



吉林省輝南長龍生化藥業股份有限公司

Jilin Province Huinan Changlong Bio-pharmacy Company Limited

(於中華人民共和國註冊成立之股份有限公司)

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code 股份代號 : 8049

2023

Annual Report 年報

注射用磷酸川芎

Ligustrazine Phosphate for Injection

20090228

吉林省輝南長龍生化藥業股份有限公司

国药准字 Z20030052

海昆肾喜胶囊

Hai Kun Shen Xi Jiao Nang

注射用盐酸头孢甲肟

Cefmanoxime Hydrochloride for Injection

20090228

吉林省輝南長龍生化藥業股份有限公司

复方活脑舒胶囊

FangHuoNaoShuJiaoN

吉林省輝南長龍生化藥業股份有限公司

国药准字H200

依达拉奉注射液

Edaravone Injection

血脉清片

XUE MAI QING PIAN

【功能主治】活血祛瘀，用于瘀血证的高脂血症。

吉林省輝南長龍生化藥業股份有限公司

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This annual report, for which the directors of Jilin Province Huinan Changlong Bio-pharmacy Company Limited and its subsidiaries (the “Group” and the “Directors”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this annual report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this annual report misleading.

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GEM的定位，乃為中小型公司提供的市場，此等公司相比起其他在聯交所主板上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於GEM上市公司普遍為中小型公司，在GEM買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在GEM買賣的證券會有高流通量的市場。

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本年度報告乃遵照聯交所GEM證券上市規則的規定而提供有關吉林省輝南長龍生化藥業股份有限公司及其附屬公司(「本集團」)的資料，本公司各董事(「董事」)願共同及個別對此負全責。董事經作出一切合理查詢後確認，就彼等所知及所信，本年度報告所載資料在所有重大方面均準確完整及並無誤導或欺詐成分，及概無遺漏其他事宜，致使本年度報告中任何聲明或本年度報告存在誤導成分。

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Hong (*Chairman*)
Mr. Zhang Xiao Guang
Mr. Zhao Bao Gang
Mr. Wu Guo Wen
Mr. Zhang Yi
Mr. Xu Xiang Fu

Independent Non-Executive Directors

Mr. Gao Qi Pin
Ms. Tian Jie
Mr. Bai Jun Gui

SUPERVISORS

Mr. Wang Ying Xu
Mr. Yan Li Yu
Ms. Qiao Xiao Chun

COMPLIANCE OFFICER

Mr. Zhang Hong

AUTHORIZED REPRESENTATIVES

Mr. Zhang Hong
Mr. Zhao Bao Gang

AUDITORS

Prism Hong Kong and Shanghai Limited
Certified Public Accountants
Hong Kong

AUDIT COMMITTEE

Mr. Bai Jun Gui
Ms. Tian Jie
Mr. Gao Qi Pin

REMUNERATION COMMITTEE

Mr. Bai Jun Gui
Ms. Tian Jie
Mr. Gao Qi Pin
Mr. Zhang Hong

董事會

執行董事

張弘先生(主席)
張曉光先生
趙寶剛先生
吳國文先生
張翼先生
徐向夫先生

獨立非執行董事

高其品先生
田傑女士
白君貴先生

監事

王英旭先生
鄒禮玉先生
喬曉春女士

監察主任

張弘先生

授權代表

張弘先生
趙寶剛先生

核數師

上會栢誠會計師事務所有限公司
執業會計師
香港

審核委員會

白君貴先生
田傑女士
高其品先生

薪酬委員會

白君貴先生
田傑女士
高其品先生
張弘先生



CORPORATE INFORMATION

公司資料

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Mok Sai Cheong Mark, CPA, FCCA

NOMINATION COMMITTEE

Mr. Bai Jun Gui
Ms. Tian Jie
Mr. Gao Qi Pin
Mr. Zhang Xiao Guang

H SHARE SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKER

Industrial and Commercial Bank of China
Huinan County Branch
Tonghua
Jilin Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Mong Kok, Kowloon
Hong Kong

STOCK CODE

8049

LEGAL ADDRESS

31 Beishan Street
Chaoyang Town
Huinan County
Tonghua
Jilin Province
PRC

WEBSITE ADDRESS

<http://www.jlchanglong.com>

公司秘書兼合資格會計師

莫世昌先生 · CPA, FCCA

提名委員會

白君貴先生
田傑女士
高其品先生
張曉光先生

H股過戶登記處

香港證券登記有限公司
香港
皇后大道東183號
合和中心
17M樓

主要往來銀行

中國工商銀行
輝南縣支行
中國
吉林省
通化市

香港主要營業地點

香港
九龍旺角
彌敦道625及639號
雅蘭中心辦公樓二期
11樓1101-2室

股份代號

8049

法定地址

中國
吉林省
通化市
輝南縣
朝陽鎮
北山街31號

網址

<http://www.jlchanglong.com>

CHAIRMAN'S STATEMENT

主席報告

As the Chairman and on behalf of the Board of Directors (the "Board"), I am pleased to present the audited consolidated result of Jilin Province Huinan Changlong Bio-pharmacy Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2023.

During the year under review, the total revenue of the Group for the year ended 31 December 2023 was approximately RMB841,545,000, it's comparable to last year's RMB841,586,000. Profit for the year attributable to owners of the Company decreased to RMB148,207,000 from RMB193,565,000 last year. For the year ended 31 December 2023, basic earnings per share decreased to RMB26.45 cents from RMB34.55 cents last year.

In 2023, the pharmaceutical market was in the backdrop of complex environment with the rise of difficulties in sales following the adjustment of pharmaceutical policy, as well as the intensification of cut-throat market competition. All employees of the Company pressed on and forged ahead in solidarity, overcame many factors and moved forward in a steady pace, finally satisfactorily completed the project targets set at the beginning of the year. The results for the year were the result of the management's assessment of the situation and the joint efforts of all employees. Therefore, the Board is pleased to share with the shareholders the following competitive advantages of the Company, which will lead to new achievements for the Company in the coming years.

1. With emphasis on sales, we persisted in expanding the market through diverse channels and took strengthening the management of marketing team and rectifying pharmaceutical market order as the leverage to further intensify our efforts in academic promotion and to organize and participate academic conferences in relation to nephrology at all levels, which maintained the fundamentals for clinic sales and enabled the steady growth of Sales during the year. Firmly focused on the sales target of the Hai Kun Shen Xi Jiao Nang (海昆腎喜膠囊), our dominant product, we strived to ensure no loss of existing market, strived to explore uncharted markets. The increase in the receivables collection ratio for minor drugs such as Chymotrypsin for Injection (注射用糜蛋白酶) and Zhui Feng Shu Jing Huo Xue Tablet (追風舒經活血片), laying a solid foundation for the stronger and better development of single drugs in the future

本人謹代表董事會(「董事會」)欣然提呈吉林省輝南長龍生化藥業股份有限公司(「本公司」)及其附屬公司(合稱「本集團」)截至二零二三年十二月三十一日止年度之經審核綜合業績。

於回顧年度內，截至二零二三年十二月三十一日止年度本集團總收入約為人民幣841,545,000元，與去年人民幣841,586,000元相若。本年度本公司股權持有人應佔溢利由去年人民幣193,565,000元減少至人民幣148,207,000元。截至二零二三年十二月三十一日止年度每股基本盈利由去年人民幣34.55分減少至人民幣26.45分。

二零二三年，醫藥市場面臨著醫藥政策調整等複雜環境，銷售困難增加，市場競爭異常激烈。公司全體員工團結一心、銳意進取，共同迎難而上，以穩定的步伐向前邁進，圓滿的完成年初確定各項目標，本年業績是公司管理層審時度勢，全體員工共同努力的成果。因此，董事會欣然與各股東分享本公司具有以下競爭力的優勢，該等優勢將為本公司以後之年度的發展再創新的佳績。

- 一、公司堅持以銷售工作為重點，多渠道開拓市場，以加強營銷隊伍管理，整頓醫藥市場秩序為抓手，繼續做好醫院學術推廣和各級腎病年會推廣力度，保證了臨床銷售基本盤不變，保障了今年銷售工作穩步推進。緊緊圍繞「海昆腎喜膠囊」這一主導品種，堅持確保現有市場不丟失，努力開發空白市場，其他小品種注射用糜蛋白酶、追風舒經活血片等回款額度增加，也為日後單品做大做強打下堅固基礎。



CHAIRMAN'S STATEMENT

主席報告

2. The Company emphasized the research and development of new drugs. We cooperated with a number of pharmaceutical universities, research institutes and a number of experts in the field of drug research and development and scholars and increased investment in developing technologically advanced new drugs, with independent intellectual property rights. At present, the Company has reported 22 drugs passing the consistency evaluation, and 4 drugs including Edaravone bulk drugs and preparations passed the consistency evaluation as at this moment. The Company will strive to launch these products as soon as possible, providing a new growth point.
 3. The Company have strictly followed the management regulations of the "Drug Administration Law" and "Good Manufacturing Practice", strengthened management of production sites, established a rigorous quality control system, applied quality concepts to production management, and enhanced our efforts in quality control throughout the production process. In connection with Company's strategic development plan, we strictly implemented production management, enhanced quality, reduced costs, increased efficiency, so as to guarantee the supply of goods against rapid growth in sales.
 4. The Company joined hands with Mirable Pharmaceutical Technology (邁本醫藥科技公司) to invite industry experts as teachers to deliver lectures and organize training activities for quality supervision, assurance staff and all employees of the workshops. We optimized the quality management system documents of the Company, improved the business and management capabilities of managers across all departments, and strengthened the hands-on skills and capabilities of employees of every position, so as to ensure the manufacture of high-quality products, meeting the needs of market and sales, and achieving the high-quality development goal of the Company.
 5. Focusing on the government's strategic plan on the development of healthcare industry and leveraging on the unique geographical resources, our subsidiaries has carried out healthcare industrial projects to facilitate sustainable, rapid and healthy development of the Company.
 6. The Company will continue to explore and adjust its business strategy, innovate development model, with the aim of pursuing the path of sustainable development. We give full play to our technological advantages, increase investment in technology, and intensify product research and development, so as to capture the market with our leading technology and high-end products.
- 二、公司加強新藥研發工作，擴大經濟增長點，與國內多家藥科大學、研發機構以及多名藥物領域研發專家、學者共合作，加大新藥研發的投入，開發具有高科技含量，自主知識財產權的新藥，目前公司一致性評價品種上報22個，截至目前依達拉奉原料藥及製劑等四個品種均已通過一致性評價。公司全力以赴，爭取產品早日投入市場，作為新的增長點。
 - 三、公司嚴格執行《藥品管理法》及《GMP管理規程》，加強生產現場管理，建立嚴謹的品質管制體系，把品質觀念貫徹到生產管理中，強化生產過程中品質監控力度，結合公司戰略發展部署，嚴抓生產管理，提品質、降成本、增效益，為銷售快速增長提供貨源保障。
 - 四、公司與邁本醫藥科技公司合作，聘請行業內專家老師授課講解，組織了質量監督、保證及車間全員大培訓，優化公司質量管理體系文件，提升各部門管理人員業務能力和管理水平，加強了各崗位人員實際操作能力，確保生產高質量產品，適應市場銷售需求，實現企業高質量發展的目標。
 - 五、圍繞政府大健康產業發展的戰略部署和得天獨厚的地域資源，旗下子公司開展大健康產業項目，實現公司持續、快速、健康發展。
 - 六、公司將繼續探索和調整經營策略，創新發展模式，走可持續發展之路。進一步發揮科技優勢，增加科技投入，加大產品研發力度，以領先技術和高端產品搶佔市場創高點。

CHAIRMAN'S STATEMENT

主席報告

7. The Company adhered to the people-oriented philosophy and emphasized the building of corporate culture, raised the income and welfare benefits for the employees to facilitate them to realize their own values, boost their morale and enhance the teamwork coherence, with an aim to propel the development of the Company and better fulfill the corporate social responsibilities.

The Group acknowledges the importance of environmental, social and corporate governance as key elements in enhancing shareholders' value. Thus, it is dedicated to improving its policies in compliance with the respective regulatory requirements and in accordance with internationally recommended practices. To achieve this aim, the Group has continuously reviewed its resources, strengthened internal training and sought professional advice from experts so as to safeguard interests of the Group and the Company's shareholders as a whole.

Looking forward, all employees of the Company will seize the opportunities in solidarity, and continue to uphold the business philosophy of "focusing on technological innovation and serving the public and endeavoring in the pursuit of health for people around the world". With pharmaceutical quality as the focus, market sales as the direction, scientific and technological innovation as the basis, and academic promotion as the strategy, we will continue to expand our innovation-driven initiatives, pursue the goal of high-quality development, thus creating greater glories and making new progress in building a centennial enterprise and for the economic takeoff of Changlong.

On behalf of the Board, I would like to express my heartfelt thanks to all levels of staff and the management for their efforts and contributions in 2023 and my deep gratitude to our clients, business partners and owners for their utmost support.

By order of the Board
Zhang Hong
Chairman

Jilin Province, PRC
28 March 2024

七、公司堅持以人為本，注重企業文化建設，提高員工收入及福利待遇，實現員工自身價值，提升員工精神力量，增強團隊凝聚力，推進企業發展，更好的履行社會責任。

本集團認同環境、社會及企業管治之重要性乃提升股東價值之關鍵要素，故本集團致力改善其相關政策，以遵守相應監管規定及符合國際建議慣例。為達致此目標，本集團持續審視其資源、加強內部培訓，以及尋求專家之專業意見，以保障本集團及本公司股東之整體利益。

展望未來，公司全體員工將齊心協力、搶抓機遇，繼續秉承「科技 創新 厚德 濟世」的企業經營理念。以藥品質量為核心，以市場銷售為導向，以科技創新為依托，以學術引領為手段，不斷拓展創新領域，實現高質量發展的目標，為建設百年長龍、騰飛長龍，書寫更加輝煌的新篇！

本人謹代表董事會對各級員工及管理層在二零二三年之努力工作和付出表示衷心感謝，對客戶、業務夥伴及本公司股權持有人之鼎力支持致以深切謝意。

承董事會命
主席
張弘

中國吉林省
二零二四年三月二十八日



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

2023 is still an arduous and challenging year for the Company. In recent years, due to the strengthening of environmental and resource constraints, the national quality standards and environmental protection standards for pharmaceuticals have been continuously raised. The pharmaceutical market is undergoing a complicated environment under the influence of pharmaceutical policy adjustments, resulting in higher sales difficulties and exceptionally fierce competition in the market. The Company overcame many factors and moved forward in a steady pace, finally satisfactorily completed the project targets set at the beginning of the year. The results for the year were the result of the management's assessment of the situation and the joint efforts of all employees.

For the year ended 31 December 2023, the manufacturing and sales of Hai Kun Shen Xi Jiao Nang (海昆腎喜膠囊) continued to be the Group's core source of revenue.

For the year ended 31 December 2023, the Group's revenue decreased to RMB841,545,000 from approximately RMB841,586,000 the profit for the year attributable to owners of the Company decreased to RMB148,207,000 from RMB193,565,000. For the year ended 31 December 2023, basic earnings per share decreased to RMB26.45 cents from RMB34.55 cents last year.

For the year ended 31 December 2023, the manufacturing and sales of Hai Kun Shen Xi Jiao Nang (海昆腎喜膠囊) continued to be the Group's core source of revenue.

Investments in wealth management products

During the reporting year, the Group subscribed for and held various short-term investments, from time to time, in the wealth management products (the "Wealth Management Products") issued by Industrial and Commercial Bank of China, Agricultural Bank of China and Bank of China. The Wealth Management Products were mainly relatively lower risk of default. The expected annualised rate of return of the Wealth Management Products subscribed during the year was around 2.5%–3.25% (2022: 1.48%–4.72%), which was relatively higher than the comparable market bank deposit interest rates.

業務回顧

二零二三年，依然是任務艱巨、充滿挑戰的一年。近幾年環境和資源約束不斷加強，國家對藥品質量標準和環保標準不斷提高，醫藥市場面臨著醫藥政策調整等複雜環境，銷售困難增加，市場競爭異常激烈。公司克服困難，以穩定的步伐向前邁進，圓滿的完成年初確定各項目標，本年業績是公司管理層審時度勢，全體員工共同努力的成果。

截至二零二三年十二月三十一日止年度，「海昆腎喜膠囊」的生產及銷售繼續為本集團的核心收入來源。

截至二零二三年十二月三十一日止年度，本集團收入由約人民幣841,586,000元減少至人民幣841,545,000元。本年度本公司股權持有人應佔溢利由人民幣193,565,000元減少至人民幣148,207,000元。截至二零二三年十二月三十一日止年度，每股基本盈利由去年之人民幣34.55分減少至人民幣26.45分。

截至二零二三年十二月三十一日止年度，「海昆腎喜膠囊」的生產及銷售繼續為本集團的核心收入來源。

於理財產品的投資

於本報告年度內，本集團不時申購及持有多項由中國工商銀行、中國農業銀行及中國銀行所發行的理財產品（「理財產品」）短期投資。該等理財產品主要為違約風險相對較低。於年內申購的理財產品的預期年化回報率約為2.5%至3.25%（二零二二年：1.48%至4.72%），相對高於可比市場銀行存款利率。

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As at 31 December 2023, the Company held Wealth Management Products totalling approximately RMB90,608,000. Information of the Wealth Management Products held by the Company as at 31 December 2023 is stated as follows:

於二零二三年十二月三十一日，本公司持有理財產品合共約人民幣90,608,000元。本公司於二零二三年十二月三十一日持有之理財產品之資料如下：

| Name of the issuer of the wealth management products (the "Issuers") | Name of the wealth management products | Expected annualised return rate | Initial investments cost | Unrealised gains on fair value change for the year ended 31 December 2023 | Fair value as at 31 December 2023 | Percentage to the Group's total assets as at 31 December 2023 |
|--|--|---------------------------------|--------------------------------|---|--|---|
| 理財產品發行人之名稱(「發行人」) | 理財產品之名稱 | 預期年化收益率 | 初始投資成本 (RMB'000) (人民幣千元) | 截至二零二三年十二月三十一日止年度之公允價值變動之未實現收益 (RMB'000) (人民幣千元) | 於二零二三年十二月三十一日之公允價值 (RMB'000) (人民幣千元) | 佔本集團於二零二三年十二月三十一日之總資產之百分比 |
| Agricultural Bank of China 中國農業銀行 | "An Xin · 360 Tian" RMB wealth management product 「安心·360天」人民幣理財產品 | 3.25% | 30,000 | 534 | 30,534 | 1.32% |
| Bank of China 中國銀行 | BOC "Rong Hui Li Cai" wealth management product 「中國銀行中銀融管理財計劃」理財產品 | 2.50% | 10,000 | 32 | 10,032 | 0.43% |
| Bank of China 中國銀行 | BOC "Ping Wen Li Cai" wealth management product 「中國銀行平穩理財」理財產品 | 2.60% | 10,000 | 34 | 10,034 | 0.43% |
| Industrial and Commercial Bank of China 中國工商銀行 | "ICBC Chao Duanqi Faren" RMB wealth management product 「工銀超短期法人」人民幣理財產品 | 2.60% | 40,000 | 8 | 40,008 | 1.73% |
| Total 合計 | | | 90,000 | 608 | 90,608 | |

As at 31 December 2023, the unrealised gains on fair value change by the Group from the wealth management products as set out above amounted to approximately RMB608,000.

截至二零二三年十二月三十一日止，本集團自上文所載理財產品的公允價值變動之未實現收益約為人民幣608,000元。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Issuers are licensed banks in the PRC, which are principally engaged in the provision of corporate and personal banking and other financial services in the PRC.

The subscriptions of Wealth Management Products were carried out by the Group for treasury management purpose in order to maximize the utilization of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining high liquidity and a low level of risks. Taking into account of, among others, the low level of risks and the expected rates of return, the Group considers that the subscriptions will provide the Group with better returns than the returns on deposits generally offered by commercial banks and increase the Group's overall earnings in the long run. The Group will monitor and manage the subscriptions more closely and effectively. As at 31 December 2023, the Group did not experience any losses on the wealth management products. Further, the subscriptions were funded by the surplus cash of the Company and are redeemable on demand or highly liquid, therefore they would not affect the working capital or the operation of the Group. As such, the Directors are of the view that the subscriptions are fair and reasonable and in the interests of the Group and the Shareholders as a whole. The Group will continue to seek opportunities in utilising its idle cash by investing in appropriate Wealth Management Products.

During the reporting year, the number of principal guaranteed Wealth Management Products in the market has been decreasing and the expected return on Wealth Management Products has been gradually decreasing, while the annual return rate on long term time deposits is increasing and making it closer the return between time deposits and Wealth Management Products. Based on a prudent investment strategy, the management has changed the direction of investment and used most of idle funds to invest in time deposits, making even safer for the Group.

The Group has established a Risk Management Committee to strengthen the assessment and management of investments in Wealth Management Products and time deposits, and conducts regular reviews of the Group's investment projects to control potential investment risks.

Save as disclosed, there were no other significant investments held during the period under review.

As at 31 December 2023, the Group's investments in the Wealth Management Products were classified as financial assets at fair value through profit or loss in its consolidated balance sheet, and amounted to approximately RMB90,608,000 (2022: RMB263,074,000). For the year ended 31 December 2023, the gain realised by the Group from the Wealth Management Products amounted to approximately RMB608,000 (2022: RMB3,074,000). As at 31 December 2023, the Group's investment in time deposits, classified as financial assets measured at amortised cost in its consolidated balance sheet amounted to approximately RMB937,003,000 (2022: RMB866,856,000).

發行人為中國的持牌銀行，主要在中國從事提供企業及個人銀行以及其他金融服務。

本集團就庫務管理目的而認購理財產品，以盡量利用自其業務營運所得的現金盈餘，以達致收益平衡並維持較高資本流動性及較低風險。考慮到(其中包括)較低風險及預期收益率；本集團認為該等認購事項為本集團所帶來的回報將較商業銀行一般提供的存款回報更佳，就長遠而言可增加本集團的整體盈利。本集團將更密切及更有效監察及管理該等認購事項。於二零二三年十二月三十一日，本集團並未出現任何理財產品方面的損失。此外，該等認購事項乃以本集團盈餘現金撥付，可按要求贖回或流動性高，因此不會對本集團的營運資金或營運造成影響。因此，董事認為，該等認購事項屬公平合理，並符合本集團及股東的整體利益。本集團將繼續尋求機會透過投資合適理財產品利用其閒置現金。

在本報告年度內，市場中保本類型的理財產品一直減少及理財產品預期收益率逐漸下降，而有見存款近年的收益率顯著提高，縮小存款與理財產品收益差距。因此，管理層基於穩健的投資策略，轉變投資方向，利用大部份閒置資金投資定期存款，以達到更安全的投資。

本集團已經成立了風險管理委員會，以加強對理財產品及定期存款投資評估及管理，定期對集團投資專案進行審查，以控制潛在的投資風險。

除所披露者外，於回顧期內概無持有其他重大投資。

於二零二三年十二月三十一日，本集團於理財產品的投資在其綜合資產負債表分類為透過損益按公允值列賬的金融資產，金額約為人民幣90,608,000元(二零二二年：人民幣263,074,000元)。截至二零二三年十二月三十一日止年度，本集團自理財產品實現的收益約為人民幣608,000元(二零二二年：人民幣3,074,000元)。於二零二三年十二月三十一日，本集團持有定期存款，於綜合資產負債表分類為以攤銷成本計量的金融資產金額約為人民幣937,003,000元(二零二二年：人民幣866,856,000元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATION REVIEW

GMP compliance inspection

During the year ended 31 December 2023, the Company has already obtained GMP certificates for the following:

1. Small volume solution, lyophilized powder for injection, Power for Injection (Cephalosporins), API (Yi Da La Fen) passed drug GMP inspection, organized by the Provincial Center for Food and Drug Inspection (certificate no.: JL20190015), valid until 30 January 2024.
2. As at 29 December 2020, small volume solution, lyophilized powder for injection, powder for injection (Cephalosporins), sterile API (Cefpiramide, Cefmenoxime Hydrochloride, Cefepime dihydrochloride, Cefazedone sodium salt) passed Drug GMP-compliance inspection, organized by the Provincial Center for Food and Drug Inspection. The evaluation result is in compliance with the requirements of GMP (2010).
3. As at 22 June 2022, the production line of the API Workshop II (Edaravone) passed Drug GMP compliance inspection, organized by Provincial Center for Food and Drug Inspection. The evaluation result is in compliance with the requirements of GMP (2010).
4. Biochemical pretreatment and extraction production line As at 15 November 2022, biochemical pretreatment and extraction, Lyophilized Powder for Injection Workshop, Lyophilized Powder for Injection production line (Chymotrypsin for Injection) passed Drug GMP compliance inspection, organized by Provincial Center for Food and Drug Inspection. The evaluation result is in compliance with the requirements of GMP (2010).
5. On 28 April 2023, tablets from the solid pharmacy production line of Solid Pharmacy Biochemical Workshop, tablet (Irbesartan tablet) from the solid pharmacy production line of Solid Pharmacy Biochemical Workshop, small volume injection solution (non-terminally sterilized) from small volume injection solution production line (sharing with small volume solution (hormone) production line) of Small Volume Injection Workshop III passed Drug GMP compliance inspection, organized by the Provincial Center for Food and Drug Inspection. The evaluation result is in compliance with the requirements of Good Manufacturing Practice for Drugs (2010 Revision) and its Appendix.

營運回顧

GMP符合性檢查

截至二零二三年十二月三十一日止年度，本公司已獲得以下的GMP符合性檢查：

1. 小容量注射劑、凍乾粉針劑、粉針劑(頭孢菌素類)、原料藥(依達拉奉)於二零一九年一月三十一日通過了省藥品審核查驗中心組織的藥品GMP檢查(證書編號：JL20190015，有效期至二零二四年一月三十日)。
2. 小容量注射劑、凍乾粉針劑、粉針劑(頭孢菌素類)、無菌原料藥(頭孢匹胺、鹽酸頭孢甲肟、鹽酸頭孢吡肟、頭孢西酮鈉)於二零二零年十二月二十九日通過了省藥品審核查驗中心組織的藥品GMP符合性檢查，評定結果為符合《藥品生產質量管理規範》(2010)版要求。
3. 原料二車間原料藥(依達拉奉)生產線原料藥(依達拉奉)於二零二二年六月二十二日通過了省藥品審核查驗中心組織的藥品GMP符合性檢查，評定結果為符合《藥品生產質量管理規範》(2010年修訂)及附錄要求。
4. 生化提取車間生化前處理及提取生產線生化前處理及提取、凍乾粉針劑車間凍乾粉針劑生產線凍乾粉針劑(注射用糜蛋白酶)於二零二二年十一月十五日通過了省藥品審核查驗中心組織的藥品GMP符合性檢查，評定結果為符合《藥品生產質量管理規範》(2010年修訂)及附錄要求。
5. 固體制劑化藥車間固體制劑生產線片劑、固體制劑化藥車間固體制劑生產線片劑(厄貝沙坦片)、小容量注射劑三車間小容量注射劑生產線與小容量注射劑(激素類)生產線共用小容量注射劑(非最終滅菌)於二零二三年四月二十八日通過了省藥品審核查驗中心組織的藥品GMP符合性檢查，評定結果為符合《藥品生產質量管理規範》(2010年修訂)及附錄要求。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

RESEARCH AND DEVELOPMENT

The Research and Development (R&D) department is essential for the future success of a pharmaceutical company. In the past, our R&D department had successfully developed the medicine, Compound Huonaoshu capsule, which had generated huge profit to the Group and finally led to the listing of the Company in Hong Kong. In the year of 2003, our R&D department completed the development of Hai Kun Shen Xi Jiao Nang, which has now become the largest contributor of revenue and its revenue reached our target level.

The Group invested approximately RMB31,294,000 in research and development projects during the year.

PRODUCTION FACILITIES

Small Volume Injection Workshop II and Small Volume Injection Workshop III of the Company put into operation to increase production capacity of the Company during the year.

Multiple Chinese medicine extraction equipment was added in the Chinese Medicine Extraction Workshop to increase production capacity and expand product range.

The consistency evaluation of Edaravone Injection has been passed and entered into the seventh batch of national centralized procurement. Irbesartan Tablets, Febuxostat Tablets, Dexamethasone Sodium Phosphate Injection and Piracetam Injection have obtained registration approval and put into commercial production.

The product catalogue of the Company is increasing and the development of drug will enhance R&D and market competitiveness of the Company.

FINANCIAL REVIEW

For the year ended 31 December 2023, the Group's recorded revenue amounted to approximately RMB841,545,000 (2022: RMB841,586,000), it's comparable to last year. The audited profit for the year attributable to owners of the Company was approximately RMB148,207,000, representing a decrease of 23.43% as compared with RMB193,565,000 of the previous year. The basic earnings per share amounted to RMB26.45 cents (2022: RMB34.55 cents), representing a decrease of RMB8.1 cents over the previous year.

The Board of Directors is pleased with the financial performance in 2023. It is believed that the maintenance of profitability is attributed to the following reasons:

1. We placed emphasis on sales and distribution and achieved breakthrough so as to ensure the rapid growth of sales of our dominant products and intensity the production and sales of injectable varieties and invitational varieties, thereby reaching our sales target.

研究及開發

製藥公司之研發部對公司日後成功與否起重要之作用。以往，我們的研發部成功開發複方活腦舒膠囊，為本集團帶來龐大溢利，並最後促使本公司於香港上市。於二零零三年，我們的研發部完成開發海昆腎喜膠囊，現已成為我們第一大收入來源，來自該藥品的收入達到預期的目標。

本集團於本年度投放於研究及開發項目的資金約人民幣31,294,000元。

生產設施

本年公司小容量注射劑二車間、小容量注射劑三車間，正式投入生產使用，增加了公司產能。

中藥提取車間增加了多台新型中藥提取設備，擴大了產能和生產範圍。

依達拉奉注射液一致性評價已通過，進入了第七批國家集採，厄貝沙坦片、非布司他片、地塞米松磷酸鈉注射液、吡拉西坦注射液取得註冊批件，已投入商業化生產。

公司產品目錄不斷豐富，品種的開發將不斷提高公司的研發能力和市場競爭力。

財務回顧

截至二零二三年十二月三十一日止年度，本集團錄得收入約人民幣841,545,000元與去年相若(二零二二年：人民幣841,586,000元)。本年度本公司股權持有人應佔經審核溢利較去年人民幣193,565,000元減少23.43%，至約人民幣148,207,000元。每股基本盈利較去年減少人民幣8.1分至人民幣26.45分(二零二二年：人民幣34.55分)。

董事會對二零二三年的財務業績表示滿意，董事會相信盈利能力得以維持乃歸功於以下幾點原因：

一是堅持以銷售及分銷工作為重點，保證主導品種穩步增長，加大注射劑品種和招商品種產銷力度，使銷售業績達到預期目標。

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2. We have regarded drug quality as the lifeline, strictly implemented the Drug Administration Law and the Good Manufacturing Practice, enhanced job training, and strictly managed production, laying a solid foundation for the Group's steady development.

3. We continued to strengthen academic promotion, enhance our understanding of clinical performance of various medicines and explore the unique value of our products while proactively organizing and participating in academic conferences in relation to nephrology at national level.

4. We further strengthened our efforts on integrating market resources, regulated sales practices, strengthened the buildup of sales teams, adjusted sales strategies, launched various tasks around clinical sales increment, increased the market share of products, and explored for new breakthroughs.

5. We have investigated the market demand in multiple fields, reconstructed the modern production workshops, purchased advanced production equipment, and resumed production of key varieties to promote new economic revenue for the enterprise.

6. We enhanced the development of new species, built new R&D inspection center with complete facilities and advanced inspection equipment, for new product R&D trials and product quality control to enhance the Company's R&D strength.

7. Our subsidiaries have diversified and expanded, stimulated new economic growth points, opened a new journey of strategic development, and facilitated the sustainable development of the Group.

8. We strengthened system establishment to fully increase the level of corporate management, to ensure production of high quality product, adapt to sales requirement in the market and realize the goal of high quality development.

The gross profit margin for the year ended 31 December 2023 was approximately 69.4%, representing a 7.6% decrease as compared with that of 77% for the year ended 31 December 2022.

For the year ended 31 December 2023, the Group recorded other income and gains of approximately RMB64,092,000, contrasting to a figure of RMB59,736,000 for the year ended 31 December 2022.

Distribution and selling costs decreased to approximately RMB341,938,000 for the year ended 31 December 2023 from approximately RMB404,851,000 in last year. These expenses accounted for 40.6% of revenue in 2023, which represented a 7.4% decrease from 48% as compared with the corresponding period of last year.

二是視藥品質量為生命線，嚴格執行《藥品管理法》及《GMP管理規程》，加強崗位培訓，嚴格生產管理，為集團穩步發展奠定了堅實的基礎。

三是繼續強化學術推廣，加強對藥品臨床情況的了解，挖掘產品獨特價值，積極組織和參與國家級腎病學術會議。

四是進一步強化市場資源整合，規範銷售行為，加強銷售隊伍建設，調整銷售策略，圍繞臨床銷售增量開展各項工作，提高產品市場佔有率，尋找新的突破口。

五是多領域調研市場需求，改建現代化生產車間，購置先進生產設備，恢復重點品種生產，為企業提高新的經濟收益。

六是加大新品種開發力度，新建研發檢驗中心，配備設施齊全，檢驗設備先進，用於新品研發小試和產品質量控制，提升企業研發實力。

七是旗下子公司多元化拓展，激發新的經濟增長點，開啟戰略發展的新征程，助力集團持續發展。

八是加強制度體系建設，全面提升公司管理水平，以確保生產高質量產品，適應市場銷售需求，實現企業高質量發展的目標。

截至二零二三年十二月三十一日止年度，邊際毛利約為69.4%，較截至二零二二年十二月三十一日止年度之77%減少7.6%。

截至二零二三年十二月三十一日止年度，本集團錄得其他收入及收益約人民幣64,092,000元，而截至二零二二年十二月三十一日止年度則為人民幣59,736,000元。

截至二零二三年十二月三十一日止年度，分銷及銷售開支由去年約人民幣404,851,000元減少至約人民幣341,938,000元。於二零二三年，該等開支佔收入的百分比為40.6%，較去年同期之48%減少7.4%。



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For the year ended 31 December 2023, administrative expenses increased to approximately RMB107,371,000 from approximately RMB105,098,000 last year.

截至二零二三年十二月三十一日止年度，行政開支由去年約人民幣105,098,000元增加至約人民幣107,371,000元。

LIQUIDITY AND FINANCIAL RESOURCES

The Group has maintained a sound financial position during this year. As at 31 December 2023, cash and bank balances of the Group amounted to RMB352,137,000 (2022: RMB113,601,000) with total borrowings of RMB80,400,000 (2022: RMB400,000) which were interest bearing at commercial rates and unsecured. As at 31 December 2023, the Group had total assets of RMB2,318,824,000 (2022: RMB2,372,841,000) which were financed by current liabilities of RMB725,289,000 (2022: RMB714,594,000), other payable of RMB2,870,000 (2022: RMB1,961,000), deferred tax liabilities of RMB2,742,000 (2022: RMB3,022,000) and shareholders' equity of RMB1,480,380,000 (2022: RMB1,612,298,000).

流動資金及財政來源

本集團於本年度維持穩健的財政狀況。於二零二三年十二月三十一日，本集團的現金及銀行結餘合共為人民幣352,137,000元（二零二二年：人民幣113,601,000元），總貸款為人民幣80,400,000元（二零二二年：人民幣400,000元）。該等貸款以商業利率計息，並無抵押。於二零二三年十二月三十一日，本集團的資產總值為人民幣2,318,824,000元（二零二二年：人民幣2,372,841,000元），資金來源為流動負債人民幣725,289,000元（二零二二年：人民幣714,594,000元）、其他應付款人民幣2,870,000元（二零二二年：人民幣1,961,000元）、遞延稅項負債人民幣2,742,000元（二零二二年：人民幣3,022,000元）及股東權益人民幣1,480,380,000元（二零二二年：人民幣1,612,298,000元）。

GEARING RATIO

As at 31 December 2023, the Group had a net cash and cash equivalents of RMB352,137,000. As at 31 December 2023, the ratio of the total liabilities to the total assets of the Group was 36% (2022: 32%) which was calculated by dividing the Group's total liabilities of RMB838,444,000 (2022: RMB760,543,000) by the Group's total assets of RMB2,318,824,000 (2022: RMB2,372,841,000). The Group's gearing ratio which derived from the total borrowings to total net assets was 5.43% (2022: 0.02%).

資本負債比率

於二零二三年十二月三十一日，本集團擁有現金及現金等值物淨額人民幣352,137,000元。於二零二三年十二月三十一日，本集團負債總額相對於資產總值之比率為36%（二零二二年：32%），該負債比率按本集團總負債人民幣838,444,000元（二零二二年：人民幣760,543,000元）除本集團資產總值人民幣2,318,824,000元（二零二二年：人民幣2,372,841,000元）計算得出。本集團的資本負債比率（以借款總額相對於資產總淨值之比率計算）為5.43%（二零二二年：0.02%）。

EMPLOYEES

The Company has a total of 848 employees.

僱員

本公司在職職工848名。

Remuneration is determined by reference to market conditions and the performance, qualifications and experience of individual employee. Discretionary bonuses based on individual performance will be paid to employees as recognition of and reward for their contribution. Other benefits include contributions to retirement scheme and medical scheme.

薪酬乃參照市場條件以及個別僱員的表現、資歷及經驗而釐定。酌情花紅乃按個別僱員的表現支付予僱員，作為對他們的貢獻之認同及獎勵。其他福利包括退休計劃供款及醫療計劃。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole.

The Group maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

環境、社會及企業責任

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。本集團已遵守所有與其業務有關的相關法例及法規，包括健康及安全、工作環境條件、就業及環境。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦因此鼓勵僱員、客戶、供應商及其他持份者參與環境及社會活動，惠及整個社區。

本集團與其僱員維持緊密關係，加強與其供應商之間的合作，並為其客戶提供優質產品及服務，以確保可持續發展。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

EXECUTIVE DIRECTORS

Zhang Hong

Aged 69, male, is the Chairman and secretary of the Party committee. He holds a bachelor degree and is a senior economist. His previous positions are as follows: He was a teacher and the secretary of Youth League Committee of Huinan No. 4 Middle School from September 1978 to October 1983; he worked in county and town governments from November 1983 to September 1989, during which he held the position of deputy town head; he has been the Chairman, and secretary of the Party committee of Jilin Province Huinan Changlong Bio-pharmacy Company Limited since October 1989.

Mr. Zhang Hong is the father of Mr. Zhang Yi, our executive director.

Zhang Xiao Guang

Aged 60, male, is an executive director and general manager. He holds a bachelor degree and is a senior economist. He held the positions of the secretary of Youth League Committee of Chaoyang Town Engineer Affairs Equipment Factory of Shenyang Railway Bureau from July 1983 to September 1989; deputy director of Foreign Trade Bureau of Huinan County from October 1989 to November 1990; executive director and deputy general manager of the Company since December 1990; appointed as general manager since January 2015.

Zhao Bao Gang

Aged 57, male, is an executive director and chief finance officer. He holds a bachelor degree and is a senior accountant. From August 1990 to May 1995, he acted as director of Finance Bureau of Huinan County; from June 1995 to February 2007, he held the position of director and equipment executive director and finance officer of Jilin Province Huinan Changlong Bio-pharmacy Company Limited and was appointed as executive director and chief finance officer of the Company since March 2007.

Wu Guo Wen

Aged 59, male, is an executive director and deputy sale director. He holds a master degree and is a senior engineer. From September 1988 to August 1991, he studied in Shanghai Medicine University; from February 1993 to May 1996, he pursued master degree in Jilin University; from June 1996 to August 2007, he acted as chief engineer of Huinan Changlong Bio-pharmacy Company and was appointed as executive director and chief engineer on 9 August 2007; appointed as deputy sale director of part of east China since 2010.

執行董事

張弘

董事長、黨委書記，男，69歲，大學學歷，高級經濟師。曾經擔任的重要職務及任期：1978年9月—1983年10月，任輝南四中教師、校團委書記；1983年11月—1989年9月，在縣直機關及鄉鎮工作，曾任大椅山鄉副鄉長；1989年10月起任吉林省輝南長龍生化藥業股份有限公司董事長及黨委書記至今。

張弘先生為我們的執行董事張翼先生的父親。

張曉光

執行董事、總經理，男，60歲，大學學歷，高級經濟師。1983年7月—1989年9月，任瀋陽鐵路局朝陽鎮工務器材廠團委書記；1989年10月—1990年11月，任輝南縣外貿局副局長；1990年12月起任公司執行董事、副總經理；2015年1月起任總經理。

趙寶剛

執行董事、財務總監，男，57歲，大學本科學歷，正高級會計師。1990年8月—1995年5月，在輝南縣財政局任科長；1995年6月—2007年2月，任吉林省輝南長龍生化藥業股份有限公司執行董事及財務科長兼設備科長；2007年3月起任公司執行董事兼財務總監至今。

吳國文

執行董事、銷售副總，男，59歲，碩士研究生，高級工程師。1988年9月—1991年8月，在上海醫藥大學學習；1993年2月—1996年5月，在吉林大學攻讀碩士學位；1996年6月—2007年8月任輝南長龍藥業公司總工程師；2007年8月9日任公司執行董事兼任總工程師；2010年任分管華東銷售副總經理至今。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Zhang Yi

Aged 43, male, is an executive director and executive general manager, held a Master's degree. He attended combined Bachelor's and Master's degree programs in the clinical department of Jilin University for seven years from September 2000 to July 2007. He studied in the First Hospital of Jilin University from 2007 to 2008 and took up IMBA courses in Beijing Jiaotong University from 2009 to 2011. From 2011 to 2014, he worked as the General Manager in Changchun Changyuan Pharmaceutical Industry. He has been working in Jilin Province Huinan Changlong Bio-pharmacy Company Limited as executive general manager since 2015.

Mr. Zhang Yi is son of Mr. Zhang Hong, the chairman and executive director of the Company.

Xu Xiang Fu

Aged 54, male, is an executive director and the Deputy Technical General Manager held a tertiary qualification. He graduated from the School of Medicine in Jilin, specializing in medicine, and is a senior engineer. He has been working for Changlong Pharmacy since 1992 and is currently the Deputy Technical General Manager of the Company. In 2015, he was awarded two patents for inventing the "Methodology for Retrieving Fucoidan" and "A Methodology for Retrieving Fucoidan". In 2016, he participated in the project of development and application in Hai Kun Shen Xi Jiao Nang and was awarded the second-tier prize in Jilin Province Science and Technology Award.

張翼

執行董事、常務經理，男，43歲，碩士學歷，2000年9月－2007年7月，吉林大學臨床系7年本碩連讀。2007年－2008年，吉林大學一院。2009年－2011年，北京交通大學IMBA。2011年－2014年，長春長源藥業公司總經理。2015年至今在吉林省輝南長龍生化藥業股份有限公司任常務經理。

張翼先生為本公司執行董事及主席張弘先生的兒子。

徐向夫

執行董事、生產副總經理，男，54歲，大專學歷，畢業於吉林醫學院藥學專業，高級工程師。1992年－至今在長龍藥業工作，現任公司技術副總經理。2015年參與獲得「褐藻多糖硫酸酯提取方法」和「一種褐藻多糖硫酸酯提取方法」兩項發明專利，2016年參與海昆腎喜膠囊的開發與應用的項目，並獲得吉林省科學技術二等獎。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Gao Qi Pin

Aged 72, male, is currently the Professor and Lecturer for Doctoral students in the research and development centre of Changchun University of Chinese Medicine. He graduated from Shenyang Pharmaceutical University with a Master's degree in 1982. He was the Deputy Dean and researcher of the provincial Academy of Sciences for Chinese Traditional Medicine from 1982 to 1998, during which he had been working in Kitasato Institute Hospital in Japan for two years and obtained the Doctoral degree after working in the University of Tromsø in Norway for more than four years. He was the Head of Jilin Provincial Institute for Drug Control and Secretary of party committee from 1998 to 2006. He is now the Professor and Lecturer for Doctoral students of Changchun College of Traditional Chinese Medicine, the Officer of Key Laboratory of Chinese Medicine Macromolecules in Jilin Province and the Officer of Key Research Centre for Active Components of Chinese Medicines in the Ministry of Education. He was the committee member of the eighth, ninth and tenth Chinese Pharmacopoeia Commission; the National New Drug Appraisal Expert; Science Advancement Award Appraisal Expert from the Ministry of Science, the Honoured President of provincial medicine society, senior associate expert from Jilin Province and the winner of special allowance from the State Council. He was once the person in charge for more than 20 national, provincial and divisional projects. He was involved in the research and development for three new medicines (Infantile spleen-strengthening oral solution (小兒健脾口服液), Colon Recovery Capsule (結腸康膠囊), Ginseng Glycopeptide Injection (人參糖肽注射液)), and initiated around 100 enhancements of standard revision for medicines, which have been implemented by our provincial enterprises. He possessed five invention patents. As the first awardee, he won one top-tier provincial and divisional prize, three second-tier prizes and a number of participant prizes. He has reached a leading international level with certification on the research studies of the structural effect and relationship among ginseng polysaccharide, tremella polysaccharide, polysaccharide and microsphere connectors. He was ranked the Outstanding Communist Party model of the Work Committee for Organs Under Direct Supervision for twice. His study background and working experience are as follows: educated youth in remote villages (November 1968 to August 1973); the student of the medicine department of Shenyang Medical College (August 1973 to October 1976); the pharmacist of the Jilin Provincial Institute (Baicheng District) for Drug Control (October 1976 to October 1980); the Master's degree postgraduate of Shenyang Medical College (October 1980 to December 1982); the Research Assistant, Research Associate, Researcher, Deputy Head, Head, Deputy Dean of School of Research of Chinese Medicines of the Jilin Province (December 1982 to March 1998), and among which: the Research Assistant of Kitasato Institute Hospital in Japan (August 1986 to August 1988); the Doctoral Postgraduate, Senior Visiting Scholar and Guest Researcher in the University of Tromsø in Norway (October 1993 to March 1998); the Senior Pharmacist and Head of Jilin Provincial Institute for Drug Control and Secretary of party committee (March 1998 to March 2006); the Professor and Officer of the research and development centre of Changchun University of Chinese Medicine (March 2006 until now).

獨立非執行董事

高其品

男，72歲，現為長春中醫藥大學研發中心教授，博士生導師。1982年畢業於瀋陽藥科大學，獲碩士學位；1982年－1998年工作在省中醫藥科學院，任副院長、研究員。在此期間，到日本北裡研究所工作兩年，到挪威特魯姆瑟大學工作四年多，獲得博士學位。1998年－2006年在吉林省藥品檢驗所任所長、黨委書記。現任長春中醫學院教授、博士生導師、吉林省中藥大分子重點實驗室主任、教育部中藥有效成分重點研究室主任。第八／九／十屆國家藥典委員會委員；國家新藥評審專家；科技部科技進步獎評審專家；省藥學會名譽理事長、吉林省資深高級專家、國務院特殊津貼獲得者；曾主持國家、省部級課題二十餘項。研發新藥三項(小兒健脾口服液、結腸康膠囊、人參糖肽注射液)，主持藥品標準修訂提高近百項，均已在我省企業轉化。獲有關發明專利五項。作為第一獲獎人獲省、部級一等獎一項，二等獎三項，參加人多項。在人參多糖、銀耳多糖、多糖與微球連接物等構效關係的研究，經鑒定達到了國際領先水準。曾兩次評為省直工委優秀共產黨員標兵。學習及工作經驗：1968年11月－1973年8月下鄉知識青年。1973年8月－1976年10月瀋陽藥學院藥學系學員。1976年10月－1980年10月吉林省白城地區藥品檢驗所藥師。1980年10月－1982年12月瀋陽藥學院碩士研究生。1982年12月－1998年3月吉林省中醫藥研究院、助研、副研、研究員、副所長、所長、副院長。其中：1986年8月－1988年8月日本北裡研究所助理研究員。1993年10月－1998年3月挪威特魯姆瑟大學博士研究生高訪學者客座研究員。1998年3月－2006年3月吉林省藥品檢驗所主任藥師、所長、黨委書記。2006年3月至今長春中醫藥大學研發中心教授、主任。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Bai Jun Gui

Aged 60, male. In 1999, he took a part-time postgraduate program of master of business administration (MBA) at Jilin University and graduated in June 2002 with a master of business administration (MBA).

In 2003, he took a part-time postgraduate program of doctoral degree in technical economics and management at Jilin University and graduated with a doctoral degree in management in June 2007.

From 2015 to present, he has been selected into the expert pool of senior accountant specialised technique post evaluation of Jilin Provincial Department of Finance. From July 2017 to present, he has been appointed by the Jilin Provincial Agricultural Comprehensive Development Office as Jilin Provincial Agricultural Comprehensive Development Expert and Performance Evaluation Expert. From September 2017 to present, he has been appointed by the Jilin Provincial Department of Finance as an Expert Advisor of Training of Academic Accounting Leaders in Jilin Province. From 2018 to present, he has been employed by Jilin Mingxing Accounting Service Co., Ltd. (吉林省銘興會計服務有限公司) as a senior financial management expert. From June 2020 to present, he has been appointed by Jilin Provincial Department of Culture and Tourism as a financial management expert advisor. Since 2010, he has been appointed by several enterprises as an expert on the Engineering Project Evaluation – Feasibility Study and an expert advisor on Enterprise Internal Control.

Tian Jie

Aged 52, female, holds a bachelor's degree. Ms. Tian has been working at Jilin Huifa Law Firm (吉林省輝發律師事務所) since March 1993 and has over 20 years of experience in legal matters. She is currently serving as the director of Jilin Huifa Law Firm.

白君貴

男，60歲。1999年，在吉林大學在職攻讀工商管理碩士(MBA)研究生，2002年6月畢業，獲工商管理碩士學位(MBA)。

2003年，在吉林大學在職攻讀技術經濟及管理專業博士研究生，2007年6月畢業，獲管理學博士學位。

2015年至今，入選吉林省財政廳高級會計師專業技術職務評審專家庫；2017年7月至今，被吉林省農業綜合開發辦公室聘為《吉林省農業綜合開發評審專家》和《績效評審專家》；2017年9月至今，被吉林省財政廳聘為《吉林省學術類會計領軍人才培養諮詢專家》；2018年至今，被吉林省銘興會計服務有限公司聘為高級財務管理專家；2020年6月至今，被吉林省文化和旅遊廳聘為財務管理工作諮詢專家；2010年以來，先後被多家企業聘為《工程項目評估—可行性研究》專家和《企業內控》諮詢專家。

田傑

女，52歲，大學本科學歷，1993年3月在吉林省輝發律師事務所工作任職至今，有法律專業工作二十多年經驗。現任吉林省輝發律師事務所主任。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

SUPERVISORS

Yan Li Yu

Aged 53, male, held a tertiary qualification. He has been working in Jilin Province Huinan Changlong Bio-pharmacy Company Limited since 1989 and is now the Superintendent of sales division of Changlong Pharmacy. He worked in the material division of Changlong Pharmacy from 1989 to 1994. He worked in the marketing and sales division of Changlong Pharmacy from 1994 to 1996. He worked in the material division of Changlong Pharmacy from 1996 to 2007. From 2007 until now, he has been working in the sales division of Changlong Pharmacy.

Qiao Xiao Chun

Aged 48, female, held a tertiary qualification. She has been working in Jilin Province Huinan Changlong Bio-pharmacy Company Limited since 1994 and is now the Workshop Officer of the solid pharmacy workshop of Changlong Pharmacy. She worked as a supporting staff for Changlong Pharmacy from July 1994 to January 1997. She was the Sales Manager stationed in Tianjin for Changlong Pharmacy from 1997 to 2003. She assumed the position of Superintendent of quality control division of Changlong Pharmacy from 2003 to 2012. Between 2012 and 2014, she was the Merchandiser of production supplies division of Changlong Pharmacy. She was the Deputy Head of production management division of Changlong Pharmacy from 2014 to 2016. From 2017 until now, she is the Workshop Officer of the solid pharmacy workshop of Changlong Pharmacy.

Wang Ying Xu

Aged 40, male, holds an associate degree. He worked in Jilin Huatai Certified Public Accountants (吉林省華泰會計師事務所) from September 2006 to December 2006. Since 2007, he has been working in Jilin Province Huinan Changlong Bio-pharmacy Company Limited and now serves as officer in finance department of the Company.

OTHER SENIOR MANAGEMENT

Mok Sai Cheong Mark

Aged 43, male, is the qualified accountant and company secretary. He holds a Bachelor's degree in accounting. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. He has over 20 years of experience in auditing and accounting.

監事

鄒禮玉

男，53歲，大專學歷，1989年至今在吉林省輝南長龍生化藥業股份有限公司工作，現任長龍藥業銷售部科員。1989年—1994年長龍藥業物料部。1994年—1996年長龍藥業市場銷售部。1996年—2007年長龍藥業物料部。2007年至今長龍藥業銷售部。

喬曉春

女，48歲，大專學歷，1994年至今在吉林省輝南長龍生化藥業股份有限公司工作，現任長龍藥業固體制劑一車間車間主任。1994年7月—1997年1月長龍藥業後勤工作。1997年—2003年長龍藥業駐天津銷售經理。2003年—2012年長龍藥業質量保證部科員。2012年—2014年長龍藥業生產供應部採購員。2014年—2016年長龍藥業生產管理部副部長。2017年至今長龍藥業固體制劑一車間車間主任。

王英旭

男，40歲，大專學歷，2006年9月—2006年12月在吉林省華泰會計師事務所任職，2007年至今在吉林省輝南長龍生化藥業股份有限公司工作，現任長龍藥業財務部科員。

其他高級管理層

莫世昌

合資格會計師，公司秘書，男，43歲，會計學學士。現為香港會計師公會註冊會計師及英國特許公認會計師公會資深會員。莫先生已有逾二十年審計及會計經驗。

REPORT OF THE DIRECTORS

董事會報告書

The Directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2023.

BASIS OF PREPARATION

The Company was established as a state-owned enterprise in the People's Republic of China (the "PRC") in 1989. On 29 December 1995, under the relevant provisions of the PRC Company Law, the Company was re-organised from a state-owned enterprise to a limited liability company. On 16 August 1996, with the approval of the Economic Restructuring Commission of Jilin Province, the Company was further converted into a joint stock limited company. On 20 April 1999, the Company made a bonus issue from capitalisation of retained profits at the proportion of one bonus share for every two existing shares.

The Company's H shares are listed on GEM of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 24 May 2001.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Group is principally engaged in the manufacture and distribution of Chinese medicines and pharmaceutical products in the PRC under the brand names of Changlong and Qing Tong. There were no changes in the nature of the Group's principal activities during the year.

Business review of the Group is set out in the paragraph headed "Management Discussion and Analysis" of this annual report.

SEGMENTAL INFORMATION

The Group has only one business segment which is the manufacture and distribution of Chinese medicines and pharmaceutical products in the PRC. In 2023, revenue of the Group was generated entirely from sales in the PRC and all identifiable assets of the Group are located in the PRC. Accordingly, no business or geographical segmental analysis is prepared for the year.

RESULTS AND DIVIDENDS

The profit of the Group for the year ended 31 December 2023 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 48 to 123.

The Directors do not recommend the payment of a final dividend.

董事會欣然提呈其年報及本公司及本集團截至二零二三年十二月三十一日止年度經審核財務報表。

編製基準

本公司於一九八九年在中華人民共和國(「中國」)成立為一間國有企業。於一九九五年十二月二十九日，根據中國公司法有關條文，本公司由一間國有企業重組為一間有限責任公司。於一九九六年八月十六日，經吉林省經濟改革委員會的批准，本公司進一步改組為一間股份有限公司。於一九九九年四月二十日，本公司按兩股現有股份派發一股紅股的比例，將保留溢利化作資本以進行紅股發行。

本公司H股於二零零一年五月二十四日在香港聯合交易所有限公司(「聯交所」)GEM上市。

主要業務及業務回顧

本集團業務主要在中國製造及分銷長龍和清通品牌中藥及醫藥產品。本集團的主要業務性質於本年度期間並無改變。

本集團業務回顧載於本年報「管理層討論及分析」一段。

分類資料

本集團只有一個業務分類，即於中國製造和分銷中藥及醫藥產品。於二零二三年，本集團收入全部來自中國之銷售，且本集團所有可識別資產均位於中國。因此，本年度並無編製業務或地區分類分析。

業績及股息

本集團截至二零二三年十二月三十一日止年度之溢利，以及本公司及本集團於該日期之事務狀況已載列於財務報表第48至123頁。

董事不建議派發末期股息。



REPORT OF THE DIRECTORS

董事會報告書

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published results and the assets and liabilities of the Group prepared on the basis set out in the notes below. This summary is not part of the audited financial statements.

Results

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Revenue | 收入 | 841,545 | 841,586 |
| Profit before income tax | 除所得稅前溢利 | 198,829 | 197,822 |
| Income tax expense | 所得稅支出 | (50,107) | (3,780) |
| Profit for the year from ordinary activities attributable to owners of the Company | 本年度本公司股權持有人應佔日常業務溢利 | 148,207 | 193,565 |

Assets and liabilities

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-------------------|------|-----------------------------------|-----------------------------------|
| Total assets | 總資產 | 2,318,824 | 2,372,841 |
| Total liabilities | 總負債 | (838,444) | (760,543) |
| Net assets | 資產淨值 | 1,480,380 | 1,612,298 |

財務資料概要

以下為本集團已公佈業績以及資產及負債之概要，乃按下文附註所載基準編製，本概要不屬經審核財務報表之一部分。

業績

資產及負債

BEARER BIOLOGICAL ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Details of movements in bearer biological assets, property, plant and equipment, and intangible assets of the Group during the year are set out in Notes 17, 18 and 23 to the financial statements respectively.

不記名生物資產、物業、廠房及設備以及無形資產

於年內，本集團不記名生物資產、物業、廠房及設備以及無形資產之變動詳情分別載於財務報表附註17、18及23。

REPORT OF THE DIRECTORS

董事會報告書

MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group has made acquisitions of subsidiaries and affiliated companies during the year ended 31 December 2022. As at 31 December 2022, the Group had no other future plans for material investments or significant changes in capital assets of subsidiaries and affiliated companies.

SUBSIDIARIES

Particulars of the subsidiaries of the Company are set out in Note 22 to the financial statements.

BORROWINGS

Particulars of borrowings of the Group are set out in Note 34 to the financial statements.

CAPITAL STRUCTURE

The operations of the Group were financed mainly by shareholders' equity. The Group will continue to adopt its treasury policy of placing the Group's cash and cash equivalents in interest bearing deposits, and to fund operations with internal resources.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in Note 37 to the financial statements.

RESERVES

Details of movements in reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and in Note 38 to the financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the reserves of the Company available for cash distribution or distribution in specie was amounted to approximately RMB1,244,158,000 (2022: RMB1,479,296,000).

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group sold about 5.5% of its goods to its five largest customers (2022: 7%) and sales to the largest customer included therein accounted for 1.7% (2022: 2%) of the Group's total sales.

In the year under review, the Group's purchases from the five largest suppliers accounted for about 28% (2022: 52%) of the Group's total purchases and purchases from the largest suppliers therein accounted for 8% (2022: 32%) of the Group's total purchases.

重大投資、收購及出售附屬公司及聯屬公司

本集團於截至二零二二年十二月三十一日止年度內收購了附屬公司及聯屬公司。於二零二二年十二月三十一日，本集團並無其他未來計劃對任何附屬公司及聯屬公司作重大投資或資本資產大幅改動。

附屬公司

本公司附屬公司之詳情載於財務報表附註22。

借貸

本集團貸款之詳情載於財務報表附註34。

股本結構

本集團之營運主要由股權支付。本集團將繼續採納其財務政策，將本集團之現金及現金等值物存放於計息存款並以內部資源支付其營運所需資金。

股本

本公司於本年度內之股本變動詳情載於財務報表附註37。

儲備

本集團及本公司於年內之儲備變動詳情分別載於綜合權益變動表及財務報表附註38。

可分配儲備

於二零二三年十二月三十一日，本公司可用作現金分配或實物分配之儲備約達人民幣1,244,158,000元（二零二二年：人民幣1,479,296,000元）。

主要客戶及供應商

於本年度內，本集團向五大客戶出售約5.5%（二零二二年：7%）之貨品，其中最大客戶佔本集團總銷售額1.7%（二零二二年：2%）。

於回顧年度內，本集團五大供應商佔本集團總採購額約28%（二零二二年：52%），其中最大供應商佔本集團總採購額8%（二零二二年：32%）。



REPORT OF THE DIRECTORS

董事會報告書

None of the directors of the Company or any shareholders who, to the best knowledge of the directors, own more than 5% of the Company's issued share capital had any beneficial interest in the Group's five largest customers and five largest suppliers noted above.

FOREIGN EXCHANGE RISK

For the years ended 31 December 2023 and 2022, the Group mainly generated revenue and incurred costs in Renminbi. The directors consider the impact on foreign exchange exposure of the Group is minimal. Accordingly the Group did not employ any financial instruments for hedging purposes.

CAPITAL COMMITMENTS

As at 31 December 2023 and 2022, the Group had no capital commitments.

CONTINGENT LIABILITIES

As at 31 December 2023 and 2022, the Group had no material contingent liabilities.

DIRECTORS AND SUPERVISORS

The Directors and Supervisors of the Company during the year and up to the date of this report were as follows:

Executive Directors

Mr. Zhang Hong (*Chairman*)
Mr. Zhang Xiao Guang
Mr. Zhao Bao Gang
Mr. Wu Guo Wen
Mr. Zhang Yi
Mr. Xu Xiang Fu

Independent Non-Executive Directors

Ms. Tian Jie
Mr. Gao Qi Pin
Mr. Bai Jun Gui

Supervisors

Mr. Wang Ying Xu
Mr. Yan Li Yu
Ms. Qiao Xiao Chun

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and the senior management of the Group are set out in the section "Biographical Details of Directors and Senior Management" of the annual report.

就董事所知，擁有本公司已發行股本5%以上的本公司董事或任何股東概無於上述本集團五大客戶及五大供應商中擁有任何實益權益。

外匯風險

截至二零二三年及二零二二年十二月三十一日止年度，本集團之主要收益及成本乃以人民幣計算。董事認為，外匯風險對本集團之影響甚微。因此，本集團並無運用任何金融工具作對沖用途。

資本承擔

於二零二三年及二零二二年十二月三十一日，本集團並無任何資本承擔。

或然負債

於二零二三年及二零二二年十二月三十一日，本集團並無任何重大或然負債。

董事及監事

本公司於本年內及截至本報告日期的董事及監事如下：

執行董事

張弘先生(主席)
張曉光先生
趙寶剛先生
吳國文先生
張翼先生
徐向夫先生

獨立非執行董事

田傑女士
高其品先生
白君貴先生

監事

王英旭先生
鄒禮玉先生
喬曉春女士

董事及高級管理層簡介

本公司董事及本集團高級管理層之簡介詳情載於年報「董事及高級管理層簡歷」一節。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS OF SUBSIDIARIES

Listed below are the names of all the Directors who have served on the boards of the Group's subsidiaries during the year and up to the date of this Report:

Zhang Hong
Zhang Xiao Guang
Zhao Bao Gang
Wu Guo Wen
Zhang Yi

EMOLUMENTS OF DIRECTORS AND SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' and Supervisors' emoluments and those of the five highest paid individuals in the Group are set out in Note 15 to the financial statements.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS OR LETTERS OF APPOINTMENT

Each of the Directors and Supervisors (including the Independent Non-Executive Directors and the Supervisors) has entered into a service contract or letter of appointment with the Company for a term of three years. None of the Directors or the Supervisors had entered into any service contract or letter of appointment with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

No directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or its subsidiaries was a party during the year.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

PERMITTED INDEMNITY PROVISION

At no time during the financial year and up to the date of this directors' report, there was or is, any permitted indemnity provisions being in force for the benefit of any of the directors of the Company or any of its subsidiaries.

附屬公司董事

以下為所有於本年度內及截至本報告日期止之期間出任本集團附屬公司董事的人士：

張弘
張曉光
趙寶剛
吳國文
張翼

董事、監事及五位最高薪人士之酬金

董事、監事及本集團五位最高薪人士之酬金詳情載於財務報表附註15。

董事及監事之服務合約或委任書

各董事及監事(包括獨立非執行董事及監事)已與本公司訂立為期三年之服務合約或委任書。董事及監事概無與本公司訂有本公司不得於一年內終止而毋需支付賠償款項(法定賠償除外)之服務合約或委任書。

董事及監事於合約中之權益

董事於年內概無於本公司或其附屬公司作為一方且對本集團的業務屬重要的任何合約中擁有直接或間接的重大實益權益。

購買、出售或贖回上市證券

年內，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

獲准許彌償條文

於財政年度及截至本董事會報告書日期止任何時間，概無曾經存在或現存任何以本公司或其任何附屬公司之董事為受益人之獲准許彌償條文生效。



REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES

At 31 December 2023, the interests and short positions of the Directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "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 minimum standards of dealing by directors as referred to in Rule 5.46 to 5.67 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") were as follows:

Long positions in shares

| Director | Type of interests | Capacity | Number of Domestic Shares | Percentage of Domestic Shares | Percentage of total registered Share Capital |
|-------------------------|-------------------|---------------------------|---------------------------|-------------------------------|--|
| 董事 | 權益類別 | 身份 | 內資股數目 | 佔內資股百分比 | 佔總註冊股本的百分比 |
| Zhang Hong 張弘 | Personal 個人 | Beneficial owner 實益擁有人 | 101,937,000 | 26.29 | 18.19 |
| Zhang Xiao Guang 張曉光 | Personal 個人 | Beneficial owner 實益擁有人 | 42,315,000 | 10.91 | 7.55 |
| Xu Xiang Fu 徐向夫 | Personal 個人 | Beneficial owner 實益擁有人 | 5,227,000 | 1.348 | 0.933 |
| Wu Guo Wen 吳國文 | Personal 個人 | Beneficial owner 實益擁有人 | 900,000 | 0.232 | 0.161 |

Save as disclosed above, as at 31 December 2023, none of the Directors, supervisors and chief executives of the Company has any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

董事及監事於股份的權益

於二零二三年十二月三十一日，本公司董事、監事及主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第352條，須列入該條所述登記冊的權益及淡倉，或根據聯交所GEM證券上市規則（「GEM上市規則」）第5.46條至5.67條所指董事買賣最低標準而須知會本公司及聯交所的權益及淡倉如下：

於股份的長倉

除上文所披露者外，於二零二三年十二月三十一日，本公司董事、監事及主要行政人員概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第352條，須列入該條所述登記冊的權益及淡倉，或根據GEM上市規則第5.46條至5.67條所指董事買賣最低標準而須知會本公司及聯交所的權益及淡倉。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Saved as disclosed under the headings "Directors' and supervisors' interests in shares" above, at no time during the year were there any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director, supervisor and chief executive or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the directors, supervisors and chief executives to acquire such rights in any other body corporate.

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 31 December 2023, the following persons (other than the Directors, supervisors and chief executives of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in Domestic shares

| Name of shareholder | Capacity/ Nature of interest | Number of Domestic Shares | Percentage of Domestic Shares | Percentage of total registered Share Capital 佔總註冊股本 的百分比 |
|---|---------------------------------|------------------------------|----------------------------------|--|
| 股東名稱 | 身份／權益性質 | 內資股數目 | 佔內資股百分比 | |
| Huinan County SAB (Note) 輝南縣財源投資有限責任公司(附註) | Beneficial owner 實益擁有人 | 81,975,000 | 21.14 | 14.63 |

Note: Apart from the equity interest in the Company, Huinan County SAB does not have any direct or indirect interest in the Company, including representatives in the Board of Directors.

董事購入股份的權利

除上文「董事及監事於股份的權益」一段所披露者外，各董事、監事及主要行政人員或彼等各自的配偶或十八歲以下子女概無獲授或行使任何透過購入本公司股份或債券而獲取利益之權利；而本公司、其控股公司或其任何附屬公司亦無訂立任何安排，讓董事、監事及主要行政人員可於任何其他法團購入該等權利。

根據證券及期貨條例須予披露的權益及主要股東

於二零二三年十二月三十一日，按照本公司根據證券及期貨條例第336條置存的股東名冊顯示，以下人士(本公司董事、監事及主要行政人員除外)於本公司股份及相關股份中持有權益及淡倉。

於內資股的長倉

Long positions in H shares

| Name of shareholder | Capacity | Number of H Shares | Percentage of H Shares | Percentage of total registered Share Capital 佔總註冊股本 的百分比 |
|----------------------|---------------------------|-----------------------|---------------------------|--|
| 股東名稱 | 身份 | H股數目 | 佔H股百分比 | |
| Chen Jingwei 陳京偉 | Beneficial owner 實益擁有人 | 29,520,000 | 17.11 | 5.269 |
| Shen Qianzhen 沈茜珍 | Beneficial owner 實益擁有人 | 13,996,000 | 8.11 | 2.498 |

附註：除卻佔本公司的股本權益外，輝南縣財源投資有限責任公司並無擁有本公司的任何直接或間接權益，包括在董事會內的代表。

於H股的長倉



REPORT OF THE DIRECTORS

董事會報告書

Save as disclosed above, as at 31 December 2023, the Directors were not aware of any other person (other than the Directors, Supervisors and Chief Executives of the Company) who had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group and the Company were entered into or were in existence during the year.

COMPETING INTEREST

None of the Directors, the management shareholders, the significant shareholders or the substantial shareholders (as defined in the GEM Listing Rules) of the Company had any interest in a business, which competes or may compete with the business of the Group.

PRE-EMPTIVE RIGHT

There are no provisions for pre-emptive rights under the article of association of the Company or the laws of the PRC, being the jurisdiction in which the Company was established, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

CONNECTED TRANSACTIONS

During the year, the Group had no material related party transactions, which constituted connected transactions under the GEM Listing Rules.

STAFF RETIREMENT SCHEME

Details of the staff retirement scheme of the Group and the employer's staff retirement costs charged to the profit and loss account for the year are set out in note 16 to the financial statements.

AUDIT COMMITTEE

The Company set up an Audit Committee on 24 May 2001 with written terms of reference in compliance with the requirements as set out in Rules 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and provide supervision over the financial reporting procedures and internal control system of the Group.

The committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including a review of the audited results of the Group for the year ended 31 December 2023.

除上述所披露者外，於二零二三年十二月三十一日，按證券及期貨條例第336條存置之股東名冊所示，董事並不知悉任何其他人士（本公司董事、監事及主要行政人員除外）擁有本公司股份及相關股份的權益及淡倉。

管理合約

年內，本公司概無訂立任何有關本集團及本公司全部或任何重大部分業務之管理及行政之合約，亦無仍有效之該等合約。

競爭權益

本公司各董事、管理層股東、高持股量股東或主要股東（定義見GEM上市規則）概無於對本集團業務構成或可能構成競爭的任何業務中擁有任何權益。

優先購股權

本公司之公司章程細則或中國法律（即本公司成立之司法權區）並無有關優先購股權之規定，並無要求本公司須按比例向現有股東發售新股。

關連交易

於本年度內，本集團並無根據GEM上市規則構成關連交易之重大關連人士交易。

僱員退休計劃

本集團之僱員退休計劃及於年內損益賬中扣除之僱主所承擔之僱員退休成本之詳情載於財務報表附註16。

審核委員會

本公司於二零零一年五月二十四日成立審核委員會，並遵照GEM上市規則第5.28及5.29條之規定，訂立書面職權範圍。審核委員會之主要職責是審核及監督本集團之財務報告程序及內部監控系統。

委員會已與管理層檢討本集團採納之會計原則及慣例，並商討有關內部監控及財務報告事宜，包括審核本集團截至二零二三年十二月三十一日止年度之經審核業績。

REPORT OF THE DIRECTORS

董事會報告書

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out on page 124 of the annual report. This summary does not form part of the audited financial statements.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best of the directors' knowledge, as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the GEM Listing Rules.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on pages 30 to 40 of the annual report.

AUDITORS

A resolution will be submitted to Annual General Meeting of the company to re-appoint the auditors of the Company, Prism Hong Kong and Shanghai Limited.

By order of the Board

Zhang Hong
Chairman

Jilin Province, PRC
28 March 2024

五年財務摘要

本集團過去五個財政年度之業績、資產及負債摘要，乃摘錄自己刊發之經審核財務報表，且已於合適時作出重新歸類，載於年報第124頁。該摘要並不構成經審核財務報表之一部分。

公眾持股量

根據本公司獲得之公開資料及據董事所知，於本年報刊發日期，根據GEM上市規則，本公司已發行股份之公眾持股量充足。

企業管治

有關本公司所採納主要企業管治常規之報告載於年報第30至40頁。

核數師

本公司將於週年股東大會上提呈決議案以續聘上會栢誠會計師事務所有限公司為本公司核數師。

承董事會命

主席
張弘

中國吉林省
二零二四年三月二十八日



CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieve high standards of corporate governance to safeguard the interest of its shareholders and enhance its corporate value. Throughout the year ended 31 December 2023 and up to the date of this annual report, the Company has complied with the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors throughout the year ended 31 December 2023.

BOARD OF DIRECTORS AND BOARD MEETINGS

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

Executive Directors

Mr. Zhang Hong (*Chairman*)
Mr. Zhang Xiao Guang
Mr. Zhao Bao Gang
Mr. Wu Guo Wen
Mr. Zhang Yi
Mr. Xu Xiang Fu

Independent Non-Executive Directors

Mr. Bai Jun Gui
Ms. Tian Jie
Mr. Gao Qi Pin

As at the date of this report, the Board comprised nine Directors, six of whom are Executive Directors, three of whom are INEDs of the Company. Details of backgrounds and qualifications of each Director are set out on the section headed "Biographical Details of Directors and Senior Management" of this annual report.

企業管治常規

本公司致力於達致高標準的企業管治，以保障其股東權益及提升其企業價值。截至二零二三年十二月三十一日止整個年度及直至本年報刊發日期，本公司已遵守GEM上市規則附錄15所載企業管治守則。

董事進行證券交易的標準守則

本公司已就董事進行證券交易採納操守準則，條款不寬於GEM上市規則第5.48至5.67條所載董事進行證券交易的標準守則。本公司經向全體董事作出特定查詢後，於截至二零二三年十二月三十一日止年度全年，本公司並不知悉任何不遵守證券交易規定交易準則和有關董事進行證券交易操守準則之情況。

董事會及董事會會議

年內及截至本報告日期，本公司董事有：

執行董事

張弘先生(*主席*)
張曉光先生
趙寶剛先生
吳國文先生
張翼先生
徐向夫先生

獨立非執行董事

白君貴先生
田傑女士
高其品先生

於本報告日期，董事會由九名董事組成，其中六名為本公司之執行董事，三名為本公司之獨立非執行董事。各董事的背景及資歷詳情載於本年報「董事及高級管理層簡歷」一節。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is responsible for corporate strategy, annual and interim results, succession planning, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the Board of Directors to the management include the preparation of annual and interim accounts for Board approval before public reporting, execution of business strategies, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations. Executive Directors are responsible for running the Group and executing the strategies adopted by the Board. The INEDs serve the relevant function of bringing independent judgement on the development, performance and risk management of the Group through their contributions in board meeting.

All Directors have been given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to carry out his duties effectively and efficiently.

The Board considers that each INED of the Company is independent in character and judgement. The Company has received from each INED a written confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules.

The Board meets at least four times each year at approximately quarterly intervals to discuss the Group's business development, operation and financial performance. Board papers are circulated not less than 7 days before the Board meetings to enable the Directors to make informed decisions on matters to be raised at the board meetings. Minutes of board meetings are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

To the best knowledge of the Directors, other than the family relationship disclosed in the biographical details of directors and senior management set out on pages 16 to 20 of this annual report, there is no financial, business and family relationship among the members of the Board.

董事會負責企業策略、年度及中期業績、繼任籌劃、風險管理、主要收購、出售及資本交易，以及其他重大營運及財務事宜。董事會特別授予管理層處理之重大公司事宜包括編製年度及中期賬目並於公開公佈前供董事會批准、執行業務策略、實施足夠的內部控制系統及風險管理程序，以及遵守相關法定規定、規則和條例。執行董事負責本集團之運作及執行董事會採納之策略。獨立非執行董事透過在董事會會議上發表意見，履行為本集團的發展、表現和風險管理計入獨立判斷的有關功能。

所有董事已獲給予充份時間和資料關注本集團事務。每名執行董事均有足夠經驗擔任其職位以有效和有效率執行職務。

董事會認為，本公司各獨立非執行董事的身份及判斷均具獨立性。本公司已接獲各獨立非執行董事之確認書，確認彼等符合GEM上市規則第5.09條所載有關獨立性之規定。

董事會每年最少舉行四次會議，約每一季度舉行一次，討論本集團的業務發展、營運及財務表現。董事會文件須於董事會會議前最少7天發出，使董事可就提呈董事會會議的事項作出知情決定。董事會會議記錄由公司秘書備存，任何董事可在發出合理通知下於任何合理時段查閱董事會會議記錄。

據董事所知悉，除於本年報第16至20頁所載的董事及高級管理層簡歷中披露的親屬關係外，董事會各成員之間並無財務、業務及親屬關係。



CORPORATE GOVERNANCE REPORT

企業管治報告

Board meetings

During the year, six regular board meetings were held. Details of the attendance of the Directors are as follows:

董事會會議

年內，已舉行六次常規董事會會議。董事會出席詳情如下：

| Directors | 董事 | Meetings attended/held 已出席／已舉行會議 |
|--|----------|-------------------------------------|
| <i>Executive Directors</i> | | |
| Mr. Zhang Hong (Chairman) | 張弘先生(主席) | 9/9 |
| Mr. Zhang Xiao Guang | 張曉光先生 | 9/9 |
| Mr. Zhao Bao Gang | 趙寶剛先生 | 9/9 |
| Mr. Wu Guo Wen | 吳國文先生 | 8/9 |
| Mr. Zhang Yi | 張翼先生 | 9/9 |
| Mr. Xu Xiang Fu | 徐向夫先生 | 9/9 |
| <i>Independent Non-Executive Directors</i> | | |
| Ms. Tian Jie | 田傑女士 | 9/9 |
| Mr. Gao Qi Pin | 高其品先生 | 8/9 |
| Mr. Bai Jun Gui | 白君貴先生 | 5/9 |

Apart from the above regular board meetings of the years, the Board of Directors will meet on other occasions when a board-level decision on a particular matter is required. The Directors will receive details of agenda items for decision and minutes of committee meetings in advance of each board meeting.

除上述各年度之定期董事會會議外，董事會可在必須就特定事宜作出董事會層次之決定時另行召開會議。於每次召開董事會會議前，董事將預先收到須作決定之議程項目及委員會會議記錄詳情。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the code provision A.2.1, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Zhang Hong assumes the role of both the chairman and the chief executive officer of the Company. The Board is of the view that this has not compromised accountability and independent decision making for the following reasons:

主席及行政總裁

根據守則條文A.2.1條規定，主席及行政總裁的角色應各自獨立，不應由同一人士所擔任。張弘先生現同時擔任本公司之主席及行政總裁。董事會認為，此情況並未影響其問責及作出獨立決定，原因如下：

- the Audit Committee composes exclusively of Independent Non-executive Directors;
- the Independent Directors have free and direct access to the Company's external auditors and independent professional advice when considered necessary.

- 審核委員會僅由獨立非執行董事組成；
- 獨立董事可於認為有需要時隨時和直接尋求本公司外聘核數師意見及獨立專業意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

Mr. Zhang Hong, the chairman, is a substantial shareholder of the Company and has considerable industry experience. He is motivated to contribute to the growth and profitability of the Group. The Board is of the view that it is in the best interests of the Group to have an executive chairman so that the Board can have the benefit of a chairman who is knowledgeable about the business of the Group and is most capable to guide discussions and brief the Board in a timely manner on pertinent issues and developments to facilitate open dialogue between the Board and the management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company appointed INEDs who have appropriate and sufficient experience and qualification to carry out their duties so as to protect the interests of shareholders. Mr. Bai Jun Gui, Mr. Gao Qi Pin and Ms. Tian Jie are the INEDs.

All INEDs are subject to retirement by rotation in accordance with the articles of association of the Company. All the existing INEDs are appointed for an initial term of three years and the term of office shall continue after the expiration of the initial term until at least 1 month's prior written notice is given by either party or the Company to terminate the same.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

Every Director receives comprehensive, formal and tailored induction on appointment and they are continually updated on developments in the statutory and regulatory regime, and the business and market changes to facilitate the discharge of their responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

To ensure that all Directors' contribution into the Board remain informed and relevant, they have participated in continuous professional development for the year ended 31 December 2023 to develop and refresh their knowledge and skill. During the year under review, the Company has provided updates and coordinated training on the GEM Listing Rules and relevant regulatory requirements to the Directors.

REMUNERATION COMMITTEE

According to the Code, the Company has set up a Remuneration Committee on 29 September 2005. As at the date of this report, the chairman of the committee is Mr. Gao Qi Pin, an INED, and other members include Ms. Tian Jie, Mr. Bai Jun Gui and Mr. Zhang Hong. The remuneration committee schedules meet at least once a year and the quorum necessary for the transaction of business is two.

主席張弘先生現為本公司主要股東且具備資深行業經驗。彼受推動為本集團之增長及盈利能力作出貢獻。董事會認為，擁有一位執行主席乃符合本集團之最佳利益，因為藉此董事會可受惠於獲得一位對本集團業務具深厚認識，並有能力於有關事宜及發展適時引導董事會作出討論和向董事會進行簡報的主席，藉以促進董事會與管理層之間的公開交流。

獨立非執行董事

本公司委任的獨立非執行董事擁有適當和足夠經驗及學歷履行職務，以保障股東權益。白君貴先生、高其品先生及田傑女士為獨立非執行董事。

所有獨立非執行董事均須根據本公司組織章程細則輪席告退。所有現有獨立非執行董事獲委任之任期初步為三年，初步任期屆滿後任期將會繼續，直至任何一方發出最少一個月書面通知或本公司予以終止為止。

董事的持續專業發展課程

各董事於獲委任時均會獲得全面、正式及訂做的就任指引，並持續獲知會有關法定及監管制度的最新發展以及業務及市場變化，以協助其履行其於GEM上市規則及有關法例規定項下的職責及義務。

為確保全體董事均能為董事會作出知情及相關的決策，截至二零二三年十二月三十一日止年度內，彼等已持續參與專業發展，以精進並更新其知識和技能。於回顧年度內，本公司已根據GEM上市規則及相關監管規定為董事提供最新資訊及舉辦培訓。

薪酬委員會

根據守則，本公司已於二零零五年九月二十九日設立薪酬委員會。於本報告日期，委員會主席為獨立非執行董事高其品先生，其他成員包括田傑女士、白君貴先生及張弘先生。薪酬委員會定期每年最少舉行一次會議，議事所須之法定人數為兩人。



CORPORATE GOVERNANCE REPORT

企業管治報告

The role and function of the Remuneration Committee included the determination of the specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the board of the remuneration of non-executive Directors. The remuneration committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

For the financial year ended 31 December 2023, the Remuneration Committee held two meetings. The individual attendance records of each member are as follows:

| Members | 成員 | Meetings attended/held 已出席/已舉行會議 |
|-----------------|-------|-------------------------------------|
| Mr. Bai Jun Gui | 白君貴先生 | 2/2 |
| Ms. Tian Jie | 田傑女士 | 2/2 |
| Mr. Gao Qi Pin | 高其品先生 | 2/2 |
| Mr. Zhang Hong | 張弘先生 | 2/2 |

For the year ended 31 December 2023, the Remuneration Committee reviewed matters relating to remuneration for the Directors and members of senior management, and discussed the remuneration policy of the Group.

The remuneration committee of the Company has considered and reviewed the existing terms of employment contracts of the Executive Directors and appointment letters of the INEDs. The Remuneration Committee of the Company considers that the existing terms of employment contracts of the Executive Directors and appointment letters of the INEDs are fair and reasonable.

NOMINATION COMMITTEE

The Company has established the Nomination Committee according to the relevant provisions of the GEM Listing Rules with written terms of reference. Its primary responsibilities include reviewing and supervising the framework, number of members and composition of the Board and making proposals to the Board in respect of any changes and identifying and nominating suitable persons for appointment of Director.

As at the date of this report, the Nomination Committee comprises of one Executive Director, Mr. Zhang Xiao Guang and three INEDs, Mr. Bai Jun Gui, Mr. Gao Qi Pin and Ms. Tian Jie, Mr. Gao Qi Pin is the chairman of the Nomination Committee.

薪酬委員會之角色及功能包括釐定所有執行董事之特定薪酬組合，包括實物利益、退休金及補償付款(包括因失去或終止彼等職位或委任應付之任何補償)以及向董事會就非執行董事之薪酬提供建議。薪酬委員會應考慮各種因素，例如可比較公司支付之薪金、董事承擔之時間及責任、本集團其他地方之聘用條件及按表現釐定薪酬之可取性。

於截至二零二三年十二月三十一日止財政年度，薪酬委員會舉行了兩次會議。各成員之個別出席記錄如下：

於截至二零二三年十二月三十一日止年度，薪酬委員會審核了與董事及高級管理人員薪酬相關事宜，並商討了本集團之薪酬政策。

本公司薪酬委員會已考慮和審議執行董事受聘合約及獨立非執行董事委任書之現行條款。本公司薪酬委員會認為執行董事受聘合約及獨立非執行董事委任書之現行條款屬公平合理。

提名委員會

本公司已根據GEM上市規則相關條文成立提名委員會，並以書面訂立其職權範圍。其主要責任包括審核和監督董事會之架構、成員人數及組織，並就任何變動向董事會作出建議和提名適當董事委任人選。

於本報告日期，提名委員會由一名執行董事張曉光先生及三名獨立非執行董事白君貴先生、高其品先生及田傑女士所組成，高其品先生擔任提名委員會主席。

CORPORATE GOVERNANCE REPORT

企業管治報告

Nomination procedures include identification and acknowledgement of qualified individuals by the Nomination Committee, and review and approval of such nominations by the Board. The Nomination Committee will evaluate potential candidates considering factors such as professional expertise, relevant experience, personal ethics and integrity.

For the financial year ended 31 December 2023, the Nomination Committee held two meetings. During the meeting, the Nomination Committee has reviewed and discussed the framework, number of members and composition of the Board. Also, the Nomination Committee has identified and made proposals in respect of the outstanding appointment of Executive Directors and INEDs. The individual attendance records of each member are as follows:

| Members | 成員 | Meetings attended/held 已出席／已舉行會議 |
|----------------------|-------|-------------------------------------|
| Mr. Bai Jun Gui | 白君貴先生 | 2/2 |
| Ms. Tian Jie | 田傑女士 | 2/2 |
| Mr. Gao Qi Pin | 高其品先生 | 2/2 |
| Mr. Zhang Xiao Guang | 張曉光先生 | 2/2 |

AUDIT COMMITTEE

The Audit Committee was established in 2001 and currently comprises three members, Mr. Bai Jun Gui, Mr. Gao Qi Pin and Ms. Tian Jie. All of them are INEDs. The chairman of the Audit Committee is Mr. Gao Qi Pin. The Board considers that each Audit Committee has broad commercial experience and there is a suitable mix of expertise in business, legal, accounting and financial management in the Audit Committee.

None of the members of the Audit Committee has any personal financial interests, conflicts of interests arising from cross-directorships or day-to-day involvement in the running of the business. During the year, the Audit Committee carried out their own independent review of the interim and annual financial statements and financial reports and statements included in circulars of the Company published during the year. The Audit Committee completed its review of the adequacy and effectiveness of the Company's systems of internal control and reported its findings and recommendations to the Board.

提名程序包括由提名委員會甄別及認可合資格人士，並由董事會審核及批准。提名委員會將評估潛在候選人，考慮專業技能、相關經驗、個人操守及誠信等因素。

截至二零二三年十二月三十一日止財政年度，提名委員會舉行了兩次會議。會上提名委員會審議並討論了董事會架構、成員人數及組成。提名委員會亦就執行董事及獨立非執行董事之空缺人選作出甄別及建議。各成員之個別出席記錄如下：

審核委員會

審核委員會成立於二零零一年，目前由白君貴先生、高其品先生及田傑女士三名成員組成。彼等均為獨立非執行董事。審核委員會主席為高其品先生。董事會認為各審核委員會成員均具有廣泛的商業經驗，審核委員會內適當地融合了商業、法律、會計及財務管理等方面的專業知識。

審核委員會概無成員擁有任何個人權益、自跨董事身份產生利益衝突或參與日常本公司業務經營。年內，審核委員會曾獨立審閱年內刊發載於本公司通函之中期及年度財務報表及財務報告及報表。審核委員會亦完成審核本公司內部監控系統之充足性和有效性，並向董事會報告其調查結果及建議。



CORPORATE GOVERNANCE REPORT

企業管治報告

The Audit Committee held four meetings during the year under review. Details of the attendance of the audit committee meetings are as follows:

審核委員會於回顧年度內共舉行四次會議。審核委員會會議之出席詳情如下：

| Members | 成員 | Meetings attended/held 已出席／已舉行會議 |
|-----------------|-------|-------------------------------------|
| Mr. Bai Jun Gui | 白君貴先生 | 4/4 |
| Ms. Tian Jie | 田傑女士 | 4/4 |
| Mr. Gao Qi Pin | 高其品先生 | 4/4 |

The Group's unaudited quarterly and interim results and annual audited results during the year ended 31 December 2023 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results were complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

本集團截至二零二三年十二月三十一日止年度之未經審核季度、中期業績及年度經審核業績已由審核委員會審閱，彼等認為該等業績之編製乃符合適用會計準則及規定，並已適當作出披露。

AUDITOR'S REMUNERATION

Prism Hong Kong and Shanghai Limited was the auditor of the Company for the year ended 31 December 2023. Other than annual auditing services, Prism Hong Kong and Shanghai Limited did not provide non-auditing services to the Company or any of the Group's companies during the year.

核數師薪酬

截至二零二三年十二月三十一日止年度，本公司之核數師為上會栢誠會計師事務所有限公司。除年度審核服務外，年內上會栢誠會計師事務所有限公司並無向本公司或任何本集團成員公司提供非核數服務。

Auditor's remuneration for the year ended 31 December 2023 is set out in Note 10 to the financial statements.

截至二零二三年十二月三十一日止年度核數師薪酬載於財務報表附註10。

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors have the responsibilities for the preparation of the financial statements of the Group and shall ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

董事對財務報表之責任

董事已負責編製本集團之財務報表，並確保該等財務報表乃遵照法定要求及適用會計準則編製。董事亦確保本集團之財務報表準時刊發。

The statements of the external auditors of the Company, Prism Hong Kong and Shanghai Limited, about its reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 42 to 47 of this annual report.

本公司外聘核數師上會栢誠會計師事務所有限公司就其對本集團財務報表報告責任之陳述載於本年報第42至47頁「獨立核數師報告書」。

COMPANY SECRETARY

In 2023, the Company Secretary took the relevant professional training of 15 hours relating to general corporate governance issues.

公司秘書

於二零二三年，公司秘書已進行有關企業管治事宜的15小時相關專業培訓。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for ensuring that the Group has a sound and effective internal control system. The Group is committed to the identification, monitoring and management of risks associated with its business activities and has implemented a practical and effective control system which includes a defined management structure with limits of authority, a sound cash management system and periodic review of the Group's operation and performance by the Audit Committee and the Board. The internal control system is reviewed on an ongoing basis by the Board to ensure it is effective. The Board is satisfied that, based on information furnished to it and on its own observations, the present internal controls of the Group are satisfactory. The Board has conducted review of the effectiveness of the system of internal control and is of the view that the system of internal control adopted for the year is sound and effective. The Group does not maintain its own internal audit team for cost-saving reason but the work is shared between related parties in the Company to assist the Audit Committee to review the effectiveness of the Group's risk management and internal control system.

INVESTOR RELATIONS

The Company disclosed all necessary information to the shareholders in compliance with GEM Listing Rules. Extensive information about the Company's activities is provided in the Annual Report and the Interim Report which are sent to shareholders. There is regular dialogue with institutional investors. Enquiries from individuals on matters relating to their shareholdings and the business of the Company are welcomed and are dealt with in an informative and timely manner.

All shareholders have 45 days' notice of the Annual General Meeting at which all directors and Committee chairs are available for questions. All shareholders are encouraged to attend the Annual General Meeting.

LOOKING FORWARD

The Group will keep on reviewing its corporate governance standards on a timely basis and the Board endeavors to take necessary actions to ensure compliance with the required practices and standards including the provisions of the Code on Corporate Governance Practices introduced by the Stock Exchange.

COMPLETION OF INTERNAL CONTROL REVIEW

Reference is made to the statement of disciplinary action published by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") dated 13 June 2023 (the "Statement") in relation to, among other things, the direction to Jilin Province Huinan Changlong Bio-pharmacy Company Limited (the "Company") to conduct a review on the Company's internal control for procuring compliance with Chapter 19 of the GEM Listing Rules.

內部監控及風險管理

董事會負責確保本集團的內部監控系統健全及有效。本集團致力於識別、監控及管理與其業務有關之風險，並已實施一項實際可行和行之有效之監控系統，包括清晰界定許可權之管理結構、良好之現金管理系統，以及由審核委員會及董事會定期對本集團之營運及業績進行檢討。內部監控系統乃由董事會持續進行檢討是否有效。董事會根據向其獲提供之資料及本身之觀察，對本集團現有之內部監控感到滿意。董事會亦已審閱內部監控系統之有效性，認為於年內採納之內部監控系統屬健全及有效。為節省成本，本集團自身並無成立內部審核團隊，而是與其關聯方共同協助審核委員會檢討本集團風險管理及內部監控系統的有效性。

投資者關係

本公司已遵照GEM上市規則之規定向股東披露所有必須之資料。有關本公司活動之廣泛資料於寄發股東之年報及中期報告內提供。本公司與機構投資者保持定期聯絡。本公司歡迎個別人士就其股權事宜及本公司業務提出查詢，並會詳盡和適時處理該等查詢。

所有股東均於舉行股東週年大會前獲發45日通知，所有董事及委員會主席均出席大會回答問題。本公司鼓勵所有股東出席股東週年大會。

未來前景

本集團將不斷適時審核其企業管治準則，而董事會則積極採取必須行動確保遵守所須常規及準則，包括聯交所頒佈之企業管治常規守則。

完成檢討內部監控

茲提述香港聯合交易所有限公司(「聯交所」)日期為二零二三年六月十三日的紀律處分聲明(「聲明」)，內容有關(其中包括)指令吉林省輝南長龍生化藥業股份有限公司(「本公司」)對本公司的內部監控進行檢討，以促使其遵守《GEM上市規則》第十九章的規定。



CORPORATE GOVERNANCE REPORT

企業管治報告

As directed by the GEM Listing Committee of the Stock Exchange, the Company shall retain an independent professional adviser to conduct a thorough review of and make recommendations to improve the Company's internal controls and to ensure compliance with Chapter 19 of the GEM Listing Rules. The Company has retained Prism Advisory Limited (the "Internal Control Adviser") in August 2023 and the Internal Control Adviser has completed its review on the Company's internal controls and review of the Company's implementation of its recommendations on the internal controls. The internal control deficiencies identified in the review and the recommendations of the Internal Control Adviser are summarised as follows:

1. Management on financial investment business (risk level: low)

The Company has established an internal control procedure in respect of its financial investment business (the "Internal Control Procedure") since 2016 when it first started to invest in financial products. According to the review by the Internal Control Adviser, the Internal Control Procedure has not set out in detail the requirements on (i) investment planning (e.g. personnel, purpose, source of funds, budget control and risk management); (ii) the structure and power of the investment department; (iii) the monitoring of the investment. The Internal Control Adviser has also reviewed all relevant information relating to the financial investment business to confirm the Company has established management procedure in respect of its investments, but such procedure has not been documented and incorporated into the Internal Control Procedure.

The Internal Control Adviser recommended the Company to update the Internal Control Procedure to incorporate sections as set out in (i) to (iii) above and to update the Internal Control Procedure on the selection of financial products, investment analysis, approval process, compliance check, execution of the subscriptions and redemption process, so as to ensure consistency between the Internal Control Procedure and actual execution of the relevant procedure. The Internal Control Adviser also recommended the management to regularly update the Internal Control Procedure and to keep proper records.

The Internal Control Adviser has reviewed the updated Internal Control Procedure and confirmed that its recommendations have been implemented.

根據聯交所GEM上市委員會的指令，本公司須聘請獨立專業顧問，徹底檢討本公司的內部監控並提出建議對此進行改善，以確保遵守《GEM上市規則》第十九章的規定。本公司已於二零二三年八月聘請上會永晉諮詢有限公司（「內部監控顧問」），內部監控顧問已完成檢討本公司的內部監控及審視本公司內部監控建議的執行情況。有關檢討所識別的內部監控缺陷及內部監控顧問的建議概述如下：

1. 有關金融投資業務的管理（風險水平：低）

本公司於二零一六年首次投資金融產品，自此已成立金融投資業務的內部監控程序（「內部監控程序」）。根據內部監控顧問的檢討，內部監控程序並無就以下方面作出詳細規定：(i)投資規劃（例如人員、目的、資金來源、預算控制及風險管理）；(ii)投資部門的架構及權力；(iii)投資監控。內部監控顧問亦已檢討所有有關金融投資業務的相關資料，以確認本公司已就其投資建立管理程序，惟有關程序尚未記錄納入內部監控程序。

內部監控顧問建議本公司更新內部監控程序，納入上述(i)至(iii)所載的章節，並更新內部監控程序內有關金融產品選擇、投資分析、審批流程、合規檢查、認購及贖回的執行流程的內容，確保內部監控程序與相關流程的實際執行一致。內部監控顧問亦建議管理層定期更新內部監控程序並保存適當的記錄。

內部監控顧問已檢討更新後的內部監控程序並確認其建議已獲實施。

CORPORATE GOVERNANCE REPORT

企業管治報告

2. Procedure on use of Company chop (risk level: low)

The authorised personnel will affix the Company's chop and specialised chop for finance to the agreement regarding the financial product. The Company has established an internal procedure on use of Company chops. Yet, usage of Company chops only requires prior verbal application. The Company has not kept a record of the written approval from management and the use of its chops. Such arrangement will increase the risk of inappropriate use of the Company chop.

The Internal Control Adviser recommended that the use of Company chops should be subject to written approval in accordance with the requirement of the internal procedure on use of Company chops and proper record on the written approval should be kept.

The Internal Control Adviser has inspected the use of Company chops in September 2023 and confirmed that the Company has followed the internal procedure in respect of the use of Company chops.

3. File management (risk level: medium)

The Company has only kept the investment analysis of the financial products and the approval record from the Board. The Company has not kept files of the application for subscription by the Company's investment department and files of approval or reporting from the capital committee, risk management committee and internal control department. The Internal Control Adviser recommended the Company to establish financial investment file archives for safekeeping the approval or reporting records to facilitate the management to review past investment records. Such arrangement should be recorded in the Internal Control Procedure.

The Internal Control Adviser has inspected the transaction documents for subscription of financial products during the period from August to September 2023 and confirmed that the Company has kept proper records.

2. 有關使用公司印章的程序(風險水平：低)

授權人員將於金融產品協議上加蓋本公司印章及財務專用印章。本公司已建立有關使用本公司印章的內部程序。然而，使用本公司印章僅需要事先口頭申請。本公司並無備存管理層書面批准及印章使用記錄。有關安排將增加本公司印章被不當使用的風險。

內部監控顧問建議，根據使用本公司印章的內部程序的要求，使用本公司印章時應先取得書面批准，並備存書面批准的適當記錄。

內部監控顧問已於二零二三年九月檢查本公司印章的使用情況，確認本公司在使用本公司印章方面已遵守內部程序。

3. 檔案管理(風險水平：中)

本公司僅備存金融產品的投資分析及董事會批准記錄。本公司並無備存本公司投資部的認購申請檔案及資本委員會、風險管理委員會及內部監控部門的批准或申報檔案。內部監控顧問建議本公司建立財務投資檔案庫，保存批准或申報記錄，方便管理層審閱過往投資紀錄。有關安排應記錄於內部監控程序內。

內部監控顧問已檢查二零二三年八月至九月期間認購金融產品的交易文件，並確認本公司已保存適當的記錄。



4. Disclosure and management on notifiable transactions (risk level: high)

The Company has failed to comply with the GEM Listing Rules requirement in respect of its subscription of financial products from 2018 to 2020. For most of the breaches in 2019 and 2020, the breaches of the GEM Listing Rules were due to misunderstanding by the management of the Company of the Measures for the Supervision and Administration of the Wealth Management Business of Commercial Bank issued by the China Banking and Insurance Regulatory Commission on 26 September 2018. The Company has also failed to aggregate some subscriptions with the same financial institution and failed to comply with the relevant disclosure and shareholders' approval requirements under the GEM Listing Rules.

To avoid any non-compliances in the future, the Company has prepared a compliance manual in respect of subscription of financial products (the "Compliance Manual") and provided regular trainings to the directors and senior management in respect of the requirements of the GEM Listing Rules. The Company has also prepared accounts for subscription of financial products, and the financial controller, company secretary and the department head of the securities department will jointly monitor the subscriptions of financial products from the same financial institution and make monthly report to the board of directors of the Company to ensure compliance with Chapter 19 of the GEM Listing Rules.

The Internal Control Adviser has reviewed the Compliance Manual to be published in 2023 and confirmed that the relevant compliance procedure has been incorporated. The Internal Control Adviser has inspected the training records and confirmed that the relevant trainings have been conducted. The Internal Control Adviser has inspected the size test calculation in respect of investments in financial products from 2022 to 2023 and confirmed that the Company has complied with the GEM Listing Rules in respect of the investments. The Internal Control Adviser has also inspected the accounts for subscription of financial products and confirmed that the financial controller, company secretary and the department head of the securities department have monitored the financial products.

The Board confirmed that all the recommendations of the Internal Control Adviser has been implemented, and the Company has complied with all the directions of the GEM Listing Committee set out in the Statement. The relevant non-compliance incidents and the related internal control deficiencies identified by the Internal Control Adviser will be disclosed in the corporate governance report of the Company for the financial year ending 31 December 2023.

4. 有關須予公佈交易的披露及管理(風險水平：高)

本公司自二零一八年至二零二零年認購金融產品時未有遵守GEM上市規則的規定。於二零一九年及二零二零年的大部分違規行為都是由於本公司管理層誤解了中國銀行保險監督管理委員會於二零一八年九月二十六日頒布的商业銀行理財業務監督管理辦法。本公司亦未有將同一金融機構的部分認購合計，且未有遵守《GEM上市規則》項下相關披露及股東批准的規定。

為避免日後出現任何不合規情況，本公司已編製有關認購金融產品的合規手冊(「合規手冊」)，並就《GEM上市規則》的要求定期向董事及高級管理層提供培訓。本公司亦已設立金融產品認購賬目，由財務總監、公司秘書、證券部門主管對同一金融機構金融產品的認購共同進行監察，並每月向本公司董事會報告確保遵守《GEM上市規則》第十九章。

內部監控顧問已檢討將於二零二三年刊發的合規手冊，並確認已納入相關合規程序。內部監控顧問已檢查培訓記錄，並確認相關培訓已經進行。內部監控顧問亦已檢查自二零二二年至二零二三年金融產品投資的規模測試計算，並確認本公司已就該等投資遵守《GEM上市規則》。內部監控顧問亦已檢查認購金融產品的賬目，並已確認財務總監、公司秘書、證券部門主管已對金融產品進行監察。

董事會確認，內部監控顧問的所有建議均已實施，且本公司已遵守聲明所載GEM上市委員會的所有指令。內部監控顧問所識別的相關不合規事件及相關內部監控缺陷將於本公司截至二零二三年十二月三十一日止財政年度的企業管治報告內披露。

REPORT OF THE SUPERVISORY COMMITTEE

監事會報告書

TO THE SHAREHOLDERS OF JILIN PROVINCE HUINAN CHANGLONG BIO-PHARMACY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

During the year ended 31 December 2023, in accordance with the Company Law of the PRC, the requirements of the relevant laws and regulations of Hong Kong and the articles of association of the Company (the “relevant rules and regulations”), the Supervisory Committee of the Company exercised conscientiously its authority, safeguarded the interests of the shareholders of the Company and the Company, and followed the principle of honesty and integrity and worked cautiously and diligently.

During the year, we provided reasonable suggestions and advice on the operations and development plans to the Directors and strictly and effectively monitored whether the policies of the Company had conformed with the relevant rules and regulations or safeguarded the interests of the shareholders of the Company.

After investigation, we consider that the audited financial statements of the Company give a true and fair picture of the operating results and asset position of the Company. We also consider that the Report of the Directors and the profit distribution proposal meet the relevant rules and regulations. We have attended the meeting of the Board. We are of the opinion that the meeting was convened in accordance with the relevant rules and regulations. We consider that the members of the Board, the general manager and other senior management of the Company have strictly complied with the principle of honesty and trustworthiness, worked diligently and sincerely exercised their authority to the best interests of the Company. None of the Directors, general manager nor other senior management of the Company have abused their powers, caused damage to the interests of the Company and infringed upon the interests of the Company shareholders and its staff, nor have they violated the relevant rules and regulations.

We are satisfied with the various accomplishments and the cost-effectiveness of the Company. We are confident that the Company will have a good prospect of future development.

By order of the Supervisory Committee
Jilin Province Huinan Changlong Bio-pharmacy Company Limited

Qiao Xiao Chun

Jilin Province, PRC
28 March 2024

致吉林省輝南長龍生化藥業股份有限公司 列位股東

(於中華人民共和國註冊成立之股份有限公司)

本公司監事會於截至二零二三年十二月三十一日止年度內，遵照《中華人民共和國公司法》、香港有關法律及法規以及本公司章程細則的規定（「有關法規」），遵守誠信原則，工作克勤盡職，認真履行職權，維護本公司股東及本公司權益。

在本年度內，本監事會就業務及發展計劃方面向董事提供合理的建議及意見，並對本公司政策是否符合有關法規或否保障本公司股東的權益，進行了嚴謹及有效的監督。

經檢查，本監事會認為本公司的經審核財務報表，真實和公允地反映了本公司的經營業績和資產狀況。本監事會亦認為董事會報告及利潤分配方案建議，符合有關法規的規定。本監事會監事列席了董事會會議。本監事會認為該會議乃按有關法規召開。本監事會認為本公司董事會成員、總經理及其他高級管理人員，嚴格遵守誠信原則，工作克勤盡職，真誠地以公司最大利益出發點行使職權。未發現本公司董事、總經理及其他高級管理人員濫用職權、損害本公司利益及侵犯本公司股東和本公司員工權益的行為，亦未違反有關法規。

本監事會對本公司各項工作和取得的經濟效益表示滿意，對公司未來的發展前景充滿信心。

承監事會命
吉林省輝南長龍生化藥業股份有限公司

喬曉春

中國吉林省
二零二四年三月二十八日



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JILIN PROVINCE HUINAN CHANGLONG BIO-PHARMACY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Jilin Province Huinan Changlong Bio-pharmacy Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 48 to 123, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information 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 disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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致吉林省輝南長龍生化藥業股份有限公司股東之獨立核數師報告書

(於中華人民共和國註冊成立之股份有限公司)

意見

我們已審計列載於第48至123頁的吉林省輝南長龍生化藥業股份有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零二三年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括重大會計政策資料及其他解釋資料。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零二三年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

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》進行審計。我們在該等準則下承擔的責任已在本報告核數師就審計綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他道德責任。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意見提供基礎。

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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTER

Key audit matter is those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. 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.

Loss allowance of trade receivables, contract assets, advances to staff and other receivables

Refer to notes 27 and 28 to the consolidated financial statements and the accounting policies in note 3.

The key audit matter

關鍵審計事項

As at 31 December 2023, the carrying amount of the Group's trade receivables, contract assets, advances to staff and other receivables are approximately RMB268,327,000, RMB5,793,000, RMB36,046,000 and RMB8,706,000, net of accumulated loss allowance on trade receivables, contract assets, advances to staff and other receivables of approximately RMB83,753,000, RMB38,228,000, RMB23,928,000 and RMB82,653,000.

於二零二三年十二月三十一日，貴集團的應收貿易賬款、合約資產、向員工墊款及其他應收款項賬面值分別約為人民幣268,327,000元、人民幣5,793,000元、人民幣36,046,000元及人民幣8,706,000元，扣除應收貿易賬款、合約資產、向員工墊款及其他應收款項的累計虧損撥備分別約人民幣83,753,000元、人民幣38,228,000元、人民幣23,928,000元及人民幣82,653,000元。

In assessing the loss allowance made under the expected credit loss ("ECL") model, the management of the Group used judgements and estimates to determine the historical credit loss experience and forward-looking information specific to the debtors and their economic environments.

於評估根據預期信貸虧損（「預期信貸虧損」）模式計提的虧損撥備時，貴集團管理層使用判斷及估計以釐定過往信貸虧損經驗及針對債務人及其經濟環境的前瞻性資料。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本年度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。

貿易應收賬款、合約資產、向員工墊款及其他應收款項之減值撥備

謹此提述綜合財務報表附註27及28以及附註3的會計政策。

How the matter was addressed in our audit

我們的審計如何處理關鍵審計事項

Our audit procedures were designed to review the management estimation on ECL model adopted for the loss allowance on trade receivables, contract assets and advances to staff and other receivables.

我們的審計程序旨在審閱管理層對貿易應收賬款、合約資產、向員工墊款及其他應收款項虧損撥備所採納的預期信貸虧損模式的評估。

We have obtained an understanding of the methodology for the ECL model, development processes and its relevant controls through review of documentation, discussion with management of the Group and independent valuer.

我們已通過審閱文件及與貴集團管理層及獨立估值師討論獲悉預期信貸虧損模式之方法、制定程序及其相關控制措施。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTER (continued)

Loss allowance of trade receivables, contract assets, advances to staff and other receivables (continued)

關鍵審計事項(續)

貿易應收賬款、合約資產、向員工墊款及其他應收款項之減值撥備(續)

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關鍵審計事項

We have identified the loss allowance on trade receivables, contract assets, advances to staff and other receivables as a key audit matter because the carrying amounts of trade receivables, contract assets, advances to staff and other receivables are significant to the consolidated financial statements as a whole and there is involvement of a significant degree of judgements and estimates made by management of the Group.

我們將應收貿易賬款、合約資產、向員工墊款及其他應收款項的虧損撥備確認為一項關鍵審計事項，原因是應收貿易賬款、合約資產、向員工墊款及其他應收款項的賬面值對綜合財務報表整體而言屬重大，且涉及貴集團管理層作出重大程度的判斷及估計。

We have challenged the reasonableness of the significant judgements and estimates, including use of significant unobservable inputs adopted in the ECL estimation by the management.

我們已質詢用重大判斷及估計之合理性，包括管理層於預期信貸虧損估算中採用之重大不可觀察輸入數據。

We have also assessed the appropriateness of the methodology and examined the inputs data used with reference to the latest available general economic data and the repayment record against the Group's historical trends and credit loss experience.

我們亦已評估有關方法之適當性，並已參考最新可得之整體經濟數據及相比貴集團過往趨勢及信貸虧損經驗之還款記錄檢查使用之輸入數據。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises 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.

其他資料

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

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

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

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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Audit Committee are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

貴公司董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒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，並對其認為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照我們商定的業務約定條款僅向全體股東出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們並不就報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能保證按照《香港審計準則》進行的審計，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綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism 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 of the Company.
- Conclude on the appropriateness of the Company's 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.

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核數師就審計綜合財務報表承擔的責任(續)

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價 貴公司董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對 貴公司董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於直至核數師報告日期所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- 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 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 audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with 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 Fung Shing Bun, Spencer.

Prism Hong Kong and Shanghai Limited

Certified Public Accountants

Fung Shing Bun, Spencer

Practising Certificate Number: P07451

Hong Kong
28 March 2024

Prism Hong Kong and Shanghai Limited
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核數師就審計綜合財務報表承擔的責任(續)

- 就貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取的行動或相關的防範措施。

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，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人為馮承斌。

上會栢誠會計師事務所有限公司

執業會計師

馮承斌

執業證書編號：P07451

香港
二零二四年三月二十八日

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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

截至二零二三年十二月三十一日止年度

(Expressed in Renminbi)

(以人民幣呈示)

| | | Notes 附註 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|-----------------------|-------------|-----------------------------------|-----------------------------------|
| Revenue | 收入 | 5 | 841,545 | 841,586 |
| Cost of sales | 銷售成本 | | (257,499) | (193,551) |
| Gross profit | 毛利 | | 584,046 | 648,035 |
| Other income | 其他收入 | 7 | 63,484 | 56,662 |
| Other gains | 其他收益 | 8 | 608 | 3,074 |
| Distribution and selling costs | 分銷及銷售開支 | | (341,938) | (404,851) |
| Administrative expenses | 行政開支 | | (107,371) | (105,098) |
| Profit from operations | 經營溢利 | | 198,829 | 197,822 |
| Finance costs | 融資成本 | 9 | (515) | (477) |
| Profit before tax | 除稅前溢利 | 10 | 198,314 | 197,345 |
| Income tax expense | 所得稅支出 | 11(a) | (50,107) | (3,780) |
| Profit and total comprehensive income for the year | 本年度溢利及全面收益總額 | | 148,207 | 193,565 |
| Profit and total comprehensive income attributable to: | 以下應佔溢利及全面收益總額： | | | |
| Owners of the Company | 本公司擁有人 | 12 | 148,207 | 193,565 |
| Earnings per share | 每股盈利 | | | |
| – Basic and diluted (RMB cents) | – 基本及攤薄(人民幣分) | 12 | 26.45 | 34.55 |

The accompanying notes form an integral part of these consolidated financial statements.

隨附之附註屬本綜合財務報表整體之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2023

於二零二三年十二月三十一日

(Expressed in Renminbi)

(以人民幣呈示)

| | | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|-------------|-----------------|-----------------------------------|-----------------------------------|
| | Notes 附註 | | | |
| Non-current assets | | 非流動資產 | | |
| Bearer biological assets | 17 | 不記名生物資產 | 15,080 | 15,080 |
| Property, plant and equipment | 18 | 物業、廠房及設備 | 261,559 | 296,088 |
| Investment properties | 19 | 投資物業 | 29,200 | - |
| Right-of-use assets | 20 | 使用權資產 | 48,002 | 49,116 |
| Construction in progress | 21 | 在建工程 | 4,904 | - |
| Intangible assets | 23 | 無形資產 | 21 | 25 |
| Goodwill | 24 | 商譽 | 6,254 | 6,254 |
| Financial assets measured at amortised cost | 30 | 以攤銷成本計量的金融資產 | 724,157 | 211,405 |
| Deferred tax assets | 36 | 遞延稅項資產 | 28,506 | 27,396 |
| | | | 1,117,683 | 605,364 |
| Current assets | | 流動資產 | | |
| Inventories | 25 | 存貨 | 102,972 | 132,987 |
| Trade receivables | 27(a) | 應收貿易賬款 | 268,327 | 282,806 |
| Contract assets | 27(b) | 合約資產 | 5,793 | 14,688 |
| Other receivables, deposits and prepayments | 28 | 其他應收款項、訂金及預付款項 | 168,458 | 304,870 |
| Financial assets at fair value through profit or loss | 26 | 按公允值計入損益的金融資產 | 90,608 | 263,074 |
| Financial assets measured at amortised cost | 30 | 以攤銷成本計量的金融資產 | 212,846 | 655,451 |
| Cash and cash equivalents | 29 | 現金及現金等值物 | 352,137 | 113,601 |
| | | | 1,201,141 | 1,767,477 |
| Current liabilities | | 流動負債 | | |
| Bank borrowings | 34 | 銀行借款 | 8,000 | - |
| Trade payables | 31 | 應付貿易賬款 | 70,582 | 65,685 |
| Contract liabilities | | 合約負債 | 15,335 | 23,947 |
| Other payables and accruals | 32 | 其他應付款項及應計費用 | 549,963 | 526,414 |
| Deferred income | 35 | 遞延收入 | 989 | 989 |
| Income tax payable | | 應付所得稅 | 16,684 | 25,660 |
| Other tax payables | | 其他應付稅項 | 27,947 | 32,565 |
| Loan from government authority | 33 | 政府機關貸款 | 400 | 400 |
| Dividend payable | | 應付股息 | 35,389 | 38,934 |
| | | | 725,289 | 714,594 |
| Net current assets | | 流動資產淨值 | 475,852 | 1,052,883 |
| Total assets less current liabilities | | 總資產減流動負債 | 1,593,535 | 1,658,247 |



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2023

於二零二三年十二月三十一日

(Expressed in Renminbi)

(以人民幣呈示)

| | | Notes 附註 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|------------------------|-------------|-----------------------------------|-----------------------------------|
| Non-current liabilities | 非流動負債 | | | |
| Bank borrowings | 銀行借款 | 34 | 72,000 | – |
| Other payables | 其他應付款項 | 32 | 2,870 | 1,961 |
| Deferred income | 遞延收入 | 35 | 35,543 | 40,966 |
| Deferred tax liabilities | 遞延稅項負債 | 36 | 2,742 | 3,022 |
| | | | 113,155 | 45,949 |
| Net assets | 資產淨值 | | 1,480,380 | 1,612,298 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | 本公司擁有人應佔 權益 | | | |
| Share capital | 股本 | 37 | 56,025 | 56,025 |
| Reserves | 儲備 | | 1,424,355 | 1,556,273 |
| Total equity | 權益總額 | | 1,480,380 | 1,612,298 |

The accompanying notes form an integral part of these consolidated financial statements.

隨附之附註屬本綜合財務報表整體之一部分。

These consolidated financial statements were approved and authorised for issue by the board of directors on 28 March 2024.

該等綜合財務報表於二零二四年三月二十八日獲董事會批准及授權發佈。

ZHANG HONG

張弘

Director

董事

ZHAO BAO GANG

趙寶剛

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

(Expressed in Renminbi)

(以人民幣呈示)

| | | Share capital 股本 RMB'000 人民幣千元 (Note 38) (附註38) | Share premium 股份溢價 RMB'000 人民幣千元 (Note 38c(i)) (附註38c(i)) | Statutory surplus reserve 法定盈餘儲備 RMB'000 人民幣千元 (Note 38c(ii)) (附註38c(ii)) | Retained profits 保留溢利 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|-----------------------------|---|---|--|---|---------------------------------|
| At 1 January 2022 | 於二零二二年一月一日 | 56,025 | 51,098 | 33,242 | 1,313,384 | 1,453,749 |
| Comprehensive income | 全面收益 | | | | | |
| Profit for the year | 本年度溢利 | - | - | - | 193,565 | 193,565 |
| Total comprehensive income | 全面收益總額 | - | - | - | 193,365 | 193,365 |
| Transactions with owners | 與股東之交易 | | | | | |
| Dividends declared (Note 14) | 股息宣派(附註14) | - | - | - | (35,016) | (35,016) |
| At 31 December 2022 and 1 January 2023 | 於二零二二年十二月三十一日及 二零二三年一月一日 | 56,025 | 51,098 | 33,242 | 1,471,933 | 1,612,298 |
| Comprehensive income | 全面收益 | | | | | |
| Profit for the year | 本年度溢利 | - | - | - | 148,207 | 148,207 |
| Total comprehensive income | 全面收益總額 | - | - | - | 148,207 | 148,207 |
| Transactions with owners | 與股東之交易 | | | | | |
| Dividends declared (Note 14) | 股息宣派(附註14) | - | - | - | (280,125) | (280,125) |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 56,025 | 51,098 | 33,242 | 1,340,015 | 1,480,380 |

The accompanying notes form an integral part of these consolidated financial statements.

隨附之附註屬本綜合財務報表整體之一部分。



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

(Expressed in Renminbi)

(以人民幣呈示)

| | Notes 附註 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|-----------------------|-----------------------------------|-----------------------------------|
| Cash from operating activities | 經營活動產生之現金 | | |
| Profit before income tax | 除所得稅前溢利 | 198,314 | 197,345 |
| Adjustments for: | 調整項目： | | |
| Interest income | 利息收入 | (5,972) | (5,369) |
| Yield gains on financial assets at fair value through profit or loss | 按公允值計入損益的金融資產回報收益 | (4,817) | (1,444) |
| Interest income from financial assets measured at amortised cost | 以攤銷成本計量的金融資產的利息收入 | (27,148) | (29,938) |
| Provision for loss allowance of trade receivables and contract assets | 貿易應收賬款及合約資產之虧損撥備 | 724 | 5,993 |
| Provision for obsolete and slow-moving inventories | 廢棄及滯銷存貨撥備 | 9,606 | 5,038 |
| Interest expenses | 利息費用 | 515 | 477 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 26,442 | 32,423 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 1,114 | 1,174 |
| Amortisation of intangible assets | 無形資產攤銷 | 4 | 7 |
| Net gain on financial assets at fair value through profit or loss | 按公允值計入損益的金融資產的淨收益 | (608) | (3,074) |
| Loss allowance on other receivables | 其他應收款項之虧損撥備 | 43,232 | 7,977 |
| Government subsidies | 政府補貼 | (17,216) | (504) |
| Recognition of deferred income | 確認遞延收入 | (5,423) | (1,582) |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | 60 | 15,586 |
| Loss on revaluation on property, plant and equipment | 物業、廠房及設備之重估虧損 | 5,389 | - |
| Changes in fair value of investment properties | 投資物業之公允值變動 | 355 | - |
| Operating cash flows before working capital changes | 營運資金變動前之經營現金流量 | 224,571 | 224,109 |
| Decrease/(increase) in inventories | 存貨減少/(增加) | 20,408 | (51,712) |
| Decrease/(increase) in trade receivables | 應收貿易賬款減少/(增加) | 5,464 | (62,195) |
| Decrease in contract assets | 合約資產減少 | 17,186 | 10,750 |
| Decrease/(increase) in other receivables, deposits and prepayments | 其他應收款項、訂金及預付款項減少/(增加) | 93,180 | (23,580) |
| Increase in trade payables | 應付貿易賬款增加 | 4,897 | 14,350 |
| Increase in other payables and accruals | 其他應付款項及應計費用增加 | 24,460 | 122,526 |
| (Decrease)/increase in contract liabilities | 合約負債(減少)/增加 | (8,612) | 8,725 |
| Decrease in other tax payables | 其他應付稅項減少 | (4,620) | (1,218) |
| Cash generated from operations | 經營業務產生之現金 | 376,934 | 241,755 |
| Income tax paid | 已付所得稅 | (60,472) | (37,293) |
| Interest paid | 已付利息 | (515) | (470) |
| Net cash generated from operating activities | 經營活動產生之現金淨額 | 315,947 | 203,992 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

(Expressed in Renminbi)

(以人民幣呈示)

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|-------------------------|-----------------------------------|-----------------------------------|
| Cash flows from investing activities | 投資業務產生之現金流量 | | |
| Purchase of financial assets at fair value through profit or loss | 購買按公允值計入損益的金融資產 | (170,000) | (300,000) |
| Increase in financial assets measured at amortised cost | 以攤銷成本計量的金融資產增加 | (43,000) | (30,000) |
| Purchase of property, plant and equipment and construction-in-progress | 購買物業、廠房及設備及在建工程 | (31,841) | (11,317) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 20 | - |
| Proceeds from settlement of financial assets at fair value through profit or loss | 結付按公允值計入損益的金融資產所得款項 | 347,892 | 217,977 |
| Interest received | 已收利息 | 5,972 | 5,369 |
| Net cash generated from/(used in) investing activities | 投資業務產生/(所用)之現金淨額 | 109,043 | (117,971) |
| Cash flows from financing activities | 融資業務產生之現金流量 | | |
| Proceeds from government subsidies | 政府補貼所得款項 | 17,216 | 504 |
| Dividend paid | 已付股息 | (283,670) | (28,218) |
| Proceeds from bank borrowings | 銀行借款所得款項 | 80,000 | - |
| Net cash used in financing activities | 融資業務所用現金淨額 | (186,454) | (27,714) |
| Net increase in cash and cash equivalents | 現金及現金等值物增加淨額 | 238,536 | 58,307 |
| Cash and cash equivalents at beginning of year | 年初現金及現金等值物 | 113,601 | 55,294 |
| Cash and cash equivalents at end of year | 年終現金及現金等值物 | 352,137 | 113,601 |
| Analysis of the balance of cash and cash equivalents | 現金及現金等值物結餘分析 | | |
| Cash and bank balances | 現金及銀行結餘 | 352,137 | 113,601 |

The accompanying notes form an integral part of these consolidated financial statements.

隨附之附註屬本綜合財務報表整體之一部分。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

(Expressed in Renminbi)

(以人民幣呈示)

1. GENERAL INFORMATION

Jilin Province Huinan Changlong Bio-pharmacy Company Limited (the “Company”) was established as a state-owned enterprise in the People’s Republic of China (the “PRC”) in 1989. On 29 December 1995, under the relevant provisions of the Company Law of the PRC, the Company was re-organised from a state-owned enterprise to a limited liability company. On 16 August 1996, with the approval of the Economic Restructuring Commission of Jilin Province, the Company was further converted into a joint stock limited company. On 20 April 1999, the Company made a bonus issue from capitalisation of retained profits in the proportion of one bonus share for every two existing shares.

The Company’s H shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 24 May 2001.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacture and distribution of Chinese medicines and pharmaceutical products in the PRC under the brand names of Changlong and Qing Tong. The principal activities of the subsidiaries are set out in Note 22.

The legal address and the principal place of business of the Company are disclosed in the corporate information section to the annual report.

1. 一般資料

吉林省輝南長龍生化藥業股份有限公司(「本公司」)於一九八九年在中華人民共和國(「中國」)成立為一間國有企業。一九九五年十二月二十九日，根據中國公司法有關條文，本公司由一間國有企業重組為一間有限責任公司。於一九九六年八月十六日，經吉林省經濟改革委員會的批准，本公司再改組為一間股份有限公司。於一九九九年四月二十日，本公司按每兩股現有股份派發一股紅股的比例，將保留溢利撥充資本以發行紅股。

本公司H股於二零零一年五月二十四日在香港聯合交易所有限公司(「聯交所」)GEM上市。

本公司及其附屬公司(統稱「本集團」)主要以長龍及清通品牌在中國從事製造及分銷中藥及醫藥產品。附屬公司的主要業務載於附註22。

本公司法定地址和主要營業地點已在本年度報告公司資料部分中披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

(Expressed in Renminbi)

(以人民幣呈示)

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

| | |
|--|---|
| HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17) | <i>Insurance Contracts</i> |
| Amendments to HKAS 8 | <i>Definition of Accounting Estimates</i> |
| Amendments to HKAS 12 | <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> |
| Amendments to HKAS 12 | <i>International Tax Reform-Pillar Two model Rules</i> |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | <i>Disclosure of Accounting Policies</i> |

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效之新訂及經修訂香港財務報告準則

於本年度，本集團首次應用下列由香港會計師公會(「香港會計師公會」)頒佈並於本集團在二零二三年一月一日開始的年度期間強制生效的新訂及經修訂香港財務報告準則編製綜合財務報表：

| | |
|--|----------------------------|
| 香港財務報告準則第17號(包括二零二零年十月及二零二二年二月香港財務報告準則第17號(修訂本)) | <i>保險合約</i> |
| 香港會計準則第8號(修訂本) | <i>會計估計的定義</i> |
| 香港會計準則第12號(修訂本) | <i>源自單一交易的資產及負債的相關遞延稅項</i> |
| 香港會計準則第12號(修訂本) | <i>國際稅項改革—支柱二模範規則</i> |
| 香港會計準則第1號及香港財務報告準則實務報告第2號(修訂本) | <i>會計政策的披露</i> |

除下文所述者外，於本年度應用新訂及經修訂香港財務報告準則並無對本集團於本年度及過往年度之財務狀況及表現及／或對該等綜合財務報表所載之披露造成重大影響。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

(Expressed in Renminbi)

(以人民幣呈示)

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Impacts on application of Amendments to HKAS 1

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

The application of the amendments has had no material impact on the Group’s financial performance and positions, but has affected the disclosures of accounting policies as set out in note 3.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

應用經修訂香港會計準則第1號的影響

本集團已於本年度首次應用該等修訂本。香港會計準則第1號財務報表的呈列已作修訂，以「重大會計政策資料」取代所有「主要會計政策」。倘會計政策資料與實體財務報表所載其他資料一併考慮時，可合理預期會影響一般用途財務報表的主要使用者基於該等財務報表作出的決策，則該等資料屬重大。該等修訂本亦闡明，即使該等款項並不重大，但由於相關交易、其他事項或情況的性質，會計政策資料或屬重大。然而，並非所有與重大交易、其他事項或情況有關的會計政策資料本身屬重大。倘實體選擇披露非重大會計政策資料，則有關資料不得掩蓋重大會計政策資料。

應用該等修訂本對本集團的財務表現及狀況並無重大影響，但對附註3所載會計政策的披露產生影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

(Expressed in Renminbi)

(以人民幣呈示)

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but not yet effective:

| | |
|------------------------------------|--|
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹ |
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback ² |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ² |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants ² |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements ² |
| Amendments to HKAS 21 | Lack of Exchangeability ² |

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company (the “Directors”) anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之經修訂香港財務報告準則

本集團並無提早採納以下已頒佈但尚未生效之經修訂香港財務報告準則：

| | |
|------------------------------|--|
| 香港財務報告準則第10號及香港會計準則第28號(修訂本) | 投資者與其聯營或合營公司之間的資產出售或注資 ¹ |
| 香港財務報告準則第16號(修訂本) | 售後租回租賃負債 ² |
| 香港會計準則第1號(修訂本) | 將負債分類為流動或非流動以及香港詮釋第5號之相關修訂(二零二零年) ² |
| 香港會計準則第1號(修訂本) | 附帶契諾之非流動負債 ² |
| 香港會計準則第7號及香港財務報告準則第7號(修訂本) | 供應商融資安排 ² |
| 香港會計準則第21號(修訂本) | 缺乏互換性 ² |

¹ 於待定日期或之後開始之年度期間生效。

² 於二零二四年一月一日或之後開始之年度期間生效。

³ 於二零二五年一月一日或之後開始之年度期間生效。

本公司董事(「董事」)預期應用所有經修訂香港財務報告準則於可見未來將不會對綜合財務報表產生重大影響。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

3. 編製綜合財務報表的基準及重大會計政策資料

3.1 編製綜合財務報表的基準

本綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。就編製綜合財務報表的目的而言，當可合理預期該等資料會影響主要使用者的決策，該等資料會被認定為重大。此外，本綜合財務報表包括聯交所GEM證券上市規則（「上市規則」）和香港公司條例要求之適用披露。

本綜合財務報表已按歷史成本法編製，惟按於各報告期末公允值計量之金融工具及投資物業除外，如下文所載會計政策所闡釋。

歷史成本一般按為換取商品而付出之代價之公允值計算。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information

Basis of consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

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

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料

綜合基準

附屬公司指本集團對其具有控制權的所有主體(包括結構性主體)。當本集團因為參與該主體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該主體的權力影響此等回報時，本集團即控制該主體。附屬公司在控制權轉移至本集團之日起合併入賬。附屬公司在控制權終止之日起停止合併入賬。

業務合併

本集團採用購買法將業務合併入賬。購買附屬公司的轉讓代價為本集團所轉讓資產、對被收購方前擁有人所產生負債及所發行股權的公允值。轉讓代價包括或然代價安排產生的任何資產或負債的公允值。於業務合併時所購買的可識別資產及所承擔的負債及或然負債，初步按購買日的公允值計量。

轉讓的代價、於被收購方之任何非控股權益以及於被收購方之任何先前權益在收購日的公允價超過所收購可識別淨資產公允值的數額，列為商譽。就議價購買而言，若總轉讓代價、已確認之非控股權益及先前持有之權益之數額低於所收購附屬公司淨資產的公允值，該差額直接在綜合損益及其他全面收益表中確認。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Basis of consolidation (continued)

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Biological assets

Biological assets are living animals and plants managed by the Group which is involved in the agricultural activities of the transformation of biological assets for sale or into agricultural product.

Biological assets are measured at fair value less estimated point-of-sale costs at initial recognition and at the end of each reporting period. The fair value of these biological assets is determined based on active market prices in the local market with reference to comparable age, breed and genetic merit. The gain or loss arising on initial recognition and subsequent changes in fair values less estimated point-of-sale costs of biological assets is recognised in statement of profit or loss and other comprehensive income in the period in which it arise. Biological assets that are in the stage of cultivation or do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the consolidated statement of financial position at cost less any impairment losses.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

綜合基準(續)

於附屬公司之投資

於附屬公司之投資乃按成本減任何已識別減值虧損計入本公司之財務狀況表。附屬公司之業績由本公司按已收或應收股息之基準入賬。

生物資產

生物資產為本集團管理之牲畜及植物，包括通過農業活動而轉變待售的生物資產或農產品之生物資產。

生物資產於初始確認及於各報告期末以公允值減估計銷售點成本計量。該等生物資產之公允值乃根據當地市場之活躍市價參考可資比較之年期、品種及基因優點釐定。生物資產於初步確認時及其後公允值變動減估計銷售點成本所產生之盈利或虧損於產生期間於綜合損益及其他全面收益表確認。在種植階段或在活躍市場並無市場報價且其公允值不能可靠計量之生物資產按成本值扣減任何減值虧損於綜合財務狀況表確認。

物業、廠房及設備

物業、廠房及設備按歷史成本值減累計折舊及任何減值虧損列賬。歷史成本值包括收購項目直接應佔的開支。其後成本僅於項目隨附未來經濟利益可能流入本集團及項目成本可以可靠地計量時計入資產賬面值或確認為個別資產(倘適用)。被取代部分之賬面值獲終止確認。所有其他維修及保養開支均於產生之財政期間於綜合損益及其他全面收益表扣除。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Property, plant and equipment (continued)

Depreciation is calculated using the straight-line method to allocate their costs or revalued amounts to their residual value over their estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual rates are as follows:

| | |
|-----------------------------------|----------------|
| Buildings | 10 to 30 years |
| Plant and machinery | 6 years |
| Transportation equipment | 8 years |
| Furniture, fixtures and equipment | 5 years |

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on the disposal are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in the consolidated statement of profit or loss and other comprehensive income.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

物業、廠房及設備(續)

折舊乃以直線法按其估計使用年限將成本值或重估金額分攤至其剩餘價值計算。該資產之剩餘價值以及使用年限於各報告期末進行審閱及調整(倘適用)。主要之折舊年率如下：

| | |
|----------|--------|
| 樓宇 | 10至30年 |
| 廠房及機械 | 6年 |
| 運輸設備 | 8年 |
| 傢俬、裝置及設備 | 5年 |

倘一項資產之賬面值大於其估計可收回金額，其賬面值將即時減至其可收回金額。

出售所產生的盈虧乃指該款項與賬面值的比較數字，有關盈虧於綜合損益及其他全面收益表確認。

倘物業已證實結束自用及改變其用途而變更為投資物業，則該項目(包括分類為使用權資產的相關租賃土地)於轉變用途當日的賬面值及公允值之間的任何差額於綜合損益及其他全面收益表確認。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose. Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases. Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated statement of profit or loss and other comprehensive income for the period in which they arise.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

投資物業

投資物業為持有以賺取租金及／或資本增值的物業(包括以此為目的的在建物業)。投資物業包括持作未確定未來用途的土地，其被視為持作資本增值用途。投資物業亦包括確認為使用權資產並由本集團根據經營租約轉租的租賃物業。投資物業初始按成本計量，包括任何直接應佔開支。初始確認後，投資物業乃按公允值計量，並進行調整至不包括任何預付或應計的經營租賃收入。投資物業公允值變動的收益或虧損於產生期內計入綜合損益及其他全面收益表中。

租賃

本集團在合約開始時評估合約是否為租賃或包含租賃。倘一份合約在一段時間內為換取對價而讓渡一項可識別資產使用之控制權，則該合約為一項租賃或包含一項租賃。

本集團作為承租人

本集團就所有租賃應用單一之方法確認及計量，短期租賃及低價值資產租賃除外。本集團確認租賃負債以作出租賃付款，而使用權資產代表使用相關資產的權利。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

Group as a lessee (continued)

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated over the lease term of the leasehold land.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as operating leases. Rental income from operating leases is recognised in consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the term of the relevant lease.

Construction in progress

Construction in progress represents buildings, plant and equipment under construction and pending installation, and is stated at historical cost less any impairment losses. No depreciation is made on construction in progress until such time as the relevant property, plants and equipment are available for use. Cost comprises all construction expenditure and other direct costs of construction. Construction in progress is transferred to the appropriate category of property, plant and equipment when the asset being constructed becomes available to use.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

使用權資產

使用權資產於租賃開始日確認(即相關資產可用日期)。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債金額、產生的初始直接成本以及於開始日或之前支付之租賃付款金額減已收取之任何租賃激勵。使用權資產在租賃土地租賃期內折舊。

本集團作為出租人

租賃的分類及計量

本集團為出租人的租賃分類為經營租賃。來自經營租賃的租金收入按直線法於相關租賃的租期內於綜合損益及其他全面收益表內確認。

在建工程

在建工程指興建中的樓宇、廠房及待安裝的設備，以歷史成本值扣除減值虧損入賬。直至有關物業、廠房及設備可供使用前，在建工程並無折舊。成本包括所有建造支出及其他直接建造成本。在建工程於在建資產可使用時轉撥為物業、廠房及設備之適當類別。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Intangible assets

(i) *Purchased know-how and prescription*

Purchased know-how and prescription are stated at historical cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives, which range from 5 to 12 years from the date of commercial production. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(ii) *Research and development expenditure*

Expenditure on research activities is recognised as an expense in the financial period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and appropriate proportion of overheads and borrowing costs, where applicable. Capitalised development costs are stated at historical cost less accumulated amortisation and impairment losses. Amortisation begins when development is completed and the assets is available for use. Other development expenditure is recognised as an expense in the financial period in which it is incurred.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

無形資產

(i) *購入技術及藥方*

購入技術及藥方按歷史成本值扣除累計攤銷及減值虧損入賬。購入技術及藥方乃以直線法按其估計可使用年期(於商業生產日期起5至12年)進行攤銷。估計可使用年期及攤銷方法乃於各報告期間結束時檢討，估計變動之影響按預先計提之基準入賬。

(ii) *研發開支*

研究活動的費用於其產生財政期間內確認為開支。倘若產品或程序在技術上和商業上可行，且本集團有足夠的資源和意願完成開發，則開發活動的費用會予以資本化。資本化的費用包括材料成本、直接員工成本及適當比例的間接費用及借貸成本(倘適用)。資本化之開發成本以歷史成本值減除累計攤銷及減值虧損列賬。攤銷於開發完成及資產可用時開始。其他開發開支於其產生財政期間內確認為開支。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Intangible assets (continued)

(iii) Purchased in-process research and development assets acquired through separate purchase

In-process research and development assets acquired through separate purchase are recognised as intangible assets at historical cost less accumulated amortisation and impairment losses.

Amortisation and impairment assessment are accounted for in a similar manner as internal development expenditure set out in (ii) above.

Impairment of non-financial assets

Assets that have an indefinite useful life — for example, goodwill or intangible assets not ready to use — are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

無形資產(續)

(iii) 個別購入而獲得的進行中之研發資產

個別購入而獲得的進行中研發資產按歷史成本值減除累計攤銷及減值虧損確認為無形資產。

攤銷及減值評估按類似方法作上述(ii)中所載之內部開發開支列賬。

非金融資產減值

擁有無限可用年期(如商譽或尚未可用之無形資產)毋須作出攤銷,並每年測試減值情況。每當發生事件或環境轉變顯示賬面值可能無法收回時,則應對須作攤銷的資產作減值檢討。倘該項資產之賬面值超過其可收回金額時,會就其差額確認減值虧損。資產之可收回金額為公允值減出售成本與其可使用價值中之較高者。評估資產減值時,資產乃按最低水平之可單獨識別之現金流量(現金產生單位)予以分類。對已發生減值之除商譽外之非金融資產於每個報告日檢討其可能之減值轉回。

存貨

存貨按成本值及可變現淨值兩者之較低者列賬。成本值乃按加權平均法釐定。製成品及在製品之成本包括原料、直接員工成本、其他直接成本及相關之產品間接費用(根據正常經營能力)。可變現淨值乃按正常業務過程中的估計售價,減去適用的變動銷售開支計算。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“FVTOCI”).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial asset.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融資產

(i) 分類

本集團將其金融資產分類為下列計量類別：

- 隨後按公允值計量(透過其他全面收益(「其他全面收益」)或透過損益)的金融資產，及
- 按攤銷成本計量的金融資產。

分類視乎實體管理金融資產的業務模式及現金流量之合約條款而定。

按公允值計量的資產而言，收益及虧損將計入損益或其他全面收益。對非持作買賣的股本工具的投資而言，則視乎本集團在初次確認時是否已作出不可撤回之選擇，以將該股本投資按公允值計入其他全面收益(「按公允值計入其他全面收益」)列賬。

(ii) 確認及終止確認

以常規方式購入及出售的金融資產在交易日(即本集團承諾購入或出售該資產之日)確認。當從金融資產收取現金流量的權利已屆滿或已轉讓，且本集團已將擁有權的絕大部分風險及回報轉讓時，即終止確認金融資產。

(iii) 計量

於初始確認時，本集團按公允值計量金融資產，倘金融資產並非按公允值計入損益(「按公允值計入損益」)，則另加收購該金融資產直接應佔的交易成本。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other losses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融資產(續)

(iii) 計量(續)

股本工具

本集團隨後就所有股本投資按公允值計量。當本集團管理層已選擇於其他全面收益呈列股本投資的公允值收益及虧損，公允值收益及虧損於終止確認投資後不會重新分類至損益。該等投資的股息於本集團收取款項的權利確立時繼續於損益確認為其他收入。

按公允值計入損益的金融資產公允值變動於損益表確認為其他虧損(按適用情況)。按公允值計入其他全面收益計量的股本投資的減值虧損(及減值虧損撥回)不會因公允值其他變動而分開列報。

(iv) 減值

本集團按預期基準評估按攤銷成本列賬的金融資產相關的預期信貸損失。所採用的減值方法取決於信貸風險是否顯著增加。

就貿易應收賬款而言，本集團採用香港財務報告準則第9號所准許的簡化方法，該方法要求預期終身損失於應收款項初步確認時確認。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Taxation

The tax expense for the period comprises current and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

現金及現金等值物

於綜合財務狀況表呈列的現金及現金等值物包括：

- (a) 現金，其中包括手頭現金；及
- (b) 現金等值物，其中包括短期（原到期日通常為三個月或以下）、可隨時轉換為已知數額現金且價值變動風險不大的高流動性投資。現金等值物持作滿足短期現金承擔，而非用於投資或其他目的。

就綜合現金流量表而言，現金及現金等值物包括上文所界定的現金及現金等值物。

稅項

期內稅項開支包括即期及遞延稅。

即期所得稅開支根據本公司及其附屬公司經營業務及產生應課稅收入的國家於結算日已頒佈或實際上於資產負債表日期已頒佈的稅法計算。管理層會定期評估須對適用稅項法規作出詮釋的情況下在報稅中的稅務狀況，並在恰當時按預期須向稅務機關繳納的金額為基準設定撥備。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項(續)

遞延稅項乃就綜合財務報表所列資產及負債賬面值與計算應課稅溢利時所用相應稅基兩者的暫時性差異而確認。遞延稅項負債一般就所有應課稅暫時性差異確認入賬。遞延稅項資產一般就可能具有應課稅溢利以供動用該等可扣減暫時性差異作抵銷的所有可扣減暫時性差異而確認入賬。倘於交易中初步確認(業務合併除外)資產及負債而產生的暫時性差異並不影響應課稅溢利或會計溢利，且交易時並無產生同等應課稅及可扣減暫時性差異，則不會將該等遞延稅項資產及負債確認入賬。此外，倘因初始確認商譽而產生暫時性差異，則不確認遞延稅項負債。

遞延稅項負債按於附屬公司及聯營公司的投資以及於合營企業的權益所引致的應課稅暫時性差異而予以確認，惟本集團能夠控制暫時性差異的撥回及不大可能於可見未來撥回暫時性差異則除外。與該等投資及權益相關的可扣減暫時性差異所產生的遞延稅項資產僅於可能有足夠的應課稅溢利可以使用暫時性差異的裨益且預計會於可見將來撥回時確認。

遞延稅項資產的賬面值於各報告期末審閱，並削減至不可能再有足夠應課稅溢利用作收回全部或部分資產為止。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resource will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprised lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項(續)

遞延稅項資產及負債乃根據於報告期末前已頒佈或實質上已頒佈的稅率(及稅法)，按預期於結清負債或變現資產期間適用的稅率計算。

遞延稅項負債及資產的計量反映本集團於報告期末預期遵循以收回或結清其資產及負債賬面值的方式的稅務後果。

撥備

環境恢復撥備、重建成本及法律索償於出現下列情況時確認：本集團由於過往事件而須負上現時法律或建設責任；可能需要自資源撥付以履行責任；且該金額已作出可靠估計。重建成本撥備包括終止租約罰款及終止僱員合約賠款。未來經營虧損並無確認撥備。

當有若干類似責任時，須就該等責任類別整體釐定付款現金流出。即使同類責任包括之任何一個項目之現金流出金額較小，仍須確認撥備。

撥備採用稅前利率按照預期需結算有關責任的支出現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息費用。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

外幣兌換

(i) 功能及呈列貨幣

本集團各實體財務報表中包括的項目採用其經營所在地區的主要經濟環境通行的貨幣(「功能貨幣」)計量。綜合財務報表以人民幣(「人民幣」)呈列，人民幣為本公司的功能貨幣及本集團呈列貨幣。

(ii) 交易及結餘

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣(外幣)進行之交易乃按於交易日期之匯率換算為相應功能貨幣(即該實體經營所在之主要經濟環境之貨幣)。於報告期末，以外幣計值之貨幣項目乃按當日之匯率重新換算。按外幣過往成本計量之非貨幣項目無須重新換算。

於結算及重新換算貨幣項目時產生之匯兌差額均於其產生期間內在損益表中確認。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Government grants

Grants from the PRC government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with the attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to prepaid land lease payment and intangible assets are included in non-current liabilities as deferred income and are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected useful lives of the related assets.

Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The employees in Mainland China participate in the defined contribution retirement plans managed by the local government authorities whereby they are required to contribute to the schemes at fixed rates of the employees' salary costs. The Group's contributions to these plans are charged to profit or loss when incurred.

The Group has no obligations for the payment of the retirement and other post-retirement benefits of staff other than the contributions described above.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

政府補助

中國政府補助於可合理確定將會收取而本集團符合所有相關條件時，按公允值確認入賬。

有關成本之政府補助均會於對應擬彌償成本所需之期間遞延並在綜合損益表確認入賬。

有關預付土地租金及無形資產之政府補助計入於非流動負債為遞延收入並按相關資產之估計可使用年期以直線法入賬於綜合損益及其他全面收益表。

僱員福利

(i) 僱員應享假期

僱員在年假之權利於僱員應享有時確認。本集團為截至報告期末僱員已提供之服務而產生之年假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(ii) 退休金責任

中國內地的僱員均參與由當地政府機關管理的定額供款退休計劃。公司需要按僱員薪金成本的固定比率向有關計劃作出供款。本集團向有關計劃作出的供款在其發生時計入損益。

除上述供款外，本集團並無支付員工退休及其他退休後福利的責任。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續) 借貸

借貸初步按公允值(經扣除所產生的交易成本)確認。借貸其後按攤銷成本列賬；所得款項(經扣除交易成本)與贖回價值之間的任何差額乃採用實際利率法於借貸期內在綜合損益及其他全面收益表確認。

在貸款很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團有權無條件遞延償付負債至報告期末後至少十二個月，否則借貸會分類為流動負債。



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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service. A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

來自與客戶合約的收益

本集團於(或隨著)完成履約責任時,即特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時確認收益。

履約責任指一項明確的貨品或服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下標準之一,控制權隨時間轉移,而收益經參考完全達成相關履約責任的進度隨時間確認:

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益;
- 於履約時,本集團的履約創建或增強客戶控制的資產;或
- 本集團的履約未創建對本集團具有替代用途的資產,而本集團有強制執行權收取迄今已履約部分的款項。

否則,收益於客戶獲得明確貨品或服務控制權的時間點確認。合約負債指本集團因已向客戶收取代價(或已到期代價),而須向客戶轉讓貨品或服務的責任。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Revenue from contracts with customers (continued)

Sales of goods

Revenue from the sale of good directly to the customers is recognised at the point that the control of the inventory have passed to the customers, which is primarily upon the acceptance of the products by the customers. The customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contractual liabilities are recognised as revenue when the Group performs under the contract.

3. 編製綜合財務報表的基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

來自與客戶合約的收益(續)

產品銷售

直接向客戶銷售商品所得收入於存貨的控制權已轉移予客戶時(主要於客戶接受產品後)確認。客戶對產品有充分酌情權且並無未履行責任可影響客戶對該等產品的接納。

利息收入

利息收入採用實際利率法於應計時確認。有關並無信用減值的按攤銷成本計量的金融資產，實際利率會應用於資產的賬面總額。

合約資產指本集團就向客戶轉讓之貨品或服務而收取代價，但尚未成為無條件之權利。其根據香港財務報告準則第9號進行減值評估。相反，應收款項指本集團收取代價之無條件權利，亦即代表代價到期支付前僅須待時間推移。

合約負債指本集團轉讓產品或服務予一名客戶的責任，而就此本集團已收到來自客戶的代價(或代價的金額已到期)。倘客戶於本集團轉讓產品或服務予一名客戶前支付代價，當作出支付或款項到期時(以較早者為準)，一項合約負債已獲確認。當本集團根據合約履行，合約負債獲確認為收入。



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4. CRITICAL ACCOUNTING ESTIMATES

Estimates are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of non-financial assets

The Group tests annually whether assets have suffered any impairment in accordance with the accounting policy stated in note 3. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value, which has been prepared on the basis of the management's assumptions and estimates.

(b) Provision of ECL for trade receivables and contract assets, advances to staff and other receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on management judgement as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in note 41.

4. 關鍵會計估計

估計會不斷予以評估，並以過往經驗及其他因素(包括在有關情況下相信為合理的未來事件預測)為依據。

本集團會對未來作出估計及假設。所導致的會計估計，顧名思義，甚少與有關實際結果相符。具有重大風險須於下一財政年度內對資產及負債的賬面值作出重大調整的估計及假設載列如下。

(a) 非金融資產減值

根據附註3所述的會計政策，本集團每年測試資產是否出現減值。現金產生單位之可收回金額以使用價值法釐定。在計算使用價值時，本集團需估計現金產生單位之未來現金流量，並以適當之折現率計算其現值，此乃根據管理層的假設及估計編製。

(b) 應收貿易賬款及合約資產、向員工墊款及其他應收款項的預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易賬款的預期信貸虧損。撥備率基於管理層對具有類似虧損模式之不同債務人組別之判斷。撥備矩陣基於本集團之歷史違約率，當中考慮無需付出不必要之成本或努力便可獲得之合理且可支持之前瞻性資料。於各報告期末，可觀察之歷史違約率會重新評估，並考慮前瞻性資料之變動。此外，具有大額結餘及出現信貸減值之應收貿易賬款會個別進行預期信貸虧損評估。預期信貸虧損撥備容易受估計變動影響。有關預期信貸虧損及本集團貿易應收賬款的資料於附註41披露。

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4. CRITICAL ACCOUNTING ESTIMATES (continued)

(c) Estimation of useful lives of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives and related depreciation or amortisation charges for its property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and purchase know-how and prescription of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation or amortisation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(d) Income taxes

The Group is subject to income tax in the PRC. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4. 關鍵會計估計(續)

(c) 物業、廠房及設備以及無形資產可使用年期之估計

本集團之管理層釐定其物業、廠房及設備以及無形資產之估計可用年期及相關折舊或攤銷開支。此估計乃根據性質及功能相近的物業、廠房及設備以及購買的技術和藥方之實際可用年期的以往經驗作出。技術創新及競爭對手因應嚴重行業週期起跌而採取之行動可能使估計有重大改變。倘可用年期少於先前估計的年期，管理層將增加折舊或攤銷開支；管理層亦可能將已棄置或出售而技術上屬陳舊之資產或非策略資產予以撇銷或撇減。

(d) 所得稅

本集團須繳納中國之所得稅。於釐定所得稅撥備時須作出重大判斷。本公司有頗多未能確定最終稅項之交易及計算。本集團於確認預期稅項審核事宜之負債時，建基於會否出現額外應繳稅項之預測。倘該等事宜之最終稅務結果與初步記錄之金額不同，有關差額將影響作出釐定之期間內之即期及遞延所得稅資產及負債。



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5. REVENUE

The principal activities of the Group are manufacture and distribution of Chinese medicines and pharmaceutical products. Revenue represents the invoiced value of merchandise sold less allowances for returns, discounts, value-added tax and other sales related taxes.

5. 收入

本集團之主要業務是製造及分銷中藥及醫藥產品。收入指銷售商品的發票值，並已減去有關退貨、折扣、增值稅及其他銷售相關稅項的金額。

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|-----------|-----------------------------------|-----------------------------------|
| Sales of Chinese medicines and pharmaceutical products | 中藥及醫藥產品銷售 | 841,545 | 841,586 |

Disaggregation of the Group's revenue by geographical market

本集團收入按地區市場之拆分

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-----|----|-----------------------------------|-----------------------------------|
| PRC | 中國 | 841,545 | 841,586 |

The timing of revenue recognition of all revenue from contracts with customers is at a point in time.

來自與客戶合約的所有收入的收入確認時間是某個時間點。

Transaction price allocated to the remaining performance obligations for contracts

The contracts are with an original expected duration of one year or less or contracts for which revenue is recognised at the amount to which that Group has the right to invoice for the sales performed. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period.

分配至合約餘下履約責任的交易價格

合約原預期期限為一年或以內，或合約收益乃按本集團有權就所履行銷售開具發票的金額確認。因此，本集團選擇實際權宜方法，及並無披露截至報告期末分配至尚未履行(或部分未履行)履約責任的交易價格的金額。

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6. SEGMENT INFORMATION

Segment information

Information reported to the Directors, being the chief operating decision-makers (“CODM”), for the purpose of resource allocation and assessment of segment performance focuses on types of goods delivered.

The Directors have identified that, the Group has only one reportable operating segment, which is the manufacture and distribution of Chinese medicines and pharmaceutical products in the PRC. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

In addition, the Group’s revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, which is the PRC. Therefore, no analysis by geographical regions is presented.

Information about major customers

There is no revenue from customers for the years ended 31 December 2023 and 2022 contributed over 10% of the total operating revenue of the Group.

7. OTHER INCOME

| | | | | |
|--|-------------------|----|--------|--------|
| Bank interest income | 銀行利息收入 | | 3,102 | 2,161 |
| Other interest income | 其他利息收入 | | 2,870 | 3,208 |
| Government subsidies (Note) | 政府補貼(附註) | | 17,216 | 504 |
| Recognition of deferred income | 確認遞延收入 | 35 | 5,423 | 1,582 |
| Yield gains on financial assets at FVTPL | 按公允值計入損益的金融資產回報收益 | | 4,817 | 1,444 |
| Interest income from financial assets measured at amortised cost | 以攤銷成本計量的金融資產的利息收入 | | 27,148 | 29,938 |
| Penalty income | 罰款收入 | | 1,005 | 4,119 |
| Others | 其他 | | 1,903 | 13,706 |
| Total | 總計 | | 63,484 | 56,662 |

Note: During the years ended 31 December 2023 and 2022, the Group received subsidies from various local municipal government bodies in the PRC, which aimed at the general financing of the business and technology development of the Group which were immediately recognised as other income for the year. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

6. 分部資料

分部資料

本集團按所交付貨物種類向董事，即主要經營決策人（「主要經營決策人」），就資源分配及評核分部表現呈報分部資料。

董事已識別本集團僅有一個可呈報經營分部，而該唯一分部於中國製造和分銷中藥及醫藥產品。由於此分部為本集團僅有的一個可呈報經營分部，因此，並無呈報其進一步經營分部分析。

地區資料

此外，本集團的收入、開支、業績、資產及負債以及資本開支絕大部分來自單一地區，即中國。因此，並無呈報地區分析。

有關主要客戶之資料

截至二零二三年及二零二二年十二月三十一日止年度，並無來自客戶之收入佔本集團總營運收入超過10%。

7. 其他收入

| Note 附註 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------------|-----------------------------------|-----------------------------------|
| | 3,102 | 2,161 |
| | 2,870 | 3,208 |
| | 17,216 | 504 |
| 35 | 5,423 | 1,582 |
| | 4,817 | 1,444 |
| | 27,148 | 29,938 |
| | 1,005 | 4,119 |
| | 1,903 | 13,706 |
| | 63,484 | 56,662 |

附註：於截至二零二三年及二零二二年十二月三十一日止年度，本集團獲得中國不同地方政府機關的資助，旨在為本集團的業務及技術發展提供一般性資金，其於年內即時確認為其他收入。收取該等補貼概無未履行條件及其他或然事件。



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8. OTHER GAINS

8. 其他收益

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------------------------------|-------------------|-----------------------------------|-----------------------------------|
| Net gain on financial assets at FVTPL | 按公允值計入損益的金融資產的淨收益 | 608 | 3,074 |

9. FINANCE COSTS

9. 融資成本

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| Interest expenses on bank borrowings | 銀行借款之利息費用 | 450 | - |
| Interest expenses on a loan from government authority | 政府機關貸款之利息費用 | 7 | 7 |
| Other interest expenses | 其他利息費用 | 58 | 470 |
| | | 515 | 477 |

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10. PROFIT BEFORE TAX

10. 除稅前溢利

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|----------------------------|-----------------------------------|-----------------------------------|
| Profit before tax for the year is arrived at after charging: | 本年度除稅前溢利已扣除下列各項： | | |
| Cost of inventories sold (excluding additional provision for, and write off of obsolete and slow-moving inventories) | 已出售存貨成本(不包括增加撥備及撇銷廢棄及滯銷存貨) | 247,893 | 181,216 |
| Provision for obsolete and slow-moving inventories (included in cost of sales) | 廢棄及滯銷存貨撥備(計入銷售成本) | 9,606 | 5,038 |
| Provision for loss allowance on trade receivables and contract assets | 應收貿易賬款及合約資產之虧損撥備 | 724 | 5,993 |
| Provision for loss allowance on other receivables | 其他應收款項之虧損撥備 | 43,232 | 7,977 |
| Auditor's remuneration | 核數師酬金 | 451 | 439 |
| Research and development cost* | 研發成本* | 13,102 | 19,061 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 26,442 | 32,423 |
| Amortisation of right-of-use assets | 使用權資產攤銷 | 1,114 | 1,174 |
| Amortisation of intangible assets | 無形資產攤銷 | 4 | 7 |
| Loss on revaluation on property, plant and equipment | 物業、廠房及設備之重估虧損 | 5,389 | - |
| Fair value loss on investment properties* | 投資物業之公允值虧損* | 355 | - |
| Employee benefits expenses and human resources cost (excluding directors' and supervisors' remuneration): | 員工福利費用及人力資源成本(不包括董事及監事酬金)： | | |
| Salaries and allowances | 薪金及津貼 | 95,742 | 143,922 |
| Pension scheme contributions | 退休金計劃供款 | 6,150 | 2,507 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備虧損 | 60 | 15,586 |

* These items are included in "Administrative expenses" in the consolidated statement of profit or loss and the other comprehensive income.

* 該等項目計入綜合損益及其他全面收益表內的「行政開支」。



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11. INCOME TAX EXPENSE

(a) Income tax represents:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------------------------|------------|-----------------------------------|-----------------------------------|
| PRC corporate income tax | 中國企業所得稅 | | |
| – Current year | – 本年度 | 26,853 | 20,957 |
| – Under-provision of prior year | – 過往年度撥備不足 | 24,644 | 9,550 |
| Deferred taxation (Note 36) | 遞延稅項(附註36) | (1,390) | (26,727) |
| | | 50,107 | 3,780 |

The PRC corporate income tax is provided according to the relevant laws and regulations in the PRC.

On 16 March 2007, the National People's Congress approved the PRC Enterprise Income Tax Law, which became effective from 1 January 2008. In accordance with the new tax law, a unified enterprise income tax rate of 25% is applied to both domestic-invested enterprises and foreign-invested enterprises.

On 17 September 2018, the Company was accredited as a "National New and High-tech Enterprise" by the Jilin Provincial Science and Technology Bureau (吉林省科學技術廳). The Company is entitled to a reduced PRC corporate income tax rate of 15% for another three consecutive years commenced since year 2021.

中國企業所得稅乃根據中國有關法律及法規撥備。

於二零零七年三月十六日，全國人大會議批准中國企業所得稅法，由二零零八年一月一日起生效。根據新稅法，所有內資及外資企業按統一稅率25%繳納企業所得稅。

本公司於二零一八年九月十七日獲吉林省科學技術廳認定為「國家高新技術企業」。本公司於二零二一年起計連續三年可按減免中國企業所得稅率15%繳納稅項。

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11. INCOME TAX EXPENSE (continued)

- (b) Reconciliation between tax expense and accounting profit at applicable tax rate:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|-------------------------------|-----------------------------------|-----------------------------------|
| Profit before tax | 除稅前溢利 | 198,314 | 197,345 |
| National tax calculated at PRC enterprise income tax rate of 15% (2021: 15%) | 按中國企業所得稅率15% (二零二一年：15%)計算的國稅 | 29,747 | 29,602 |
| Higher tax rate enacted by local authority | 當地機關實施的較高稅率 | 3,133 | - |
| Tax effect of non-taxable income | 毋須課稅收入的稅務影響 | 3,973 | 1,393 |
| Tax effect of non-deductible expenses | 不可扣稅開支的稅務影響 | (11,390) | (10,038) |
| Under-provision of prior year | 過往年度撥備不足 | 24,644 | 9,550 |
| Deferred tax on temporary differences in prior year | 過往年度暫時差額之遞延稅項 | - | (26,727) |
| Income tax expense | 所得稅支出 | 50,107 | 3,780 |

12. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2023 is based on the profit attributable to owners of the Company for the year of RMB148,207,000 (2022: RMB193,565,000) and 560,250,000 shares in issue during the year (2022: 560,250,000 shares).

Diluted earnings per share is not presented as there were no dilutive potential ordinary shares in existence during the years ended 31 December 2023 and 2022.

11. 所得稅支出(續)

- (b) 稅項支出與會計溢利按適用稅率對賬如下：

12. 每股盈利

截至二零二三年十二月三十一日止年度，每股基本盈利乃根據年內本公司擁有人應佔溢利人民幣148,207,000元(二零二二年：人民幣193,565,000元)及年內已發行股份560,250,000股(二零二二年：560,250,000股)計算。

由於截至二零二三年及二零二二年十二月三十一日止年度並無潛在攤薄普通股，故並無呈列每股攤薄盈利。



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13. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to owners of the Company for the year ended 31 December 2023 includes a profit of RMB44,987,000 (2022: RMB196,054,000) which has been dealt with in the financial statements of the Company (Note 38).

14. DIVIDENDS

| | |
|--|---|
| 2023 Special dividend – RMB0.5 (2022 Special dividend – RMB0.0625) per share | 二零二三年特別股息—每股人民幣0.5元(二零二二年特別股息—人民幣0.0625元) |
|--|---|

No final dividend has been proposed or paid by the Company in respect of the years ended 31 December 2023 and 2022.

13. 本公司擁有人應佔溢利

截至二零二三年十二月三十一日止年度內，本公司擁有人應佔溢利包括溢利人民幣44,987,000元(二零二二年：人民幣196,054,000元)，該溢利已於本公司之財務報表中處理(附註38)。

14. 股息

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| 2023 Special dividend – RMB0.5 (2022 Special dividend – RMB0.0625) per share | 280,125 | 35,016 |

本公司並不建議或派付截至二零二三年及二零二二年十二月三十一日止年度之任何末期股息。

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15. DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION

(a) Directors' remuneration

Directors' remuneration for the year, disclosed pursuant to the GEM Listing Rules and section 383 of the Hong Kong Companies Ordinance (Cap. 622) and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

2023

| | | Directors' fees | Salaries, allowances and other benefits | Discretionary bonus | Pension fund contributions | 2023 Total |
|---|--------|-----------------|---|--------------------------------|----------------------------|------------|
| | | 董事袍金 | 薪金、津貼及其他利益 | 酌情花紅 | 退休金供款 | 二零二三年總酬金 |
| | | 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 (Note (i)) (附註(i)) | 人民幣千元 | 人民幣千元 |
| <i>Executive Directors:</i> | | <i>執行董事：</i> | | | | |
| Zhang Hong (Chairman) | 張弘(主席) | - | 273 | 350 | - | 623 |
| Zhang Xiao Guang | 張曉光 | - | 226 | 220 | 32 | 478 |
| Zhao Bao Gang | 趙寶剛 | - | 173 | 130 | 136 | 439 |
| Wu Guo Wen | 吳國文 | - | 82 | 70 | 30 | 182 |
| Zhang Yi | 張翼 | - | 196 | 180 | 24 | 400 |
| Xu Xiang Fu | 徐向夫 | - | 109 | 130 | 22 | 261 |
| <i>Independent Non-Executive Directors:</i> | | <i>獨立非執行董事：</i> | | | | |
| Gao Qi Pin | 高其品 | 72 | - | - | - | 72 |
| Tian Jie | 田傑 | 10 | - | - | - | 10 |
| Bai Jun Gui | 白君貴 | 10 | - | - | - | 10 |
| | | 92 | 1,059 | 1,080 | 244 | 2,475 |

Note:

(i) A discretionary bonus is recommended by the Remuneration Committee and is approved by the board of directors, having determined with reference to the Group's operating results, individual performance and comparable market statistics.

15. 董事及高級行政人員酬金

(a) 董事酬金

年內，根據GEM上市規則及香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》第2部之規定所披露的董事酬金如下：

二零二三年

附註：

(i) 酌情花紅由薪酬委員會推薦建議，並由董事會參考本集團經營業績、個人表現及可資比較市場數據後釐定。



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15. DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION (continued)

(a) Directors' remuneration (continued)

2022

15. 董事及高級行政人員酬金(續)

(a) 董事酬金(續)

二零二二年

| | Directors' fees | Salaries, allowances and other benefits 薪金、津貼及其他利益 | Discretionary bonus 酌情花紅 | Pension fund contributions 退休金供款 | 2022 Total 二零二二年總酬金 | |
|--|------------------|---|---|-------------------------------------|------------------------|-------|
| | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 (Note (i)) (附註(i)) | RMB'000 人民幣千元 | RMB'000 人民幣千元 | |
| <i>Executive Directors:</i> 執行董事： | | | | | | |
| Zhang Hong (Chairman) | 張弘(主席) | 239 | 300 | – | 539 | |
| Zhang Xiao Guang | 張曉光 | 186 | 200 | 28 | 414 | |
| Zhao Bao Gang | 趙寶剛 | 133 | 120 | 73 | 326 | |
| Wu Guo Wen | 吳國文 | 46 | 79 | 23 | 148 | |
| Zhang Yi | 張翼 | 182 | 160 | 21 | 363 | |
| Xu Xiang Fu | 徐向夫 | 101 | 120 | 21 | 242 | |
| <i>Independent Non-Executive Directors:</i> 獨立非執行董事： | | | | | | |
| Gao Qi Pin | 高其品 | 72 | – | – | 72 | |
| Tian Jie | 田傑 | 10 | – | – | 10 | |
| Bai Jun Gui | 白君貴 | 5 | – | – | 5 | |
| | | 87 | 887 | 979 | 166 | 2,119 |

Note:

(i) A discretionary bonus is recommended by the Remuneration Committee and is approved by the board of directors, having determined with reference to the Group's operating results, individual performance and comparable market statistics.

附註：

(i) 酌情花紅由薪酬委員會推薦建議，並由董事會參考本集團經營業績、個人表現及可資比較市場數據後釐定。

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15. DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION (continued)

(b) Senior executives' remuneration

Details of remuneration paid to the Supervisors of the Company which were all below HK\$1,000,000 (equivalent to RMB901,000 for the year ended 31 December 2023 and RMB877,000 for the year ended 31 December 2022) are as follows:

2023

| | | Salaries, allowances and other benefits 薪金、津貼及其他利益 RMB'000 人民幣千元 | Discretionary bonus 酌情花紅 RMB'000 人民幣千元 (Note (i)) (附註(i)) | Pension fund contributions 退休金供款 RMB'000 人民幣千元 | 2023 Total 二零二三年總酬金 RMB'000 人民幣千元 |
|----------------|-----|---|--|---|--|
| Supervisors: | 監事： | | | | |
| Qiao Xiao Chun | 喬曉春 | 69 | 70 | 19 | 158 |
| Wang Ying Xu | 王英旭 | 54 | 6 | 18 | 78 |
| Yan Li Yu | 鄒禮玉 | 46 | 6 | 25 | 77 |
| | | 169 | 82 | 62 | 313 |

Note:

(i) A discretionary bonus is recommended by the Remuneration Committee and is approved by the board of directors, having determined with reference to the Group's operating results, individual performance and comparable market statistics.

15. 董事及高級行政人員酬金(續)

(b) 高級行政人員酬金

本集團向本公司各監事支付之酬金均低於1,000,000港元(於截至二零二三年十二月三十一日止年度相當於人民幣901,000元及於截至二零二二年十二月三十一日止年度相當於人民幣877,000元)，其詳情如下：

二零二三年

附註：

(i) 酌情花紅由薪酬委員會推薦建議，並由董事會參考本集團經營業績、個人表現及可資比較市場數據後釐定。



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15. DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION (continued)

(b) Senior executives' remuneration (continued) 2022

| | Salaries, allowances and other benefits 薪金、津貼 及其他利益 RMB'000 人民幣千元 | Discretionary bonus 酌情花紅 RMB'000 人民幣千元 (Note (i)) (附註(i)) | Pension fund contributions 退休金供款 RMB'000 人民幣千元 | 2022 Total 二零二二年 總酬金 RMB'000 人民幣千元 |
|---------------------|--|---|--|---|
| <i>Supervisors:</i> | | | | |
| Qiao Xiao Chun | 60 | 60 | 17 | 137 |
| Wang Ying Xu | 39 | 15 | 15 | 69 |
| Yan Li Yu | 42 | 2 | 15 | 59 |
| | 141 | 77 | 47 | 265 |

Note:

(i) A discretionary bonus is recommended by the Remuneration Committee and is approved by the board of directors, having determined with reference to the Group's operating results, individual performance and comparable market statistics.

15. 董事及高級行政人員酬金(續)

(b) 高級行政人員酬金(續) 二零二二年

| | Salaries, allowances and other benefits 薪金、津貼 及其他利益 RMB'000 人民幣千元 | Discretionary bonus 酌情花紅 RMB'000 人民幣千元 (Note (i)) (附註(i)) | Pension fund contributions 退休金供款 RMB'000 人民幣千元 | 2022 Total 二零二二年 總酬金 RMB'000 人民幣千元 |
|---------------------|--|---|--|---|
| <i>Supervisors:</i> | | | | |
| Qiao Xiao Chun | 60 | 60 | 17 | 137 |
| Wang Ying Xu | 39 | 15 | 15 | 69 |
| Yan Li Yu | 42 | 2 | 15 | 59 |
| | 141 | 77 | 47 | 265 |

附註：

(i) 酌情花紅由薪酬委員會推薦建議，並由董事會參考本集團經營業績、個人表現及可資比較市場數據後釐定。

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15. DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION (continued)

(c) Five highest paid individuals

The five highest paid individuals during the year included 0 Directors (2022: zero Directors) whose remuneration were set out in (a) above. Details of the emoluments of non-directors, the highest paid individual for the year ended 31 December 2022 and 2023 are as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|------------|-----------------------------------|-----------------------------------|
| Salaries, allowances and other benefits | 薪金、津貼及其他利益 | 5,124 | 4,479 |
| Pension scheme contributions | 退休金計劃供款 | 92 | 19 |
| | | 5,216 | 4,498 |

The number of the highest paid non-directors fell within the following emolument band:

| | | 2023 二零二三年 Number of individual 人數 | 2022 二零二二年 Number of individual 人數 |
|--------------------------------|-------------------------|--|--|
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 2 | 5 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 2 | - |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至2,000,000港元 | 1 | - |
| | | 5 | 5 |

During the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to these highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office.

15. 董事及高級行政人員酬金(續)

(c) 五名最高薪酬人士

年內五名最高薪酬人士包括零名董事(二零二二年：零名董事)，其酬金詳情於上文(a)項載列。截至二零二二年及二零二三年十二月三十一日止年度，非董事最高薪酬人士的薪酬詳情如下：

以下薪酬範圍內的最高薪酬非董事人數：

截至二零二三年及二零二二年十二月三十一日止年度，本集團並無向該等最高薪酬僱員支付任何酬金作為其加入或於加入本集團時之獎賞，或作離職之補償。



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16. EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plans

Pursuant to the relevant labour rules and regulations in the PRC, the Group participate in a defined contribution retirement benefit scheme (the “Scheme”) organised by the PRC municipal government authority in the Jilin Province whereby the Group is required to make contributions to the Scheme at certain percentage of the eligible employees’ relevant salaries. The local government authority is responsible for the entire pension obligation payable to retired employees.

The Group’s contribution to retirement benefits schemes for the year ended 31 December 2023 amounted to RMB6,150,000 (2022: RMB2,720,000). The Group has no other material obligation for the payment of pension benefits associated with the Scheme.

17. BEARER BIOLOGICAL ASSETS

Bearer biological assets comprise:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--------------------------------|--------------|-----------------------------------|-----------------------------------|
| Ginseng, at cost | 人參，按成本值 | 15,080 | 15,080 |
| Carrying amount at 31 December | 於十二月三十一日之賬面值 | 15,080 | 15,080 |

Reconciliation of carrying amounts of bearer biological assets:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|-------------------|-----------------------------------|-----------------------------------|
| Ginseng | 人參 | | |
| Carrying amount at 1 January and 31 December | 於一月一日及十二月三十一日之賬面值 | 15,080 | 15,080 |

The carrying amounts of ginseng were valued at their original costs. These assets are in their early stage of cultivation and preparation and active market prices are not available. In addition, the Directors are of the view that the original costs would approximate their fair values at this stage of their development.

16. 退休福利計劃

定額供款退休計劃

根據中國相關勞動規則及法規，本集團參與由中國吉林省市政府機關組織的定額供款退休福利計劃（「該計劃」），據此，本集團須按合資格僱員的相關工資的一定百分比向該計劃供款。地方政府機關對應付退休僱員的全部退休金計劃責任負責。

於截至二零二三年十二月三十一日止年度，本集團所支付的退休福利計劃供款為人民幣6,150,000元（二零二二年：人民幣2,720,000元）。本集團並無其他有關該計劃的重大退休福利付款責任。

17. 不記名生物資產

不記名生物資產包括：

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Ginseng, at cost | 15,080 | 15,080 |
| Carrying amount at 31 December | 15,080 | 15,080 |

不記名生物資產賬面值對賬：

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Ginseng | | |
| Carrying amount at 1 January and 31 December | 15,080 | 15,080 |

人參的賬面值按初始成本計值。該等資產處於養植及準備初期，且並無活躍市價。另外，董事認為初始成本與彼等於該發展階段之公允值相若。

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

| | | Buildings | Plant and machinery | Transportation equipment | Furniture, fixtures and equipment 傢俱、裝置及設備 | Total |
|-------------------------------|---------------|------------------------|---------------------------|--------------------------|---|------------------------|
| | | 樓宇 RMB'000 人民幣千元 | 廠房及機器 RMB'000 人民幣千元 | 運輸設備 RMB'000 人民幣千元 | RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| Cost: | 成本： | | | | | |
| At 1 January 2022 | 於二零二二年一月一日 | 189,321 | 169,445 | 19,134 | 4,710 | 382,610 |
| Additions | 添置 | 1,799 | 6,770 | 2,722 | 26 | 11,317 |
| Disposals | 出售 | (15,479) | (645) | – | – | (16,124) |
| Transfer | 轉撥 | 84,346 | 49,840 | – | – | 134,186 |
| At 31 December 2022 | 於二零二二年十二月三十一日 | 259,987 | 225,410 | 21,856 | 4,736 | 511,989 |
| Additions | 添置 | 15,501 | 5,118 | 5,906 | 412 | 26,937 |
| Disposals | 出售 | – | (533) | – | – | (533) |
| Transfer | 轉撥 | (37,307) | – | – | – | (37,307) |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 238,181 | 229,995 | 27,762 | 5,148 | 501,086 |
| Accumulated depreciation: | 累計折舊： | | | | | |
| At 1 January 2022 | 於二零二二年一月一日 | 56,543 | 112,786 | 10,737 | 3,950 | 184,016 |
| Charge for the year (Note 10) | 年內支銷(附註10) | 8,135 | 21,818 | 2,081 | 389 | 32,423 |
| Written back on disposals | 出售撥回 | – | (538) | – | – | (538) |
| At 31 December 2022 | 於二零二二年十二月三十一日 | 64,678 | 134,066 | 12,818 | 4,339 | 215,901 |
| Charge for the year (Note 10) | 年內支銷(附註10) | 10,141 | 12,786 | 3,103 | 412 | 26,442 |
| Written back on disposals | 出售撥回 | – | (453) | – | – | (453) |
| Transfer | 轉撥 | (2,363) | – | – | – | (2,363) |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 72,456 | 146,399 | 15,921 | 4,751 | 239,527 |
| Carrying amount: | 賬面值： | | | | | |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 165,725 | 83,596 | 11,841 | 397 | 261,559 |
| At 31 December 2022 | 於二零二二年十二月三十一日 | 195,309 | 91,344 | 9,038 | 397 | 296,088 |



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19. INVESTMENT PROPERTIES

The Group leases out various properties with fixed rentals payable monthly.

The leases typically run for an initial period of one to five years. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

19. 投資物業

本集團出租多項物業，物業租金固定，均按月支付。

租賃一般初步為期一至五年。租約不包含剩餘價值擔保及／或承租人於租期結束時購買物業的選擇權。

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|-----------------------|-----------------------------------|-----------------------------------|
| Fair value | 公允值 | | |
| At 1 January | 於一月一日 | - | - |
| Transfer from property, plant and equipment (Note 18) | 轉撥自物業、廠房及設備 (附註18) | 29,555 | - |
| Net loss from a fair value adjustment | 公允值調整之虧損淨額 | (355) | - |
| At 31 December | 於十二月三十一日 | 29,200 | - |

The fair value of the Group's investment properties as at 31 December 2023, have been arrived at on the basis of valuation carried out on the respective dates by management of the Group.

本集團投資物業於二零二三年十二月三十一日的公允值乃按本集團管理層於相關日期進行的估值釐定。

At 31 December 2023, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

於二零二三年十二月三十一日，本集團根據與其租戶之不可撤銷經營租賃於未來期間的未貼現應收租賃款項如下：

| | | 2023 二零二三年 RMB'000 人民幣千元 |
|--|----------|-----------------------------------|
| Within one year | 一年內 | 700 |
| After one year but within two years | 一年後但於兩年內 | 780 |
| After two years but within three years | 兩年後但於三年內 | 860 |
| | | 2,340 |

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19. INVESTMENT PROPERTIES (continued)

Fair value hierarchy

Below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

| | Valuation technique 估值技術 | Significant unobservable inputs 重大不可觀察輸入數據 | Range or weighted average 31 December 範圍或加權平均數 十二月三十一日 | |
|--|-------------------------------------|--|---|-----------------------------------|
| | | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
| Completed commercial properties 已竣工商用物業 | Direct comparison approach 直接比較法 | Market unit sale rate (RMB/sq.m.) 市場單位銷售費率 (人民幣/平方米) | 24 | – |

The valuations of completed investment properties were based on either the direct comparison method by reference to comparable market transactions, which is positively correlated to the market unit sale rate.

The fair values of all investment properties are measured on Level 3 fair value measurement. There were no transfers into or out of Level 3 during the year.

19. 投資物業(續)

公允值等級

以下為投資物業所用估值技術及估值的主要輸入數據的概要：

| | Valuation technique 估值技術 | Significant unobservable inputs 重大不可觀察輸入數據 | Range or weighted average 31 December 範圍或加權平均數 十二月三十一日 | |
|--|-------------------------------------|--|---|-----------------------------------|
| | | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
| Completed commercial properties 已竣工商用物業 | Direct comparison approach 直接比較法 | Market unit sale rate (RMB/sq.m.) 市場單位銷售費率 (人民幣/平方米) | 24 | – |

已竣工投資物業的估值乃根據參照可資比較市場交易的直接比較法(與市場單位銷售費率呈正相關)計算。

所有投資物業的公允值按第三層級公允值計量方法計量。年內，第三層級並無任何轉入或轉出。



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20. RIGHT-OF-USE ASSETS

- (a) The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

| | | Land use rights 土地使用權 | |
|---------------------|----------|-----------------------------------|-----------------------------------|
| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
| As at 1 January | 於一月一日 | 49,116 | 36,619 |
| Additions | 添置 | - | 13,671 |
| Depreciation charge | 折舊開支 | (1,114) | (1,174) |
| As at 31 December | 於十二月三十一日 | 48,002 | 49,116 |

- (b) The amounts recognised in profit or loss in relation to leases are as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Depreciation charge of right-of-use assets (Note 10) | 使用權資產折舊開支 (附註10) | (1,114) | (1,174) |

20. 使用權資產

- (a) 年內本集團之使用權資產賬面值及變動如下：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------------|----------|-----------------------------------|-----------------------------------|
| As at 1 January | 於一月一日 | 49,116 | 36,619 |
| Additions | 添置 | - | 13,671 |
| Depreciation charge | 折舊開支 | (1,114) | (1,174) |
| As at 31 December | 於十二月三十一日 | 48,002 | 49,116 |

- (b) 於損益中確認的租賃相關款項如下：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Depreciation charge of right-of-use assets (Note 10) | 使用權資產折舊開支 (附註10) | (1,114) | (1,174) |

21. CONSTRUCTION IN PROGRESS

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|----------------|----------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | - | 47,857 |
| Additions | 添置 | 4,904 | - |
| Transfer | 轉撥 | - | (47,857) |
| At 31 December | 於十二月三十一日 | 4,904 | - |

21. 在建工程

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22. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the subsidiaries as at 31 December 2023 were as follows:

| Name of subsidiary 附屬公司名稱 | Country of incorporation and operation and legal entity status 註冊成立及經營的國家及法定實體地位 | Issued and fully paid share capital/ registered capital 已發行及繳足股本/註冊資本 | Percentage of ordinary shares held directly 直接持有普通股份的百分比 | Principal activity 主要業務 |
|---|---|---|---|--|
| 吉林省林下藥用植物經營有限公司 | 中國，有限責任公司 PRC, limited liability company | 人民幣5,000,000元 RMB5,000,000 | 100% | 暫無活動 Dormant |
| 吉林省長龍源生物科技有限公司 (「長龍源」) ^{#1} | 中國，有限責任公司 PRC, limited liability company | 人民幣20,000,000元 RMB20,000,000 | 100% | 製造及分銷保健產品 Manufacture and distribution of health products |
| 吉林長龍食品飲料有限責任公司 | 中國，有限責任公司 PRC, limited liability company | 人民幣20,000,000元 RMB20,000,000 | 100% | 生產及分銷飲料及預包裝食品 Manufacture and distribution of beverages and pre-packaged food |
| 吉林省長龍房地產開發有限公司 | 中國，有限責任公司 PRC, limited liability company | 人民幣20,000,000元 RMB20,000,000 | 100% | 尚未開展業務 Not yet commenced business |
| 吉林省輝南長龍藥品經銷有限責任公司 | 中國，有限責任公司 PRC, limited liability company | 人民幣500,000元 RMB500,000 | 100% | 分銷保健產品 Distribution of health products |
| 海南長龍醫藥有限公司 | 中國，有限責任公司 PRC, limited liability company | 人民幣980,000元 RMB980,000 | 100% | 分銷保健產品 Distribution of health products |

^{#1} As at 31 December 2023, 長龍源 had no paid-up capital. Its capital is to be fully paid-up before 10 September 2026.

The amounts due from/(to) subsidiaries classified as current assets/(liabilities) respectively in the Company's statement of financial position are unsecured, interest-free and repayable on demand.

None of the subsidiaries had issued any debt securities at the end of the reporting period or at any time during both years.

22. 本公司附屬公司詳情

於二零二三年十二月三十一日，附屬公司詳情如下：

| Name of subsidiary 附屬公司名稱 | Country of incorporation and operation and legal entity status 註冊成立及經營的國家及法定實體地位 | Issued and fully paid share capital/ registered capital 已發行及繳足股本/註冊資本 | Percentage of ordinary shares held directly 直接持有普通股份的百分比 | Principal activity 主要業務 |
|---|---|---|---|--|
| 吉林省林下藥用植物經營有限公司 | 中國，有限責任公司 PRC, limited liability company | 人民幣5,000,000元 RMB5,000,000 | 100% | 暫無活動 Dormant |
| 吉林省長龍源生物科技有限公司 (「長龍源」) ^{#1} | 中國，有限責任公司 PRC, limited liability company | 人民幣20,000,000元 RMB20,000,000 | 100% | 製造及分銷保健產品 Manufacture and distribution of health products |
| 吉林長龍食品飲料有限責任公司 | 中國，有限責任公司 PRC, limited liability company | 人民幣20,000,000元 RMB20,000,000 | 100% | 生產及分銷飲料及預包裝食品 Manufacture and distribution of beverages and pre-packaged food |
| 吉林省長龍房地產開發有限公司 | 中國，有限責任公司 PRC, limited liability company | 人民幣20,000,000元 RMB20,000,000 | 100% | 尚未開展業務 Not yet commenced business |
| 吉林省輝南長龍藥品經銷有限責任公司 | 中國，有限責任公司 PRC, limited liability company | 人民幣500,000元 RMB500,000 | 100% | 分銷保健產品 Distribution of health products |
| 海南長龍醫藥有限公司 | 中國，有限責任公司 PRC, limited liability company | 人民幣980,000元 RMB980,000 | 100% | 分銷保健產品 Distribution of health products |

^{#1} 於二零二三年十二月三十一日，長龍源並無繳足股本。其股本將於二零二六年九月十日以前悉數繳足。

應收／(應付)附屬公司款項分別歸類入本公司財務狀況表之流動資產／(負債)，為無抵押、免息及按要求償還。

附屬公司概無於報告期末或兩個年度的任何時間發行任何債務證券。



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23. INTANGIBLE ASSETS

23. 無形資產

RMB'000
人民幣千元

| Cost | 成本 | |
|--|--------------------------------------|--------|
| At 1 January 2022, 31 December 2022 and 31 December 2023 | 於二零二二年一月一日、二零二二年十二月三十一日及二零二三年十二月三十一日 | 68,167 |
| Accumulated amortisation and impairment loss | 累計攤銷及減值虧損 | |
| At 1 January 2022 | 於二零二二年一月一日 | 68,135 |
| Amortisation | 攤銷 | 7 |
| At 31 December 2022 | 於二零二二年十二月三十一日 | 68,142 |
| Amortisation | 攤銷 | 4 |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 68,146 |
| Net carrying amount | 賬面淨值 | |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 21 |
| At 31 December 2022 | 於二零二二年十二月三十一日 | 25 |

Purchased know-how and prescription were acquired through research and development cooperation with independent third parties and were all acquired in cash.

購入技術及藥方乃與獨立第三方合作研發，且全部以現金購入。

During the year, the Directors reviewed the carrying amount of the purchased know-how and prescription based on the future economic benefits generated from these assets. No impairment loss was recognised for the current year (2022: Nil).

年內，董事根據該等資產未來產生之經濟利益檢討所購入技術及藥方之賬面值。本年度並無確認減值虧損(二零二二年：無)。

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24. GOODWILL

24. 商譽

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------------------------------|---------------|-----------------------------------|-----------------------------------|
| Carrying amount | 賬面值 | | |
| At 1 January and 31 December | 於一月一日及十二月三十一日 | 6,254 | 6,254 |

The carrying amount of goodwill is allocated to the cash-generating units of distribution of Chinese medicine. The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management. The cash flows are discounted using a discount rate which is pre-tax and reflects specific risks relating to the relevant segments. The values assigned to the key assumptions on market development and discount rates are consistent with external information sources. During the year ended 31 December 2023, Directors conducted a review of goodwill and no impairment loss in respect of goodwill has been recognised (2022: Nil).

商譽之賬面值乃分配至分銷中藥之現金產生單位。現金產生單位之可回收金額根據使用價值之計算方法釐定。該等計算方法使用之預期現金流以管理層批准之財政預算為根據。現金流使用稅前及可反映相關分部特定風險之貼現率貼現。市場發展之主要假設所用價值及貼現率與外部資料來源一致。截至二零二三年十二月三十一日止年度，董事進行商譽檢討，且並無就商譽確認減值虧損(二零二二年：零)。

25. INVENTORIES

25. 存貨

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|-------------|-----------------------------------|-----------------------------------|
| Raw materials | 原材料 | 53,599 | 54,934 |
| Work in progress | 在製品 | 32,350 | 39,840 |
| Finished goods | 製成品 | 32,522 | 44,106 |
| | | 118,471 | 138,880 |
| Less: Provision for obsolete and slow-moving inventories | 減：廢棄及滯銷存貨撥備 | (15,499) | (5,893) |
| | | 102,972 | 132,987 |

During the year ended 31 December 2023, a provision on obsolete and slow-moving inventories of approximately RMB9,606,000 was made (2022: RMB5,038,000) has been recognised in consolidated statement of profit or loss and other comprehensive income within "cost of sales".

截至二零二三年十二月三十一日止年度，已確認作出約人民幣9,606,000元之廢棄及滯銷存貨撥備(二零二二年：人民幣5,038,000元)，並已計入綜合損益及其他全面收益表內的「銷售成本」。



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25. INVENTORIES (continued)

During the years ended 31 December 2023 and 2022, no obsolete and slow-moving inventories were written off.

During the years ended 31 December 2023 and 2022, no obsolete and slow-moving inventories which the provision were already made in prior years, were written off.

25. 存貨(續)

截至二零二三年及二零二二年十二月三十一日止年度，並無撇銷廢棄及滯銷存貨。

截至二零二三年及二零二二年十二月三十一日止年度，並無對已於以前年度作出撥備的廢棄及滯銷存貨作出撇銷。

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | |
|---------------------------|---------|
| Current assets | 流動資產 |
| Unlisted financial assets | 非上市金融資產 |

| |
|---------|
| 2023 |
| 二零二三年 |
| RMB'000 |
| 人民幣千元 |

| |
|---------|
| 2022 |
| 二零二二年 |
| RMB'000 |
| 人民幣千元 |

90,608

263,074

The fair value of financial assets at FVTPL are within level 3 of fair value hierarchy (note 41(f)).

按公允值計入損益的金融資產公允值屬公允值層級中第三層級(附註41(f))。

27. TRADE RECEIVABLES AND CONTRACT ASSETS

(a) Trade receivables

| | |
|----------------------|--------|
| Trade receivables | 應收貿易賬款 |
| Less: Loss allowance | 減：虧損撥備 |

Trade receivables, net

應收貿易賬款淨額

| |
|---------|
| 2023 |
| 二零二三年 |
| RMB'000 |
| 人民幣千元 |

| |
|---------|
| 2022 |
| 二零二二年 |
| RMB'000 |
| 人民幣千元 |

352,080

380,176

(83,753)

(97,370)

268,327

282,806

(i) The Group's policy is to allow an average credit period of 180 days to its trade customers.

27. 應收貿易賬款及合約資產

(a) 應收貿易賬款

| | |
|----------------------|--------|
| Trade receivables | 應收貿易賬款 |
| Less: Loss allowance | 減：虧損撥備 |

Trade receivables, net

(i) 本集團政策為給予貿易客戶平均180日之信貸期。

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27. TRADE RECEIVABLES AND CONTRACT ASSETS (continued)

(a) Trade receivables (continued)

- (ii) The ageing analysis of trade receivables, based on the invoice date and net of loss allowance of trade receivables, is as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--------------------|---------|-----------------------------------|-----------------------------------|
| 0-30 days | 0-30日 | 33,525 | 83,301 |
| 31-90 days | 31-90日 | 118,894 | 71,156 |
| 91-180 days | 91-180日 | 71,659 | 68,071 |
| More than 180 days | 超過180日 | 44,249 | 60,278 |
| | | 268,327 | 282,806 |

- (iii) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the aging from billing. See Note 41(a) for further information about expected credit loss provision. Impairment losses are recognised in consolidated statement of profit or loss and other comprehensive income within "administrative expenses".

27. 應收貿易賬款及合約資產(續)

(a) 應收貿易賬款(續)

- (ii) 根據發票日期及扣除應收貿易賬款虧損撥備後，應收貿易賬款的賬齡分析如下：

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--------------------|-----------------------------------|-----------------------------------|
| 0-30 days | 33,525 | 83,301 |
| 31-90 days | 118,894 | 71,156 |
| 91-180 days | 71,659 | 68,071 |
| More than 180 days | 44,249 | 60,278 |
| | 268,327 | 282,806 |

- (iii) 本集團應用香港財務報告準則第9號訂明的簡化方法計提預期信貸虧損，其允許就應收貿易賬款計提全期預期虧損撥備。為計量預期信貸虧損，該等應收款項根據共同信貸風險特徵及賬單賬齡進行分組。有關預期信貸虧損撥備的進一步資料，見附註41(a)。減值虧損於綜合損益及其他全面收益表「行政開支」內確認。



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27. TRADE RECEIVABLES AND CONTRACT ASSETS (continued)

(a) Trade receivables (continued)

(iii) (continued)

The movements in the loss allowance during the year are as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-------------------------------------|------------|-----------------------------------|-----------------------------------|
| Opening balance | 年初結餘 | 97,370 | 87,729 |
| Provision for loss allowance | 虧損撥備 | 9,015 | 9,641 |
| Amount written off as uncollectible | 撇銷為不可收回的金額 | (22,632) | - |
| Closing balance | 年末結餘 | 83,753 | 97,370 |

Loss allowance had been made for the estimated irrecoverable amounts arising from the sale of goods. The loss allowance was determined by the directors with reference to past default experience, current economic conditions and forward-looking information.

(iv) Directors consider the carrying amount of trade receivables approximates their fair value.

(b) Contract assets

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-----------------------|-----------|-----------------------------------|-----------------------------------|
| Contract assets | 合約資產 | 44,021 | 61,207 |
| Less: Loss allowance | 減：虧損撥備 | (38,228) | (46,519) |
| Contract assets – net | 合約資產 – 淨額 | 5,793 | 14,688 |

As at 1 January 2022, contract assets (net of loss allowance) amounted to RMB21,790,000.

Contract assets represents unbilled revenue of sales of Chinese medicine and pharmaceutical products arisen from the Group's right to receive consideration for sales of products but not yet billed. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the time the Group obtains the confirmation of receipt of goods from the customers.

The significant decrease in the current year is due to the implementation of a tighter credit period.

27. 應收貿易賬款及合約資產(續)

(a) 應收貿易賬款(續)

(iii) (續)

年內虧損撥備的變動如下：

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-------------------------------------|-----------------------------------|-----------------------------------|
| Opening balance | 97,370 | 87,729 |
| Provision for loss allowance | 9,015 | 9,641 |
| Amount written off as uncollectible | (22,632) | - |
| Closing balance | 83,753 | 97,370 |

虧損撥備乃就出售貨物之估計不可收回金額作出。董事已參考過往拖欠經驗、當前經濟情況及前瞻性資料釐定虧損撥備金額。

(iv) 董事認為，應收貿易賬款之賬面值與其公允值相若。

(b) 合約資產

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-----------------------|-----------------------------------|-----------------------------------|
| Contract assets | 44,021 | 61,207 |
| Less: Loss allowance | (38,228) | (46,519) |
| Contract assets – net | 5,793 | 14,688 |

於二零二二年一月一日，合約資產(扣除虧損撥備)為人民幣21,790,000元。

合約資產指因本集團有權收取產品銷售代價但尚未開票而產生的中藥及醫藥產品銷售未開票收入。當該權利成為無條件時，合約資產轉撥至應收貿易賬款，通常是在本集團獲得客戶的收貨確認時。

本年度大幅減少乃由於收緊信貸期所致。

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28. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS 28. 其他應收款項、訂金及預付款項

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-------------------------------|---------------|-----------------------------------|-----------------------------------|
| Deposits and prepayments | 訂金及預付款項 | 2,469 | 17,675 |
| Advances to staff, net | 向員工墊款，淨額 | 36,046 | 17,148 |
| Other receivables, net (Note) | 其他應收款項，淨額(附註) | 8,706 | 116,521 |
| Bills receivables | 應收票據 | 121,237 | 153,526 |
| | | 168,458 | 304,870 |

Note: As at 31 December 2023, included in the other receivables are approximately RMB71,930,000 (2022: RMB110,000,000) of loans granted by the Group to independent third parties. The amounts are secured, interest bearing at 4% per annum and repayable within agreed fixed terms. The Group does not hold any agreed collateral over the balances.

At 31 December 2023 and 2022, certain of the Group's advances to staff and other receivables were considered to be impaired. For advances to staff and other receivables, impairment is measured as 12-month expected credit losses since there has been no significant increase in credit risk since initial recognition. The impaired receivables related to staff and debtors that were in financial difficulties and the following loss allowance has been made.

附註：於二零二三年十二月三十一日，計入其他應收款項的本集團授予獨立第三方的貸款約人民幣71,930,000元(二零二二年：人民幣110,000,000元)。該等款項有抵押，按年利率4%計息，並須於議定的固定期限內償還。本集團並無就上述結餘持有任何抵押品。

於二零二三年及二零二二年十二月三十一日，本集團向員工墊付的若干款項及其他應收款項被認為已減值。就向員工墊款及其他應收款項而言，減值計量為12個月預期信貸虧損，原因是自初始確認後信貸風險並無大幅增長。該等已減值的應收款項為與陷於財政困難的員工和借款人有關，管理層已作出以下虧損撥備。

| | | Advances to staff 向員工墊款 | | Other receivables 其他應收款項 | |
|----------------------|--------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
| Gross amounts | 總額 | 59,974 | 33,753 | 91,359 | 180,383 |
| Less: Loss allowance | 減：虧損撥備 | (23,928) | (16,605) | (82,653) | (63,862) |
| Net amounts | 淨額 | 36,046 | 17,148 | 8,706 | 116,521 |



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28. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

The movements in the loss allowance of advances to staff and other receivables during the year, are as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-------------------------------------|------------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | 80,467 | 72,490 |
| Provision for loss allowance | 虧損撥備 | 43,232 | 7,977 |
| Amount written off as uncollectible | 撇銷為不可收回的金額 | (17,118) | - |
| At 31 December | 於十二月三十一日 | 106,581 | 80,467 |

29. CASH AND CASH EQUIVALENTS

Cash and bank balances comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The Directors consider the carrying amount of these assets approximates their fair value.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Short-term bank deposits and bank balances and cash are denominated in RMB.

Cash at banks carry interest at market rates ranging from 0.3% to 0.35% (2022: 0.3% to 0.35%) per annum. Short-term bank deposits with original maturity of less than three months carry interest at market rates ranging from 3.40% to 4.125% (2022: Nil) per annum.

28. 其他應收款項、訂金及預付款項(續)

年內向員工墊款及其他應收款項虧損撥備的變動如下：

29. 現金及現金等值物

現金及銀行結餘包括本集團持有現金及原到期日為三個月或以下之短期銀行存款。董事認為，此等資產之賬面值與其公允值相若。

人民幣不能自由兌換為其他貨幣，然而，根據中國大陸之外匯管理規定、結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

短期銀行存款及銀行結餘及現金以人民幣列值。

銀行結存按市場利率每年0.3%至0.35%計息(二零二二年：每年0.3%至0.35%)。原到期日少於三個月之短期銀行存款按介乎每年3.40%至4.125%的市場利率計息(二零二二年：零)。

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30. FINANCIAL ASSETS MEASURED AT AMORTISED COST 30. 以攤銷成本計量的金融資產

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|--------------------|-----------------------------------|-----------------------------------|
| Term deposits with initial term of over three months and less than one year | 原到期日大於三個月小於一年的定期存款 | 212,846 | 655,451 |
| Term deposits with initial term of over one year | 原到期日大於一年的定期存款 | 724,157 | 211,405 |
| | | 937,003 | 866,856 |

(a) Bank deposits with original maturity of more than three months carry interest at a market rates of ranging from 1.75% to 4.125% (2022: ranging from 2.94% to 4.125%) per annum.

(b) No provision for impairment loss for these financial assets was made as at 31 December 2023 and 2022 as the financial assets were considered to be of low credit risk and the expected credit loss of these financial assets was minimal. Deposits were placed with the licensed banks in the PRC with good credit rating. All these financial assets had no history of default and there was no unfavourable current conditions and forecast of future economic conditions at the reporting dates.

(c) The fair values of financial assets maturing after twelve months are disclosed in note 41(f)(iii).

(a) 原到期日超過三個月之銀行存款按每年介乎1.75%至4.125%的市場利率計息(二零二二年：每年介乎2.94%至4.125%)。

(b) 於二零二三年及二零二二年十二月三十一日，這些金融資產並無減值虧損撥備，因本集團認為這些金融資產的信貸風險偏低，預期信貸虧損微乎其微。存款只存放在中國享有良好信用評級的持牌銀行。所有這些金融資產均無違約記錄，而於有關呈報日期的當前狀況及預測未來經濟狀況均不存在不利因素。

(c) 12個月後到期的金融資產的公允值於附註41(f)(iii)披露。



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31. TRADE PAYABLES

The ageing analysis of trade payables, based on the invoice date, is as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------|---------|-----------------------------------|-----------------------------------|
| 0-30 days | 0-30日 | 11,948 | 4,020 |
| 31-90 days | 31-90日 | 5,623 | 2,992 |
| 91-180 days | 91-180日 | 3,524 | - |
| Over 180 days | 超過180日 | 49,487 | 58,673 |
| | | 70,582 | 65,685 |

The average credit period from the Group's trade creditors is 90 to 180 days.

Trade payables principally comprise amounts outstanding for trade purchases. The Directors consider the carrying amount of trade payables approximates their fair value.

32. OTHER PAYABLES AND ACCRUALS

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------------------------|-------------|-----------------------------------|-----------------------------------|
| Other payables | 其他應付款項 | 280,930 | 265,656 |
| Accrued salaries | 應計工資 | 17,118 | 9,167 |
| Accrued welfare | 應計福利費 | 7,389 | 9,225 |
| Accruals | 應計費用 | 247,396 | 244,327 |
| | | 552,833 | 528,375 |
| Analysed for reporting purpose: | 為報告目的所作的分析： | | |
| - Current portion | - 流動部份 | 549,963 | 526,414 |
| - Non-current portion | - 非流動部份 | 2,870 | 1,961 |
| | | 552,833 | 528,375 |

31. 應付貿易賬款

以下為基於發票日期的應付貿易賬款的賬齡分析：

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------|-----------------------------------|-----------------------------------|
| 0-30 days | 11,948 | 4,020 |
| 31-90 days | 5,623 | 2,992 |
| 91-180 days | 3,524 | - |
| Over 180 days | 49,487 | 58,673 |
| | 70,582 | 65,685 |

本集團貿易債權人之平均信貸期為90日至180日。

應付貿易賬款主要包括貿易採購的未償金額。董事認為應付貿易賬款之賬面值與其公允值相若。

32. 其他應付款項及應計費用

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33. LOAN FROM GOVERNMENT AUTHORITY

Loan was obtained from Huinan County Finance Bureau for the purpose of research and development activities of the Group. The loan is unsecured and bear interest at one year term saving interest rate promulgated by The People's Bank of China plus 0.3% per annum. The loan is expected to be repayable in 2024:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-----------------|-----|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 400 | 400 |

33. 政府機關貸款

輝南縣財政局撥出貸款供本集團的研發活動之用。該等貸款為無抵押，按中國人民銀行頒佈的一年期儲蓄利率加0.3厘的年利率計息。該等貸款預計於二零二四年償還：

34. BANK BORROWINGS

| | | 2023 二零二三年 | | | 2022 二零二二年 | | |
|-----------------------------|------------|---|----------------|------------------|---|----------------|------------------|
| | | Effective interest rate 實際利率 % | Maturity 到期 | RMB'000 人民幣千元 | Effective interest rate 實際利率 % | Maturity 到期 | RMB'000 人民幣千元 |
| Current | 即期 | | | | | | |
| Bank borrowings – unsecured | 銀行借款 – 無抵押 | 2.5 | 2024 | 8,000 | - | - | - |
| Non-current | 非即期 | | | | | | |
| Bank borrowings – unsecured | 銀行借款 – 無抵押 | 2.5 | 2025 | 72,000 | - | - | - |
| | | | | 80,000 | | | - |

34. 銀行借款

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------------------|--------|-----------------------------------|-----------------------------------|
| Analysed into: | 分析為： | | |
| Bank borrowings repayable | 應付銀行借款 | | |
| Within one year | 一年內 | 8,000 | - |
| In the second year | 於第二年 | 72,000 | - |
| | | 80,000 | - |

The Group's borrowings are denominated in RMB as at 31 December 2023.

於二零二三年十二月三十一日，本集團借款以人民幣計值。



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35. DEFERRED INCOME

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | 41,955 | 43,537 |
| Credited to profit or loss (Note 7) | 於損益內計入(附註7) | (5,423) | (1,582) |
| At 31 December | 於十二月三十一日 | 36,532 | 41,955 |
| Carrying amount at 31 December | 於十二月三十一日賬面值 | 36,532 | 41,955 |
| Portion classified as current liabilities | 分類為流動負債部分 | (989) | (989) |
| Portion classified as non-current liabilities | 分類為非流動負債部分 | 35,543 | 40,966 |

During the years ended 31 December 2023 and 2022, the Group did not receive government grants from Jilin Province Finance Bureau and Huinan County Finance Bureau in relation to support investments on plant and equipment for further research and development of the Group's intangible assets.

截至二零二三年及二零二二年十二月三十一日止年度，本集團並未收取吉林省財政局和輝南縣財政局對支持本集團的廠房及設備投資和無形資產作進一步研發之政府補助。

36. DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Deferred tax assets recognised in the consolidated statement of financial position | 於綜合財務狀況表確認的遞延稅項資產 | 28,506 | 27,396 |
| Deferred tax liabilities recognised in the consolidated statement of financial position | 於綜合財務狀況表確認的遞延稅項負債 | (2,742) | (3,022) |
| Deferred tax assets/(liabilities), net | 遞延稅項資產/(負債)淨額 | 25,764 | 24,374 |

36. 遞延所得稅

遞延所得稅資產及負債之分析如下：

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36. DEFERRED INCOME TAX (continued)

The gross movement on the deferred income tax account is as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|----------------|-----------------------------------|-----------------------------------|
| As at 1 January | 於一月一日 | 24,374 | (2,353) |
| Credited to profit or loss (Note 11(a)) | 於損益計入(附註11(a)) | 1,390 | 26,727 |
| As at 31 December | 於十二月三十一日 | 25,764 | 24,374 |

The movements during the year in the deferred tax assets and liabilities are as follows:

Deferred tax assets

| | | Arising from impairment of trade receivables | Arising from impairment of contract asset | Arising from provision for the obsolete and slow-moving inventories | Arising from the revaluation of investment properties | Revaluation of properties, plant and equipment | Revaluation of intangible assets | Total |
|---|-------------------|---|--|--|---|---|--|------------------------|
| | | 源自貿易應收 賬款減值 RMB'000 人民幣千元 | 源自合約資產 減值 RMB'000 人民幣千元 | 源自廢棄及 滯銷存貨撥備 RMB'000 人民幣千元 | 源自投資物業 重估 RMB'000 人民幣千元 | 物業、廠房及 設備重估 RMB'000 人民幣千元 | 無形資產重估 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| As at 31 December 2022 | 於二零二二年 十二月三十一日 | 14,738 | 6,978 | 884 | - | 3,196 | 1,600 | 27,396 |
| Charged/(credited) to profit or loss during the year | 於年內在損益扣除/(計入) | 51 | (1,244) | 1,441 | 862 | - | - | 1,110 |
| As at 31 December 2023 | 於二零二三年 十二月三十一日 | 14,789 | 5,734 | 2,325 | 862 | 3,196 | 1,600 | 28,506 |

36. 遞延所得稅(續)

遞延所得稅賬目的整體變動如下：

年內遞延稅項資產及負債的變動如下：

遞延稅項資產



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36. DEFERRED INCOME TAX (continued)

Deferred tax liabilities

36. 遞延所得稅(續)

遞延稅項負債

| | | Depreciation allowance in excess of related depreciation 超過相關折舊之折舊撥備 RMB'000 人民幣千元 |
|--|---------------|---|
| As at 31 December 2022 | 於二零二二年十二月三十一日 | 3,022 |
| Credited to profit or loss during the year | 於年內在損益計入 | (280) |
| As at 31 December 2023 | 於二零二三年十二月三十一日 | 2,742 |

37. SHARE CAPITAL

37. 股本

| | 2023 二零二三年 | | 2022 二零二二年 | |
|---|------------------------|----------------------------------|------------------------|----------------------------------|
| | Number of shares 股數 | Amount 金額 RMB'000 人民幣千元 | Number of shares 股數 | Amount 金額 RMB'000 人民幣千元 |
| Domestic shares of RMB0.10 each 每股面值人民幣0.10元的內資股 | 387,750,000 | 38,775 | 387,750,000 | 38,775 |
| H shares of RMB0.10 each 每股面值人民幣0.10元的H股 | 172,500,000 | 17,250 | 172,500,000 | 17,250 |
| | 560,250,000 | 56,025 | 560,250,000 | 56,025 |

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38. STATEMENT OF FINANCIAL POSITION OF COMPANY 38. 本公司財務狀況表

| | | As at 31 December 於十二月三十一日 | |
|---|----------------|-----------------------------------|-----------------------------------|
| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
| | Notes 附註 | | |
| Non-current assets | 非流動資產 | | |
| Bearer biological assets | 不記名生物資產 | 15,080 | 15,080 |
| Property, plant and equipment | 物業、廠房及設備 | 243,914 | 293,507 |
| Investment properties | 投資物業 | 29,200 | 1,623 |
| Right-of-use assets | 使用權資產 | 48,002 | 49,116 |
| Investment in subsidiaries | 於附屬公司的投資 | 48,386 | 86,480 |
| Financial assets measured at amortised cost | 以攤銷成本計量的金融資產 | 724,157 | 211,405 |
| Deferred tax assets | 遞延稅項資產 | 22,940 | 25,897 |
| | | 1,131,679 | 683,108 |
| Current assets | 流動資產 | | |
| Inventories | 存貨 | 91,401 | 110,675 |
| Trade receivables | 應收貿易賬款 | 129,302 | 154,624 |
| Contract assets | 合約資產 | 5,793 | 14,688 |
| Other receivables, deposits and prepayments | 其他應收款項、訂金及預付款項 | 106,276 | 224,449 |
| Amounts due from subsidiaries | 應收附屬公司款項 | - | 105,243 |
| Financial assets at FVTPL | 按公允價值計入損益的金融資產 | 90,608 | 263,074 |
| Financial assets measured at amortised cost | 以攤銷成本計量的金融資產 | 212,846 | 655,451 |
| Cash and cash equivalents | 現金及現金等值物 | 291,770 | 89,210 |
| | | 927,996 | 1,617,414 |
| Current liabilities | 流動負債 | | |
| Bank borrowings | 銀行借款 | 8,000 | - |
| Trade payables | 應付貿易賬款 | 57,551 | 65,392 |
| Contract liabilities | 合約負債 | 12,932 | 18,595 |
| Other payables and accruals | 其他應付款項及應計費用 | 370,739 | 389,108 |
| Amounts due to subsidiaries | 應付附屬公司款項 | 40,525 | 69,178 |
| Deferred income | 遞延收入 | 989 | 989 |
| Income tax payable | 應付所得稅 | 11,425 | 25,219 |
| Other tax payables | 其他應付稅項 | 24,047 | 27,097 |
| Loan from government authority | 政府機關貸款 | 400 | 400 |
| Dividend payable | 應付股息 | 35,389 | 38,934 |
| | | 561,997 | 634,912 |
| Net current assets | 流動資產淨值 | 365,999 | 982,502 |
| Total assets less current liabilities | 總資產減流動負債 | 1,497,678 | 1,665,610 |



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38. STATEMENT OF FINANCIAL POSITION OF COMPANY (continued) 38. 本公司財務狀況表(續)

| | | As at 31 December 於十二月三十一日 | |
|--------------------------------|--------------|-----------------------------------|-----------------------------------|
| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
| | Notes 附註 | | |
| Non-current liabilities | 非流動負債 | | |
| Bank borrowings | 銀行借款 | 72,000 | – |
| Other payable | 其他應付款項 | 2,870 | 1,961 |
| Deferred income | 遞延收入 | 35,543 | 40,966 |
| Deferred tax liabilities | 遞延稅項負債 | 2,742 | 3,022 |
| | | 113,155 | 45,949 |
| Net assets | 資產淨值 | 1,384,523 | 1,619,661 |
| EQUITY | 權益 | | |
| Share capital | 股本 | 56,025 | 56,025 |
| Reserves | 儲備 | 1,328,498 | 1,563,636 |
| | | 1,384,523 | 1,619,661 |
| Total equity | 權益總額 | 1,384,523 | 1,619,661 |

These financial statements were approved and authorised for issue by the board of directors on 28 March 2024.

該等財務報表於二零二四年三月二十八日獲董事會批准及授權發佈。

ZHANG HONG

張弘
Director
董事

ZHAO BAO GANG

趙寶剛
Director
董事

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38. STATEMENT OF FINANCIAL POSITION OF COMPANY (continued)

Notes:

- (a) As at 31 December 2023, investments in subsidiaries are carried at cost of approximately RMB66,480,000 (2022: RMB86,480,000), impairment loss of RMB18,094,000 respect of investments in subsidiaries has been recognised in statement of profit or loss (2022: Nil).
- (b) The amounts are trade nature, unsecured, interest-free and repayable on demand.
- (c) Movement of reserves of the Company:

38. 本公司財務狀況表(續)

附註：

- (a) 於二零二三年十二月三十一日，對附屬公司的投資按成本約人民幣66,480,000元(二零二二年：人民幣86,480,000元)列賬，就於附屬公司的投資在損益表中確認減值虧損人民幣18,094,000元(二零二二年：無)。
- (b) 該等款項為貿易性質、無抵押、免息及須按要求償還。
- (c) 本公司儲備變動：

| | | Share premium 股份溢價 RMB'000 人民幣千元 (Note (i)) (附註(i)) | Statutory surplus reserve 法定盈餘儲備 RMB'000 人民幣千元 (Note (ii)) (附註(ii)) | Retained profits 保留溢利 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---------------------|---------------|--|--|--|---------------------------------|
| At 1 January 2022 | 於二零二二年一月一日 | 51,098 | 33,242 | 1,318,258 | 1,402,598 |
| Profit for the year | 本年度溢利 | - | - | 196,054 | 196,054 |
| Dividends declared | 股息宣派 | - | - | (35,016) | (35,016) |
| At 31 December 2022 | 於二零二二年十二月三十一日 | 51,098 | 33,242 | 1,479,296 | 1,563,636 |
| Profit for the year | 本年度溢利 | - | - | 44,987 | 44,987 |
| Dividends declared | 股息宣派 | - | - | (280,125) | (280,125) |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 51,098 | 33,242 | 1,244,158 | 1,328,498 |

Notes:

- (i) **Share premium**
The Company's share premium account represents the premium arising from shares issued at a price in excess of their par value per share.
- (ii) **Statutory surplus reserve**
In accordance with the Company Law of the PRC and the Company's articles of association, the Company and its PRC subsidiaries will appropriate 10 percent of their annual statutory net profit (after offsetting any prior years' losses) to the statutory surplus reserve account. When the balance of such reserve reaches 50 percent of these entities' share capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years' losses or to issue bonus shares. However, such statutory surplus reserve must be maintained at a minimum of 25 percent of share capital after such issuance.

附註：

- (i) **股份溢價**
本公司股份溢價賬指以超過每股面值之價格發行之股份產生之溢價。
- (ii) **法定盈餘儲備**
根據中國公司法及本公司公司章程細則，本公司及其中國附屬公司扣除過往年度任何虧損後，須撥出10%的年度法定純利至法定盈餘儲備戶口。當該盈餘儲備的結餘達該等公司股本之50%，本公司可自行選擇是否進一步撥出款項。法定盈餘儲備可用作彌補過往年度的虧損或發行紅股。然而，紅股發行後法定盈餘儲備須最少維持於股本的25%。



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39. RELATED PARTY TRANSACTIONS

Related party transactions concerned with numbers of key management during the year comprised only remuneration paid to the Executive Directors, and is set out in Note 15 to the consolidated financial statements.

40. CAPITAL RISK MANAGEMENT

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, 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 ensure optimal capital structure and shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes judgements to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure using a gearing ratio, which is total debts divided by adjusted capital. Total debts represent total borrowings. Adjusted capital includes all components of shareholders' equity less unrealized reserves.

In order to maintain or adjust the gearing ratio, the Group may issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

39. 關連人士交易

年內數名主要管理層成員之有關關連人士交易僅包括向執行董事支付酬金，其酬金載於綜合財務報表附註15。

40. 資本風險管理

資本管理

本集團管理資本之主要目標是保障本集團可持續經營的能力從而透過與風險水平相對應之產品及服務定價以及獲得合理成本的融資，繼續為股東提供回報。

本集團積極及定期對資本架構開展檢討及管理，以在可能伴隨較高借貸水平與良好的資本狀況帶來的好處及保障情況下確保達致最佳資本結構並向股東提供最高回報，並因應經濟環境的變化對資本架構作出判斷。

本著業內慣例，本集團以資本負債比率作為監控其資本架構之基準，即債務總額除以經調整資本。債務總額指借貸總額。經調整資本包括所有股東權益項目減未變現儲備。

為維持或調整資本負債比率，本集團可能發行新股、向股東歸還資本、作出新的債務融資或出售資產以減少債務。

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40. CAPITAL RISK MANAGEMENT (continued)

Capital management (continued)

The gearing ratio at 31 December 2023 and 2022 was 5.32% and 0.02% respectively, calculated as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|----------------------------------|----------|-----------------------------------|-----------------------------------|
| Total debts | 債務總額 | | |
| – Bank borrowings | – 銀行借款 | 80,000 | – |
| – Loan from government authority | – 政府機關貸款 | 400 | 400 |
| | | 80,400 | 400 |
| Shareholders' equity | 股東權益 | 1,480,380 | 1,612,298 |
| Gearing ratio | 資本負債比率 | 5.43% | 0.02% |

41. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk, interest rate risk, currency risk, price risk and fair values risk. The Group does not hold or issue derivative financial instruments either for hedging or for trading purposes. These risks are managed by the Group's financial management policies and practices as described below to minimise potential effects on the Group's financial performance.

(a) Credit risk

The Group's principal financial assets are cash and cash equivalents, trade and other receivables, contract assets, financial assets measured at amortised cost and financial assets at fair value FVTPL. The Group's credit risk is primarily attributable to its trade and other receivables. The Group allows an average credit period of 180 days to its trade customers. The amounts presented in the consolidated statement of financial position are net of loss allowance.

The Group does not have any significant credit risk exposure to any single trade counterparty or any Group of trade counterparties having similar characteristics. It has policies in place to ensure that sales are made to customers with an appropriate credit history.

40. 資本風險管理(續)

資本管理(續)

於二零二三年及二零二二年十二月三十一日之資本負債比率分別為5.32%及0.02%，計算如下：

41. 財務風險管理

本集團的活動使其承受著多種財務風險，包括信貸風險、流動資金風險、利率風險、貨幣風險、價格風險及公允值風險。本集團並無持有或發行衍生金融工具作對沖或買賣用途。如下文所述，該等風險由本集團的財務管理政策及常規加以管理，以盡量減低對本集團財務表現的潛在影響。

(a) 信貸風險

本集團之主要金融資產為現金及現金等值物、貿易及其他應收款項、合約資產、以攤銷成本計量的金融資產以及按公允值計入損益的金融資產。本集團之信貸風險主要來自其應收貿易賬款及其他應收款項。本集團向其貿易客戶授出之平均信貸期為180日。綜合財務狀況表內所列的金額已扣除虧損撥備。

本集團並無就任何特徵類似的單一或一組貿易交易對手承擔重大信貸風險。本集團已制定政策確保向具備妥當信貸往績的客戶作出銷售。



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41. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

The expected loss rates are based on the historical monthly outstanding balances of trade receivables of 36 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

As at 31 December 2023, 3.1% (2022: 1.7%) and 12.5% (2022: 6.8%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

The carrying amount of the trade and other receivables, contract assets, financial assets at FVTPL, and cash and cash equivalents included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group's management performs periodic credit evaluations/reviews of its customers and ensure that sales are made to customers with an appropriate credit history. The Group places deposits with major banks in PRC, to limit the amount of credit exposure to any financial institution. Trade and bills receivables, contract assets and other receivables are subject to the expected credit loss model. To lower the Group's exposure to credit risk, the Group may request deposits from certain of their customers before delivery of goods.

41. 財務風險管理(續)

(a) 信貸風險(續)

預期虧損率乃基於二零二三年十二月三十一日之前36個月過往月份尚未償還之貿易應收賬款結餘，以及在該期間經歷的相應歷史信貸虧損。歷史虧損率已作出調整以反映影響客戶結算應收款能力的宏觀經濟因素的當前及前瞻性資料。

於二零二三年十二月三十一日，應收本集團最大客戶及五大客戶的款項分別佔應收貿易賬款總額的3.1% (二零二二年：1.7%)及12.5% (二零二二年：6.8%)。

貿易及其他應收款項、合約資產、按公允值計入損益的金融資產以及現金及現金等值物於綜合財務狀況表內所列的賬面值為本集團就本集團的金融資產承擔的最高信貸風險。

本集團管理層定期對其客戶進行信貸評估／檢討，並確保僅向具良好信貸記錄之客戶銷貨。本集團將存款存於中國的主要銀行，以限制承擔任何一間金融機構的信貸風險。應收貿易及票據款項、合約資產及其他應收款項須遵守預期信貸虧損模式。為降低本集團所面對之信貸風險，本集團可能在交付貨品前要求若干客戶提供訂金。

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41. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

The Group has trade receivables from sales of products that are subject to HKFRS 9's new expected credit loss model. The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing days. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows for trade receivables:

| | | Within 6 months | Over 6 months to 12 months 超過6個月 至12個月 | Over 12 months 超過12個月 | Total |
|----------------------------|---------------------------|---------------------------|--|-----------------------------|------------------------|
| | | 6個月以內 RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| At 31 December 2023 | 於二零二三年 十二月三十一日 | | | | |
| Gross carrying amount | 賬面總值 | 247,547 | 48,497 | 56,036 | 352,080 |
| Average expected loss rate | 平均預期虧損率 | 9.5% | 24.6% | 86.3% | |
| Loss allowance | 虧損撥備 | 23,469 | 11,948 | 48,336 | 83,753 |
| At 31 December 2022 | 於二零二二年 十二月三十一日 | | | | |
| Gross carrying amount | 賬面總值 | 276,389 | 61,318 | 42,469 | 380,176 |
| Average expected loss rate | 平均預期虧損率 | 19.5% | 29.1% | 60.8% | |
| Loss allowance | 虧損撥備 | 53,860 | 17,862 | 25,828 | 97,370 |

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

應收貿易賬款的減值虧損於經營溢利內呈列為減值虧損淨額。其後收回先前已撇銷的金額則計入同一項目。

41. 財務風險管理(續)

(a) 信貸風險(續)

本集團有須遵守香港財務報告準則第9號的新預期信貸虧損模式的產品銷售應收貿易賬款。本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，於初步確認時，為所有應收貿易賬款撥備整個存續期內的預期虧損。為計量預期信貸虧損，應收貿易賬款已根據共同信貸風險特點及賬齡分類。預期虧損率基於銷售的付款情況及本期間內出現的相應過往信貸虧損。過往虧損率作出調整以反映影響客戶結算應收款項能力的宏觀經濟因素的當前及前瞻性資料。按此基準，於二零二三年十二月三十一日及二零二二年十二月三十一日的應收貿易賬款虧損撥備乃釐定如下：



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41. FINANCIAL RISK MANAGEMENT (continued)

(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 of directors 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 to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's 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 reporting date) and the earliest date the Group and the Company can be required to pay.

41. 財務風險管理(續)

(b) 流動資金風險

本集團旗下個別營運實體負責其各自的現金管理，包括短期投資現金盈餘及籌措貸款以應付預期現金需求，惟在借款高於若干獲事先釐定權限水平時須獲本公司董事會批准。本集團的政策為定期監察其流動資金需求及是否符合借貸契諾，確保其能維持足夠現金儲備，以應付其短期及長期流動資金需求。

下表載列本集團財務負債於報告期末的餘下合約到期日詳情，乃根據訂約未折現現金流量(包括根據合約利率，或如為浮動利率，則其於報告日的利率計算的利息)以及本集團及本公司可能須付款的最早日期計算。

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41. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

2023

| | | Carrying amount | Total contractual undiscounted cash flow | Within 1 year or on demand | More than 1 year but less than 2 years |
|--------------------------------|-------------|-----------------|--|----------------------------|--|
| | 賬面值 | 訂約未折現現金流總額 | 一年內或按要求的現金流總額 | 一年後至兩年內 | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Trade payables | 應付貿易賬款 | 70,582 | 70,582 | 70,582 | - |
| Other payables and accruals | 其他應付款項及應計費用 | 552,833 | 552,833 | 549,963 | 2,870 |
| Dividend payable | 應付股息 | 35,389 | 35,389 | 35,389 | - |
| Bank borrowings | 銀行借款 | 80,000 | 84,482 | 10,374 | 74,108 |
| Loan from government authority | 政府機關貸款 | 400 | 407 | 407 | - |
| | | 739,204 | 743,693 | 666,715 | 76,978 |

2022

二零二二年

| | | Carrying amount | Total contractual undiscounted cash flow | Within 1 year or on demand | More than 1 year but less than 2 years |
|--------------------------------|-------------|-----------------|--|----------------------------|--|
| | 賬面值 | 訂約未折現現金流總額 | 一年內或按要求的現金流總額 | 一年後至兩年內 | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Trade payables | 應付貿易賬款 | 65,685 | 65,685 | 65,685 | - |
| Other payables and accruals | 其他應付款項及應計費用 | 528,375 | 528,375 | 526,414 | 1,961 |
| Dividend payable | 應付股息 | 38,934 | 38,934 | 38,934 | - |
| Loan from government authority | 政府機關貸款 | 400 | 400 | 400 | - |
| | | 633,394 | 633,394 | 631,433 | 1,961 |



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41. FINANCIAL RISK MANAGEMENT (continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from its borrowings from the bank and the Huinan County Finance Bureau. Borrowings at variable rates expose the Group to cash flow interest rate risk. The Group's interest rate profile as monitored by the management is set out below:

| | | 2023 二零二三年 | | 2022 二零二二年 | |
|-----------------------------------|--------|------------------------------------|------------------|------------------------------------|------------------|
| | | Effective interest rate 實際利率 | RMB'000 人民幣千元 | Effective interest rate 實際利率 | RMB'000 人民幣千元 |
| | | % | | % | |
| | | % | | % | |
| Variable rate borrowings | 浮動利率借貸 | 2.5 | 80,000 | – | – |
| Loan from government authority | 政府機關貸款 | 1.8 | 400 | 1.8 | 400 |

The interest rate and terms of repayment of the Group's borrowings are disclosed in Note 33 and 34 to the consolidated financial statements.

At 31 December 2023, it was estimated that a general increase or decrease of 100 basis points in interest rates, with all other variables held constant, would decrease or increase the Group's post-tax profit by RMB683,000 (2022: RMB3,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 100 basis point increase or decrease represents the management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date.

(d) Currency risk

The Group mainly operated in the PRC with most of the transactions settled in Renminbi and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

41. 財務風險管理(續)

(c) 利率風險

本集團的利率風險主要來自銀行及輝南縣財政局的借款。按浮動利率作出的借款令本集團面對現金流量利率風險。受管理層監控的本集團利率概況載列如下：

本集團的借貸利率及還款期於綜合財務報表附註33及34披露。

於二零二三年十二月三十一日，假設其他變數不變，倘整體利率上升或下降100個基點，估計將導致本集團稅後溢利減少或增加人民幣683,000元(二零二二年：人民幣3,000元)。

上述敏感度分析乃假設利率已於結算日有所變動，且已計入於該日的借貸利率風險後釐定。上升或下降100個基點為管理層對截至下一年度結算日止期間利率可能出現的合理變動的評估。

(d) 貨幣風險

本集團主要於中國經營業務，大部分交易以人民幣結算，故概無因外幣匯率變動而產生的重大風險。

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41. FINANCIAL RISK MANAGEMENT (continued)

(e) Price risk

The Group is not exposed to any equity price risk or commodity price risk.

(f) Fair value estimation

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

41. 財務風險管理(續)

(e) 價格風險

本集團概無面對任何股票價格風險或商品價格風險。

(f) 公允值估計

(i) 公允值層級

本節說明釐定於財務報表中按公允值確認及計量的金融工具的公允值的判斷及估計。為得出釐定公允值所用輸入數據的可信程度指標，本集團根據會計準則將其金融工具分為三個層級。

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| | Note 附註 | | |
| Level 3 Recurring fair value measurements | 第三層級經常性公允值計量 | | |
| Financial assets at FVTPL | 按公允值計入損益的金融資產 | 90,608 | 263,074 |

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements see (ii) below.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the year.

於年內，經常性公允值計量第一及第二層級之間概無轉撥。第三層級計量轉入及轉出見下文(ii)。

本集團政策為於年末確認公允值層級架構的轉入及轉出數額。



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41. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the year. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

41. 財務風險管理(續)

(f) 公允價值估計(續)

(i) 公允價值層級(續)

第一層級：於活躍市場上交易的金融工具的公允價值是按年末的市場報價計算。本集團所持金融資產使用的市場報價是現行買入價。該等工具會被列入第一層級。

第二層級：並非於活躍市場上交易的金融工具(如，場外衍生工具)的公允價值是以估值技術釐定。該等估值技術盡量使用可觀察市場數據，並盡量減少倚賴實體特定估算。倘計算工具公允價值所需全部重大輸入數據均可觀察，則有關工具會被列入第二層級。

第三層級：倘一項或多項重要輸入數據並非根據可觀察市場數據釐定，則有關工具會被列入第三層級。此為未上市股本證券之情況。

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41. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value estimation (continued)

(ii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the year:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------------------|
| Opening balance | 年初結餘 | 263,074 | 176,533 |
| Acquisitions | 收購 | 170,000 | 300,000 |
| Disposals | 出售 | (343,074) | (216,533) |
| Net gain on financial assets at FVTPL | 按公允值計入損益的 金融資產的淨收益 | 608 | 3,074 |
| Closing balance | 年末結餘 | 90,608 | 263,074 |

The above instruments included in level 3 represent wealth management products, both principal and non-principal guaranteed, issued by financial institution in the PRC which was classified as financial assets at FVTPL.

There were no transfers between levels 1, 2 and 3 during the year.

The key unobservable input is the expected annualised return rate of the financial product, ranging from 2.5% to 3.25% per annum (2022: 0.75% to 4.0% per annum), which is determined by the financial institution.

(iii) Fair value of financial assets and liabilities carried at other than fair value

All financial instruments measured at other than fair value are carried at cost or amortised cost that were not materially different from their fair values as at 31 December 2023 and 2022.

41. 財務風險管理(續)

(f) 公允值估計(續)

(ii) 利用重要不可觀察輸入數據計量公允值(第三層級)

下表呈列於年內第三層級工具的變動：

上文第三層級所包括的工具為中國金融機構發行的理財產品，包括保本及非保本，該等工具分類為按公允值計入損益的金融資產。

於年內，第一層級、第二層級及第三層級間並無轉撥。

主要不可觀察輸入數據為金融機構釐定的理財產品預期年化收益率，每年為2.5%至3.25%（二零二二年：每年0.75%至4.0%）。

(iii) 並非按公允值列賬的金融資產及負債的公允值

於二零二三年及二零二二年十二月三十一日，所有並非按公允值計量的金融工具均按與其公允值並無重大差異的成本或攤銷成本列賬。



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42. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 December 2023 and 2022 may be categorised as follows:

42. 金融資產及金融負債按類別劃分的概要

本集團於二零二三年及二零二二年十二月三十一日所確認的金融資產及金融負債的賬面值可按下文所述予以分類：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|----------------------------|-----------------------------------|-----------------------------------|
| Financial assets | 金融資產 | | |
| Financial assets at FVTPL | 按公允值計入損益的金融資產 | 90,608 | 263,074 |
| Financial assets measured at amortised cost | 以攤銷成本計量的金融資產 | 937,003 | 866,856 |
| | | 1,027,611 | 1,129,930 |
| Loan and receivables (including cash and cash equivalent) | 貸款及應收款項(包括現金及現金等值物) | | |
| Trade receivables | 應收貿易賬款 | 268,327 | 282,806 |
| Other receivables | 其他應收款項 | 168,458 | 304,870 |
| Cash and cash equivalents | 現金及現金等值物 | 352,137 | 113,601 |
| Less: Prepayment | 減：預付款項 | (2,469) | (15,925) |
| | | 786,453 | 685,352 |
| Financial liabilities | 金融負債 | | |
| Financial liabilities measured at amortised cost | 按攤銷成本計量的金融負債 | | |
| Bank borrowings | 銀行借款 | 80,000 | - |
| Trade payables | 應付貿易賬款 | 70,582 | 65,685 |
| Other payables and accruals | 其他應付款項及應計費用 | 552,833 | 526,414 |
| Dividend payable | 應付股息 | 35,389 | 38,934 |
| Loan from government authority | 政府機關貸款 | 400 | 400 |
| | | 739,204 | 631,433 |

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43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

43. 融資活動產生的負債對賬

下表載列本集團融資活動產生的負債變動詳情，包括現金及非現金變動。融資活動產生的負債為已經於本集團綜合現金流量表中分類為融資活動現金流量的現金流量或將按此分類的未來現金流量。

| | | Bank borrowings 銀行借款 RMB'000 人民幣千元 (Note 34) (附註34) | Loan from government authority 政府機關貸款 RMB'000 人民幣千元 (Note 33) (附註33) | Dividend payable 應付股息 RMB'000 人民幣千元 (Note 14) (附註14) | Total 總計 RMB'000 人民幣千元 |
|---------------------------------------|-------------------|---|---|--|---------------------------------|
| At 1 January 2022 | 於二零二二年 一月一日 | - | 400 | 32,136 | 32,536 |
| Financing cash outflow | 融資現金流出 | - | - | (28,218) | (28,218) |
| Dividend declared | 股息宣派 | - | - | 35,016 | 35,016 |
| At 31 December 2022 | 於二零二二年 十二月三十一日 | - | 400 | 38,934 | 39,334 |
| At 1 January 2023 | 於二零二三年 一月一日 | - | 400 | 38,934 | 39,334 |
| Financing cash inflows/ (outflows) | 融資現金流入/ (流出) | 80,000 | - | (283,670) | (203,670) |
| Dividend declared | 股息宣派 | - | - | 280,125 | 280,125 |
| At 31 December 2023 | 於二零二三年 十二月三十一日 | 80,000 | 400 | 35,389 | 115,789 |



FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

(Expressed in Renminbi)

(以人民幣呈示)

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements is set out below.

本集團摘錄其刊發經審核財務報表之過去五個財政年度之業績、資產及負債摘要載列如下。

OPERATING RESULTS

經營業績

Year ended 31 December
截至十二月三十一日止年度

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|--------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Revenue | 收入 | 841,545 | 841,586 | 705,456 | 622,250 | 645,885 |
| Cost of sales | 銷售成本 | (257,499) | (193,551) | (125,451) | (91,512) | (107,533) |
| Gross profit | 毛利 | 584,046 | 648,035 | 580,005 | 530,738 | 538,352 |
| Other income and net gains or losses | 其他收入及收益或虧損淨額 | 64,092 | 59,736 | 51,616 | 48,370 | 37,970 |
| Distribution and selling costs | 分銷及銷售開支 | (341,938) | (404,851) | (360,717) | (258,808) | (336,217) |
| Administrative expenses | 行政開支 | (107,371) | (105,098) | (93,287) | (169,546) | (64,691) |
| Profit from operations | 經營溢利 | 198,829 | 197,822 | 177,617 | 150,754 | 175,414 |
| Finance costs | 融資成本 | (515) | (477) | (344) | (713) | (120) |
| Profit before income tax | 除所得稅前溢利 | 198,314 | 197,345 | 177,273 | 150,041 | 175,294 |
| Income tax expense | 所得稅開支 | (50,107) | (3,780) | (33,990) | (23,483) | (30,568) |
| Profit for the year attributable to owners of the Company | 年內本公司擁有人應佔溢利 | 148,207 | 193,565 | 143,283 | 126,558 | 144,726 |

ASSETS AND LIABILITIES

資產及負債

As at 31 December
於十二月三十一日

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|--------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Bearer biological assets | 不記名生物資產 | 15,080 | 15,080 | 15,080 | 14,905 | 13,402 |
| Property, plant and equipment | 物業、廠房及設備 | 261,559 | 296,088 | 198,594 | 169,969 | 145,242 |
| Investment properties | 投資物業 | 29,200 | - | - | - | - |
| Right-of-use assets | 使用權資產 | 48,002 | 49,116 | 36,619 | 37,408 | 38,340 |
| Construction in progress | 在建工程 | 4,904 | - | 147,857 | 124,305 | 74,061 |
| Intangible assets | 無形資產 | 21 | 25 | 32 | - | - |
| Goodwill | 商譽 | 6,254 | 6,254 | 6,254 | - | - |
| Financial assets measured at amortised cost | 以攤銷成本計量的金融資產 | 724,157 | 211,405 | 776,494 | 648,519 | - |
| Deferred tax assets | 遞延稅項資產 | 28,506 | 27,396 | 1,510 | 1,510 | 1,510 |
| Current assets | 流動資產 | 1,201,141 | 1,767,477 | 889,873 | 807,887 | 1,398,922 |
| Current liabilities | 流動負債 | (725,289) | (714,594) | (571,794) | (415,435) | (387,872) |
| Non-current liabilities | 非流動負債 | (113,155) | (45,949) | (46,770) | (43,586) | (45,072) |
| Net assets | 資產淨值 | 1,480,380 | 1,612,298 | 1,453,749 | 1,345,482 | 1,238,533 |
| Share capital | 股本 | 56,025 | 56,025 | 56,025 | 56,025 | 56,025 |
| Reserves | 儲備 | 1,424,355 | 1,556,273 | 1,397,724 | 1,289,457 | 1,182,508 |
| Total equity | 權益總額 | 1,480,380 | 1,612,298 | 1,453,749 | 1,345,482 | 1,238,533 |

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