現金等值項目以及原到期日超過三個月的銀行存款。經調整資本包括權益的所有組成部份。

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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(g) Capital management (Continued)

During 2023, the Group's strategy, which was unchanged from 2022, was to maintain the debt-to-equity ratio at a level considered reasonable by the Group's management from time to time with reference to the prevailing market conditions. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to equity shareholders, issue new shares or raise new debt financing.

As at 31 December 2023, the Group presented adjusted net asset, thus net debt-to-capital ratio was not calculated. The Group's adjusted net asset at 31 December 2023 was as follows:

26 資本、儲備及股息(續)

(g) 資本管理(續)

於2023年內，本集團的策略(自2022年起維持不變)旨在將債務與股權比率維持於本集團管理層不時參考當前市況而認為合理的水平。為了維持或調整比率，本集團可能會調整派付予權益股東的股息金額、發行新股或籌募新債務融資。

於2023年12月31日，本集團呈列了經調整資產淨值，因此並無計算淨債務與資本比率。本集團於2023年12月31日的經調整資產淨值如下：

| | | Note 附註 | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB' 000 人民幣千元 |
|---|------------------------|------------|------------------------------------|------------------------------------|
| Current liabilities: | 流動負債： | | | |
| – Bank loans | – 銀行貸款 | 21 | 503,418 | 450,521 |
| – Lease liabilities | – 租賃負債 | 22 | 4,218 | 3,708 |
| Non-current liabilities: | 非流動負債： | | | |
| – Lease liabilities | – 租賃負債 | 22 | 3,898 | 5,947 |
| Total debt | 總債務 | | 511,534 | 460,176 |
| Add: Proposed dividends | 加：擬派股息 | 26(c) | 221,122 | 208,065 |
| Less: Cash and cash equivalents | 減：現金及現金 等值項目 | 19 | (2,748,262) | (2,450,173) |
| Deposits with banks with original maturity date over three months | 原到期日超過 三個月的 銀行存款 | | (834,942) | (589,172) |
| Adjusted net asset | 經調整資產淨值 | | 2,850,548 | 2,371,104 |

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26 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(g) Capital management (Continued)

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements, except that banking facilities granted to certain subsidiaries are subject to the fulfilment of covenants relating to the subsidiaries' balance sheet ratios (note 21). The Group will actively and regularly monitor its compliance to such covenants.

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and other debtors. The Group's exposure to credit risk arising from cash and cash equivalents, bills receivable and interest receivables is limited because the counterparties are banks and financial institutions, for which the Group considers to represent low credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

26 資本、儲備及股息(續)

(g) 資本管理(續)

本公司及其任何附屬公司概不受限於外部施加的資本要求，惟授予若干附屬公司的銀行融資須履行與該等附屬公司資本負債表比率有關的契諾(附註21)。本集團將積極及定期監控其遵守該等契諾的情況。

27 財務風險管理及金融工具的公允值

本集團須面對於日常業務過程中產生的信貸、流動資金、利率及貨幣風險。本集團所面對的該等風險及本集團用以管理該等風險的財務風險管理政策及慣例載述如下。

(a) 信貸風險

信貸風險指交易對手未履行其合約責任而導致本集團產生財務損失的風險。本集團的信貸風險主要來自貿易應收款項及其他應收賬款。本集團自現金及現金等值項目、應收票據及應收利息所產生的信貸風險有限，因為交易對手為銀行及金融機構，本集團認為其信貸風險偏低。管理層制定了信貸政策，並對該等信貸風險進行持續監控。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(a) Credit risk (Continued)

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30-90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group's trade receivables mainly derive from sales of goods to distributors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 34% (2022: 32%), 15% (2022: 20%) and 71% (2022: 74%) of the total trade receivables was due from the Group's largest customer, the second largest customer and the five largest customers respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs.

For the credit-impaired trade receivables, the loss allowances are assessed individually. As at 31 December 2023, there was no credit-impaired trade receivables (2022: RMB7,230,000), against which no loss allowance was recognised (2022: RMB7,230,000). For the remaining trade receivables, the loss allowances are calculated using a provision matrix. As of 31 December 2023, the Group segments its trade receivables based on business segments, due to different loss pattern experienced in the different businesses.

27 財務風險管理及金融工具的公允價值 (續)

(a) 信貸風險 (續)

貿易應收款項

本集團已設立信貸風險管理政策，據此對所有要求授予一定金額信貸的客戶進行個別信貸評估。該等評估著重客戶過往到期還款記錄以及當前的支付能力，並會考慮關於客戶以及客戶經營所處經濟環境的特定資料。貿易應收款項自發出賬單日期起計30-90日內到期。一般而言，本集團不會收取客戶提供的抵押品。

本集團的貿易應收款項主要來自向經銷商銷售貨品。本集團的信貸風險主要受每名客戶的個別特性所影響，而非客戶營運所在行業或國家，因此重大信貸集中風險主要於本集團面臨個別客戶的重大風險時產生。於報告期末，貿易應收款項總額中分別有34% (2022年：32%)、15% (2022年：20%)及71% (2022年：74%)來自本集團最大客戶、第二大客戶及五大客戶。

本集團以與整個存續期的預期信貸虧損相等的金額計量貿易應收款項的虧損撥備。

就信貸減值的貿易應收款項而言，虧損撥備乃單獨評估。於2023年12月31日，概無信貸減值的貿易應收款項 (2022年：人民幣7,230,000元)，就此概無已確認虧損撥備 (2022年：人民幣7,230,000元)。就餘下的貿易應收款項而言，虧損撥備則利用撥備矩陣計算得出。截至2023年12月31日，由於不同業務經歷不同虧損模式，本集團按業務分部將其貿易應收款項進行了劃分。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

The following tables provide information about the Group's exposure to credit risk and ECLs for trade receivables:

27 財務風險管理及金融工具的公允價值 (續)

(a) 信貸風險 (續)

貿易應收款項 (續)

下表提供有關本集團信貸風險以及貿易應收款項的預期信貸虧損的資料：

| | | 2023 | | |
|-------------------------------|------------|-----------|----------|-----------|
| | | 2023年 | | |
| | | Expected | Gross | Loss |
| | | loss rate | carrying | allowance |
| | | 預期損失率 | 賬面總值 | 虧損撥備 |
| | | % | RMB' 000 | RMB' 000 |
| | | % | 人民幣千元 | 人民幣千元 |
| Consun Pharmaceutical Segment | 康臣藥業分部 | | | |
| Current (not past due) | 即期 (並無逾期) | 0.43% | 20,227 | (86) |
| 1 – 90 days past due | 逾期1至90日 | 18.85% | 2,218 | (418) |
| More than 90 days past due | 逾期90日以上 | 46.24% | 1,529 | (707) |
| | | | 23,974 | (1,211) |
| Yulin Pharmaceutical Segment | 玉林製藥分部 | | | |
| Current (not past due) | 即期 (並無逾期) | 0.66% | 118,638 | (780) |
| 1 – 180 days past due | 逾期1至180日 | 5.04% | 13,454 | (678) |
| 181 – 365 days past due | 逾期181至365日 | 9.88% | 13,835 | (1,367) |
| 1 – 1.5 years past due | 逾期1至1.5年 | 17.24% | 24,494 | (4,223) |
| 1.5 – 2 years past due | 逾期1.5至2年 | 27.45% | 11,129 | (3,055) |
| More than 2 years past due | 逾期2年以上 | 46.97% | 1,618 | (760) |
| | | | 183,168 | (10,863) |

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

| | | 2022 2022年 | | |
|---|------------|-------------------------------------|---|---|
| | | Expected loss rate 預期損失率 % | Gross carrying amount 賬面總值 RMB'000 人民幣千元 | Loss allowance 虧損撥備 RMB'000 人民幣千元 |
| Current (not past due) | 即期(並無逾期) | 1.00% | 97,604 | (976) |
| 1 – 90 days past due | 逾期1至90日 | 2.00% | 7,633 | (153) |
| 91 – 180 days past due | 逾期91至180日 | 4.50% | 27,493 | (1,237) |
| 181 – 365 days past due | 逾期181至365日 | 8.00% | 26,475 | (2,118) |
| 1 – 2 years past due | 逾期1至2年 | 19.00% | 10,186 | (1,952) |
| 2 – 3 years past due | 逾期2至3年 | 50.00% | 564 | (282) |
| More than 360 days past due | 逾期360日以上 | 100.00% | 26,178 | (26,178) |
| | | | 196,133 | (32,896) |
| Credit – impaired assessed individually | 單獨評估的信貸減值 | 100.00% | 7,230 | (7,230) |
| | | | 203,363 | (40,126) |

Expected loss rates are based on actual loss experience over the past 2 years for Consun Pharmaceutical Segment and 3 years for Yulin Pharmaceutical Segment.

康臣藥業分部及玉林製藥分部的預期損失率乃分別根據過去2年及過去3年的實際虧損經驗計算得出。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

| | | 2023 | | | 2022 |
|----------------------------|------------|----------|----------|----------|----------|
| | | 2023年 | | | 2022年 |
| | | Consun | Yulin | Total | Total |
| | | 康臣 | 玉林 | 總計 | 總計 |
| | | 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 |
| Balance at 1 January | 於1月1日的結餘 | 7,725 | 32,401 | 40,126 | 80,041 |
| Amounts written off | 撇銷金額 | - | (12,727) | (12,727) | (7,422) |
| Impairment losses reversed | 減值虧損撥回 | (6,514) | (8,811) | (15,325) | (32,493) |
| Balance at 31 December | 於12月31日的結餘 | 1,211 | 10,863 | 12,074 | 40,126 |

Other debtors

Other debtors were reviewed at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements, and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

27 財務風險管理及金融工具的公允價值 (續)

(a) 信貸風險 (續)

貿易應收款項 (續)

年內貿易應收款項的虧損撥備賬目變動如下：

| | | 2023 | | | 2022 |
|----------------------------|------------|----------|----------|----------|----------|
| | | 2023年 | | | 2022年 |
| | | Consun | Yulin | Total | Total |
| | | 康臣 | 玉林 | 總計 | 總計 |
| | | 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 |
| Balance at 1 January | 於1月1日的結餘 | 7,725 | 32,401 | 40,126 | 80,041 |
| Amounts written off | 撇銷金額 | - | (12,727) | (12,727) | (7,422) |
| Impairment losses reversed | 減值虧損撥回 | (6,514) | (8,811) | (15,325) | (32,493) |
| Balance at 31 December | 於12月31日的結餘 | 1,211 | 10,863 | 12,074 | 40,126 |

其他應收賬款

其他應收賬款於報告期末進行檢討，以確保已就不可收回金額作出足夠的減值虧損。

(b) 流動資金風險

本集團內個別經營實體負責各自之現金管理，包括將現金盈餘作短期投資及籌措貸款以應付預期現金需要，惟如借款超出若干預定授權水平，則須獲本公司董事局之批准方可作實。本集團之政策為定期監管流動資金需要及其遵守放貸契諾的情況，確保維持足夠現金儲備與可隨時變現的有價證券，並有來自大型金融機構之充足承諾融資額度，以應付長短期流動資金需求。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(b) Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

27 財務風險管理及金融工具的公允值 (續)

(b) 流動資金風險 (續)

下表列明本集團的非衍生金融負債及衍生金融負債於報告期末的剩餘合約期，乃根據合約未折現現金流（包括按合約利率或（如為浮息）按報告期末的現行利率計算的利息付款）及本集團須支付的最早日期呈列：

| | | 2023 | | | 2023年 | |
|--------------------------|-----------|---------------------------------------|------------|----------|-----------|-----------|
| | | Contractual undiscounted cash outflow | | | 合約未折現現金流出 | |
| | | More than | More than | | | |
| | | 1 year but | 2 year but | | | |
| | | less than | less than | | | |
| | | 2 years | 5 years | | | |
| | | on demand | | Total | Carrying | amount |
| | | 1年內或 | 超過1年 | 總計 | 賬面值 | |
| | | 按要求 | 但少於2年 | 但少於5年 | | |
| | | 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 |
| Bank loans | 銀行貸款 | 521,418 | - | - | 521,418 | 503,418 |
| Lease liabilities | 租賃負債 | 4,506 | 3,786 | 366 | 8,658 | 8,116 |
| Trade and other payables | 貿易及其他應付款項 | 841,762 | - | - | 841,762 | 841,762 |
| | | 1,367,686 | 3,786 | 366 | 1,371,838 | 1,353,296 |

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(b) Liquidity risk (Continued)

| | | 2022 2022年 | | | | |
|--------------------------|-----------|--|--|--|------------------|---------------------------|
| | | Contractual undiscounted cash outflow 合約未折現現金流出 | | | | |
| | | Within 1 year or 1年內或 按要求 | More than 1 year but less than 2 years 超過1年 但少於2年 | More than 2 year but less than 5 years 超過2年 但少於5年 | Total 總計 | Carrying amount 賬面值 |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Bank loans | 銀行貸款 | 462,255 | - | - | 462,255 | 450,521 |
| Lease liabilities | 租賃負債 | 3,492 | 3,492 | 3,602 | 10,586 | 9,655 |
| Trade and other payables | 貿易及其他應付款項 | 823,395 | - | - | 823,395 | 823,395 |
| | | 1,289,142 | 3,492 | 3,602 | 1,296,236 | 1,283,571 |

As shown in the above analysis, bank loans and related interest expense of the Group amounting to RMB521,418,000 were due to be repaid during 2023. The short-term liquidity risk inherent in this contractual maturity date was not significantly changed after the reporting period.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group does not account for any fixed-rate financial instruments at fair value through profit or loss at the end of each reporting periods. Therefore, interest-bearing financial instruments at fixed rates do not expose the Group to fair value interest rate risk. The Group's interest rate risk arises primarily from cash and cash equivalents and bank loans at variable rates, which exposes the Group to cash flow interest rate risk. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The Group does not enter into financial derivatives to hedge interest rate risk.

27 財務風險管理及金融工具的公允價值 (續)

(b) 流動資金風險 (續)

| | | 2022 2022年 | | | | |
|--------------------------|-----------|--|--|--|------------------|---------------------------|
| | | Contractual undiscounted cash outflow 合約未折現現金流出 | | | | |
| | | Within 1 year or 1年內或 按要求 | More than 1 year but less than 2 years 超過1年 但少於2年 | More than 2 year but less than 5 years 超過2年 但少於5年 | Total 總計 | Carrying amount 賬面值 |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Bank loans | 銀行貸款 | 462,255 | - | - | 462,255 | 450,521 |
| Lease liabilities | 租賃負債 | 3,492 | 3,492 | 3,602 | 10,586 | 9,655 |
| Trade and other payables | 貿易及其他應付款項 | 823,395 | - | - | 823,395 | 823,395 |
| | | 1,289,142 | 3,492 | 3,602 | 1,296,236 | 1,283,571 |

誠如上文分析所示，本集團為數人民幣521,418,000元的銀行貸款及相關利息開支須於2023年內到期償還。本合約到期日固有的短期流動資金風險於報告期後並無重大變動。

(c) 利率風險

利率風險為一項金融工具的公允價值或未來現金流因市場利率變動而波動所帶來的風險。本集團並無於各報告期末將任何按公允價值計入損益計量的固定利率金融工具入賬。因此，固定利率的計息金融工具並不會令本集團須承受公允價值利率風險。本集團的利率風險主要來自現金及現金等值項目以及按浮動利率計息的銀行貸款，兩者均令本集團須承受現金流利率風險。本集團根據現時市況釐定定息及浮息計息工具的適當權重並對此進行定期檢討及監察，以達至適當的固定利率及浮動利率風險組合。本集團並無訂立衍生金融工具以對沖利率風險。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(c) Interest rate risk (Continued)

(i) Interest rate risk profile

The following table, details the interest rate risk profile of the Group's interest-bearing borrowings at the end of the reporting period.

| | | 2023 2023年 | | 2022 2022年 | |
|---|--------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | | Effective interest rates 實際利率 | Amount 金額 RMB'000 人民幣千元 | Effective interest rates 實際利率 | Amount 金額 RMB'000 人民幣千元 |
| Fixed rate borrowings: | 定息借款： | | | | |
| Lease liabilities | 租賃負債 | 4.75% | 8,116 | 4.75% | 9,655 |
| Bank loans | 銀行貸款 | 3.15%-3.40% | 150,000 | 0.65%-3.65% | 120,000 |
| | | | 158,116 | | 129,655 |
| Variable rate borrowings: | 浮息借款： | | | | |
| Bank loans | 銀行貸款 | 3.52%-6.86% | 353,418 | 1.34%-6.22% | 330,521 |
| Fixed rate borrowings as a percentage of total borrowings | 定息借款佔總借款的百分比 | | 31% | | 28% |

27 財務風險管理及金融工具的公允值 (續)

(c) 利率風險 (續)

(i) 利率風險概況

下表詳列本集團於報告期末計息借款的利率風險概況。

Notes to the Consolidated Financial Statements

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(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 December 2023, it is estimated that a general increase/decrease of 200 basis points (2022: 200 basis points) in interest rates, with all other variable held constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately RMB7,068,000 (2022: RMB6,610,000).

27 財務風險管理及金融工具的公允值 (續)

(c) 利率風險(續)

(ii) 敏感度分析

於2023年12月31日，估計利率整體上調／下調200個基點（2022年：200個基點），而所有其他變數維持不變，本集團的除稅後溢利及保留溢利將減少／增加約人民幣7,068,000元（2022年：人民幣6,610,000元）。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) Currency risk

As the Group's principal activities are carried out in Chinese Mainland, the Group's transactions are mainly denominated in Renminbi, which is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China or other institutions authorised to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The Group is exposed to currency risk primarily arising from cash at bank and bank loans that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars and United States dollars.

27 財務風險管理及金融工具的公允值 (續)

(d) 貨幣風險

由於本集團的主要業務在中國大陸進行，本集團的交易主要以人民幣計值，而人民幣不可自由兌換為外幣。所有涉及人民幣的外匯交易必須透過中國人民銀行或其他獲批准買賣外匯的機構進行。外匯交易採用的匯率乃中國人民銀行所報的匯率，該匯率主要按供求釐定。

本集團面臨的貨幣風險主要來自以外幣計值的銀行現金存款及銀行貸款，即與交易相關但並非經營業務的功能貨幣的貨幣。引起此種風險的貨幣主要為港元及美元。



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綜合財務報表附註

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

27 財務風險管理及金融工具的公允價值 (續)

(d) 貨幣風險 (續)

(i) 面對的貨幣風險

下表詳列本集團於報告期末所承受的貨幣風險，該等貨幣風險乃因為以實體功能貨幣以外的相關貨幣列值的已確認資產或負債而產生。就呈報而言，風險承擔額以人民幣列示，並以年結日的即期匯率換算。由於將海外業務之財務報表換算成本集團呈報貨幣而產生的差額已經剔除。

Exposure to foreign currencies
(expressed in Renminbi)
外幣風險
(以人民幣列示)

| | | 2023 2023年 | | 2022 2022年 | |
|---|---------------|--|--|--|--|
| | | Hong Kong Dollars 港元 RMB'000 人民幣千元 | United States Dollars 美元 RMB'000 人民幣千元 | Hong Kong Dollars 港元 RMB'000 人民幣千元 | United States Dollars 美元 RMB'000 人民幣千元 |
| Cash and cash equivalents | 現金及現金等值項目 | 50,381 | 1,159 | 250,013 | 1,450 |
| Bank loans | 銀行貸款 | (353,418) | - | (330,521) | - |
| Exposure arising from recognised assets and liabilities | 已確認資產及負債產生的風險 | (303,037) | 1,159 | (80,508) | 1,450 |

Notes to the Consolidated Financial Statements 綜合財務報表附註

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

| | | 2023 2023年 | | 2022 2022年 | |
|-----------------------|----|--|--|--|--|
| | | Increase in foreign exchange rate | Effect on profit after tax and retained profit 對除稅後溢利 及保留溢利 的影響 | Increase in foreign exchange rate | Effect on profit after tax and retained profit 對除稅後溢利 及保留溢利 的影響 |
| Hong Kong Dollars | 港元 | 10% | (30,304) | 10% | (8,051) |
| United States Dollars | 美元 | 10% | 116 | 10% | 145 |

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

上表呈列的分析結果指對本集團實體以各自的功能貨幣計量的除稅後溢利及權益的合計即時影響，並就呈列目的按報告期末的匯率換算為人民幣。

27 財務風險管理及金融工具的公允值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析

下表顯示倘本集團於報告期末有重大風險承擔的匯率於該日有所變動，並假設所有其他風險變數維持不變，本集團的除稅後溢利及保留溢利可能出現之即時變動。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) Currency risk *(Continued)*

(ii) Sensitivity analysis *(Continued)*

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2022.

27 財務風險管理及金融工具的公允價值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析 (續)

敏感度分析假設匯率變動經已應用以重新計量本集團所持有並於報告期末使本集團面臨外幣風險的金融工具。分析並不包括換算海外業務財務報表至本集團呈列貨幣所產生之差額。該分析乃按與2022年相同的基準進行。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(e) Fair value measurement

(i) **Financial assets and liabilities measured at fair value**

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- 第一級估值：僅使用第一級輸入數據（即於計量日期相同資產或負債於活躍市場的未經調整報價）計量的公允值
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- 第二級估值：使用第二級輸入數據（即未能達到第一級的可觀察輸入數據）且並非使用重大不可觀察輸入數據計量的公允值。不可觀察輸入數據為無法取得市場數據的輸入數據
- Level 3 valuations: Fair value measured using significant unobservable inputs
- 第三級估值：使用重大不可觀察輸入數據計量的公允值

The Group has a team headed by the finance manager performing valuations for the financial instruments which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the management at each interim and annual reporting date.

27 財務風險管理及金融工具的公允值 (續)

(e) 公允值計量

(i) **按公允值計量的金融資產及負債**

公允值層級

下表呈列本集團於報告期末按經常性基準計量的金融工具公允值，有關公允值於香港財務報告準則第13號「公允值計量」所界定的公允值三級架構中進行分類。公允值所歸類的層級乃經參考以下估值方法所用的輸入數據的可觀察性及重要性而釐定：

本集團設有以財務經理為首的團隊，為被分類為公允值層級第三級的金融工具進行估值。該團隊直接向財務總監及審核委員會匯報。管理層將於各中期及年度報告日期編製附有公允值計量變動分析的估值報告。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

27 財務風險管理及金融工具的公允價值 (續)

(e) 公允價值計量 (續)

(i) 按公允價值計量的金融資產及負債 (續)

公允價值層級 (續)

| | | Fair value at 31 December 2023 於2023年 12月31日 的公允價值 RMB'000 人民幣千元 | Fair value measurements as at 31 December 2023 categorised into 於2023年12月31日公允價值計量分為 | | |
|---|------------------|---|--|------------------------------------|------------------------------------|
| | | | Level 1 第一級 RMB'000 人民幣千元 | Level 2 第二級 RMB'000 人民幣千元 | Level 3 第三級 RMB'000 人民幣千元 |
| Recurring fair value measurement | 經常性公允價值計量 | | | | |
| Financial asset: | 金融資產： | | | | |
| Unlisted investment fund | 非上市投資基金 | 9,230 | - | 9,230 | - |
| | | | | | |
| | | Fair value at 31 December 2022 於2022年 12月31日 的公允價值 RMB'000 人民幣千元 | Fair value measurements as at 31 December 2022 categorised into 於2022年12月31日公允價值計量分為 | | |
| | | | Level 1 第一級 RMB'000 人民幣千元 | Level 2 第二級 RMB'000 人民幣千元 | Level 3 第三級 RMB'000 人民幣千元 |
| Recurring fair value measurement | 經常性公允價值計量 | | | | |
| Financial asset: | 金融資產： | | | | |
| Unlisted investment fund | 非上市投資基金 | 6,500 | - | 6,500 | - |

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2023年及2022年12月31日止年度，第一級與第二級之間並無轉撥，亦無向第三級轉入或轉出。本集團的政策是於公允價值層級之間出現轉撥的報告期末確認有關轉撥。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of unlisted investment fund included in Level 2 is determined based on recent market transaction.

(ii) Fair value of other financial assets and liabilities carried at other than fair value

The carrying amount of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair value as at 31 December 2022 and 2023.

27 財務風險管理及金融工具的公允價值 (續)

(e) 公允價值計量 (續)

(i) 按公允價值計量的金融資產及負債 (續)

公允價值層級 (續)

第二級公允價值計量所用的估值方法及輸入數據

計入第二級的非上市投資基金的公允價值乃按近期市場交易釐定。

(ii) 以公允價值以外方式列賬的其他金融資產及負債公允價值

本集團按成本或攤銷成本列賬的金融工具賬面值與其於2022年及2023年12月31日的公允價值並無重大差異。

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28 CAPITAL COMMITMENTS

Commitments outstanding as at 31 December 2023 not provided for in the consolidated financial statements were as follows:

| | | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|--------------------|------------------------------------|-----------------------------------|
| Contracted for acquisition of property, machinery and equipment | 就收購物業、機器及設備已訂約 | 155,070 | 130,299 |
| Authorised but not contracted for acquisition of property, machinery and equipment | 就收購物業、機器及設備已批准但未訂約 | 377,833 | 320,459 |
| Total | 總值 | 532,903 | 450,758 |

28 資本承擔

於2023年12月31日並未在綜合財務報表撥備的未履行承擔如下：

29 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

| | | 2023 2023年 RMB' 000 人民幣千元 | 2022 2022年 RMB'000 人民幣千元 |
|--|-----------------|------------------------------------|-----------------------------------|
| Salaries and other benefits | 薪金及其他福利 | 48,865 | 45,360 |
| Contributions to defined contribution retirement schemes | 界定供款退休計劃供款 | 167 | 160 |
| Equity settled share-based transactions | 以股權結算並以股份為基礎的交易 | - | 766 |
| | | 49,032 | 46,286 |

Total remuneration is included in "staff costs" (see note 5(b)).

None of the above related party transactions falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

29 重大關聯方交易

(a) 主要管理人員酬金

本集團主要管理人員的酬金，包括向本公司董事支付的款項（如附註7所披露）以及向若干最高薪僱員支付的款項（如附註8所披露）載列如下：

總酬金計入「員工成本」內（見附註5(b)）。

概無上述關聯方交易屬上市規則第14A章所界定的關連交易或持續關連交易。

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29 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(b) Related parties transactions

During the year, the Group entered into the following material related party transactions:

29 重大關聯方交易 (續)

(b) 關聯方交易

年內，本集團訂立以下重大關聯方交易：

| | | 2023 | 2022 |
|---|--------------------|-----------------|----------|
| | | 2023年 | 2022年 |
| | | RMB' 000 | RMB' 000 |
| | | 人民幣千元 | 人民幣千元 |
| Salaries and other benefits paid to close family members of directors of the Company | 向本公司董事近親支付的薪金及其他福利 | 5,517 | 5,129 |
| Purchase of services from an entity controlled by a director of the Company | 向本公司董事控制的實體購買服務 | 306 | 33 |
| Lease payment to a close family member of a director of the Company | 向本公司董事近親作出租賃付款 | 290 | 288 |
| Purchase of goods from an entity controlled by a close family member of a director of the Company | 向本公司董事近親控制的實體購買貨品 | 140 | 111 |
| | | 6,253 | 5,561 |

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29 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(c) Balance with related parties

As at 31 December 2023, the Group had the following balances with related parties:

Amounts due from related parties

| | | 2023 | 2022 |
|---|-----------------|-----------------|----------|
| | | 2023年 | 2022年 |
| | | RMB' 000 | RMB' 000 |
| | | 人民幣千元 | 人民幣千元 |
| Amounts due from entities controlled by directors of the Company | 應收本公司董事控制的實體的款項 | 241 | 542 |
| Amounts due from a close family member of a director of the Company | 應收本公司董事近親的款項 | 185 | 180 |
| | | 426 | 722 |

(d) *Applicability of the Listing Rules relating to connected transactions*

The related party transactions above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. However those transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.76(1).

29 重大關聯方交易 (續)

(c) 與關聯方的結餘

於2023年12月31日，本集團與關聯方有以下結餘：

應收關聯方的款項

| | | 2023 | 2022 |
|---|-----------------|-----------------|----------|
| | | 2023年 | 2022年 |
| | | RMB' 000 | RMB' 000 |
| | | 人民幣千元 | 人民幣千元 |
| Amounts due from entities controlled by directors of the Company | 應收本公司董事控制的實體的款項 | 241 | 542 |
| Amounts due from a close family member of a director of the Company | 應收本公司董事近親的款項 | 185 | 180 |
| | | 426 | 722 |

(d) 與關連交易相關的上市規則的適用性

上述關聯方交易構成上市規則第14A章所界定的關連交易或持續關連交易。然而，由於低於第14A.76(1)條項下的最低豁免水平，故此該等交易獲豁免遵守上市規則第14A章的披露規定。

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30 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION 30 公司層面財務狀況表

| | | Note 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 | | | |
| Investments in subsidiaries | 於附屬公司的投資 | 14 | 342,444 | 342,444 |
| | | | 342,444 | 342,444 |
| Current assets | 流動資產 | | | |
| Trade and other receivables | 貿易及其他應收款項 | | 651,250 | 651,360 |
| Cash and cash equivalents | 現金及現金等值項目 | | 602,833 | 367,696 |
| | | | 1,254,083 | 1,019,056 |
| Current liabilities | 流動負債 | | | |
| Bank loans | 銀行貸款 | | 353,418 | 330,521 |
| Other payables | 其他應付款項 | | 263,111 | 155,483 |
| | | | 616,529 | 486,004 |
| Net current assets | 流動資產淨值 | | 637,554 | 533,052 |
| Total assets less current liabilities | 總資產減流動負債 | | 979,998 | 875,496 |
| Net assets | 資產淨值 | | 979,998 | 875,496 |
| Capital and reserves | 資本及儲備 | 26(a) | | |
| Share capital | 股本 | | 63,812 | 63,450 |
| Reserves | 儲備 | | 916,186 | 812,046 |
| Total equity | 總權益 | | 979,998 | 875,496 |

31 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in note 26(c).

31 報告期後未調整事項

於報告期結束後，董事建議宣派末期股息。進一步詳情已披露於附註26(c)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(以人民幣列示，除非另有註明)

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

32 截至2023年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響

截至刊發該等財務報表日期，香港會計師公會已頒佈於截至2023年12月31日止年度尚未生效且未於該等財務報表採納的多項新訂或經修訂準則。該等新訂或經修訂準則包括可能與本集團有關的下列各項。

| | Effective for accounting periods beginning on or after 於下列日期或以後開始 的會計期間生效 |
|---|--|
| Amendments to HKAS 1, Presentation of financial statements: Classification of liabilities as current or non-current (“2020 amendments”) 香港會計準則第1號(修訂本)·財務報表的呈報：負債分類為流動或非流動 (「2020年修訂本」) | 1 January 2024 2024年1月1日 |
| Amendments to HKAS 1, Presentation of financial statements: Non-current liabilities with covenants (“2022 amendments”) 香港會計準則第1號(修訂本)·財務報表的呈報：附帶契諾的非流動負債 (「2022年修訂本」) | 1 January 2024 2024年1月1日 |
| Amendments to HKFRS 16, Leases: Lease liability in a sale and leaseback 香港財務報告準則第16號(修訂本)·租賃：售後租回之租賃負債 | 1 January 2024 2024年1月1日 |
| Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements 香港會計準則第7號(修訂本)·現金流量表以及香港財務報告準則第7號， 金融工具：披露：供應商財務安排 | 1 January 2024 2024年1月1日 |
| Amendments to HKAS 21, The effects of changes in foreign exchange rates: Lack of exchangeability 香港會計準則第21號(修訂本)·外匯匯率變動的影響：缺乏可兌換性 | 1 January 2025 2025年1月1日 |

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團正在評估該等新訂或經修訂準則於初次應用期間預期產生的影響。現階段本集團的結論為採納該等新訂或經修訂準則不太可能對綜合財務報表構成重大影響。

Five-Year Financial Summary 五年財務摘要

| | | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-----------------|------------------|-----------|-----------|-----------|-----------|
| | | 2023年 | 2022年 | 2021年 | 2020年 | 2019年 |
| | | 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 |
| Revenue | 收入 | 2,590,115 | 2,339,650 | 2,044,660 | 1,752,830 | 1,728,256 |
| Gross Profit | 毛利 | 1,921,678 | 1,762,912 | 1,527,336 | 1,321,671 | 1,261,405 |
| Profit before taxation | 稅前溢利 | 863,703 | 746,393 | 695,861 | 583,736 | 133,663 |
| Income tax | 所得稅 | 77,149 | 62,696 | 108,744 | 101,993 | 70,541 |
| Profit for the year | 年內溢利 | 786,554 | 683,697 | 587,117 | 481,743 | 63,122 |
| Profit for the year attributable to equity shareholders of the Company | 本公司權益股東應佔年內溢利 | 784,534 | 682,907 | 590,172 | 498,788 | 79,820 |
| Earnings per share (expressed in RMB Yuan per share) | 每股盈利(以每股人民幣元列示) | | | | | |
| – basic | – 基本 | 0.99 | 0.86 | 0.74 | 0.61 | 0.09 |
| – diluted | – 攤薄 | 0.98 | 0.86 | 0.73 | 0.61 | 0.09 |
| Assets and liabilities | 資產及負債 | | | | | |
| Non-current assets | 非流動資產 | 1,229,914 | 1,269,709 | 1,306,909 | 1,291,556 | 1,298,438 |
| Current assets | 流動資產 | 4,278,080 | 3,622,671 | 3,055,829 | 2,658,697 | 2,409,648 |
| Current liabilities | 流動負債 | 1,494,996 | 1,350,488 | 1,357,407 | 1,331,863 | 1,296,294 |
| Non-current liabilities | 非流動負債 | 94,286 | 102,887 | 94,550 | 101,892 | 105,031 |
| Net assets | 資產淨值 | 3,918,712 | 3,439,005 | 2,910,781 | 2,516,498 | 2,306,761 |
| Capital and reserves | 資本及儲備 | | | | | |
| Share Capital | 股本 | 63,812 | 63,450 | 64,800 | 64,424 | 68,033 |
| Reserves | 儲備 | 3,562,691 | 3,081,689 | 2,552,905 | 2,155,943 | 1,926,051 |
| Total equity attributable to equity shareholders of the Company | 本公司權益股東應佔權益總額 | 3,626,503 | 3,145,139 | 2,617,705 | 2,220,367 | 1,994,084 |
| Non-controlling interests | 非控股權益 | 292,209 | 293,866 | 293,076 | 296,131 | 312,677 |
| Total equity | 總權益 | 3,918,712 | 3,439,005 | 2,910,781 | 2,516,498 | 2,306,761 |

The summary above does not form part of the audited consolidated financial statements.

以上摘要並不構成經審核綜合財務報表的組成部份。



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