



Sanai Health Industry Group Company Limited 三愛健康產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1889



Love China
愛中國

Love Hong Kong
愛香港

2023

Annual Report 年報



Love Yourself
愛自己



CONTENTS

目錄

Corporate Information	公司資料	2
Management Discussion and Analysis	管理層討論及分析	4
Corporate Governance Report	企業管治報告	14
Directors' Biographies	董事履歷	28
Directors' Report	董事會報告	32
Independent Auditor's Report	獨立核數師報告	50
Consolidated Statement of Profit or Loss	綜合損益表	57
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	58
Consolidated Statement of Financial Position	綜合財務狀況表	59
Consolidated Statement of Changes in Equity	綜合權益變動表	60
Consolidated Statement of Cash Flows	綜合現金流量表	62
Notes to the Consolidated Financial Statements	綜合財務報表附註	64
Five-Year Financial Summary	五年財務概要	159

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Chengqing
Professor Zhang Rongqing
Mr. Gao Borui
Mr. Yuan Chaoyang
Mr. She Hao

Non-executive Director

Mr. Xiu Yuan

Independent Non-executive Directors

Professor Zhu Yi Zhun
Mr. Khor Khie Liem Alex
Mr. Zhang Ruigen

COMPANY SECRETARY

Ms. Li Yuen Shan

AUTHORIZED REPRESENTATIVES

Mr. She Hao
Ms. Li Yuen Shan

AUDIT COMMITTEE

Mr. Khor Khie Liem Alex (*Chairman*)
Professor Zhu Yi Zhun
Mr. Zhang Ruigen

REMUNERATION COMMITTEE

Mr. Khor Khie Liem Alex (*Chairman*)
Professor Zhu Yi Zhun
Mr. Zhang Ruigen
Professor Zhang Rongqing

NOMINATION COMMITTEE

Mr. Zhang Ruigen (*Chairman*)
Professor Zhu Yi Zhun
Mr. Khor Khie Liem Alex
Professor Zhang Rongqing

AUDITOR

Mazars CPA Limited

HONG KONG LEGAL ADVISOR

Raymond Siu & Lawyers
Units 1302-1303 & 1802
Ruttonjee House
Ruttonjee Centre
11 Duddell Street
Central, Hong Kong

董事會

執行董事

陳成慶先生
張榮慶教授
高伯瑞先生
袁朝陽先生
余昊先生

非執行董事

修遠先生

獨立非執行董事

朱依諄教授
許麒麟先生
張瑞根先生

公司秘書

李婉珊女士

法定代表

余昊先生
李婉珊女士

審核委員會

許麒麟先生 (*主席*)
朱依諄教授
張瑞根先生

薪酬委員會

許麒麟先生 (*主席*)
朱依諄教授
張瑞根先生
張榮慶教授

提名委員會

張瑞根先生 (*主席*)
朱依諄教授
許麒麟先生
張榮慶教授

核數師

中審眾環(香港)會計師事務所有限公司

香港法律顧問

蕭鎮邦律師行
香港中環
都爹利街11號
律敦治中心
律敦治大廈
1302-1303及1802室

PRINCIPAL BANKERS

Nanyang Commercial Bank Limited
Hang Seng Bank Limited
China Construction Bank
Industrial and Commercial Bank of China Limited
China Citic Bank Corporation Limited

REGISTERED OFFICE

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119
KY1-1205
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 5, 7/F.
Nanyang Plaza
57 Hung To Road
Kwun Tong
Kowloon, Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office
Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Hong Kong branch share registrar and transfer office
Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

1889

WEBSITE

www.1889hk.com

主要往來銀行

南洋商業銀行有限公司
恒生銀行有限公司
中國建設銀行
中國工商銀行股份有限公司
中信銀行股份有限公司

註冊辦事處

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119
KY1-1205
Cayman Islands

香港主要營業地點

香港九龍
觀塘
鴻圖道57號
南洋廣場
7樓5室

股份過戶登記處

股份過戶登記總處
Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

股份過戶登記處香港分處
香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17M樓

股份代號

1889

網址

www.1889hk.com

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS REVIEW

During the year ended 31 December 2023 (the “Reporting Period”), the Group was principally engaged in three businesses: (i) pharmaceutical products business; (ii) finance leasing business; (iii) genetic testing and molecular diagnostic services. The three businesses are stated as below:

Pharmaceutical Products Business

Since the successful transfer of the production line of the Group from our 51%-owned subsidiary to our wholly-owned subsidiary in August 2022, the core production centre as well as the exclusive sales channel of the Group’s own developed pharmaceutical products has been under control of our wholly-owned subsidiary during the Reporting Period. As such, the Group has been able to increase its share of profit generated from the sales of this segment as a significant portion of such profit is no longer required to be shared by the non-controlling interests of our 51%-owned subsidiary as in the past years. However, there is a very substantial increase in the general cost as well as a shortage in the volume of supply of traditional Chinese herbal materials in the PRC since the start of the year of 2023 which has adversely affected the gross profit margin as well as the volume of the sales of our own developed pharmaceutical products in the Reporting Period.

The Group will take a more cautious approach to increase its market share by expanding its production capacity and promoting its own developed pharmaceutical products as the actual pace and progress of economic recovery in China has not been as promising and encouraging as originally expected during the Reporting Period.

Fujian Zhixin, an indirect wholly-owned subsidiary of the Company, acts as a sales agent nationwide for herbal medical materials, Chinese herbal medicine, Chinese patent medicine, chemical drug preparations, antibiotic preparations, biochemical pharmaceuticals, biological products, healthcare products and food products.

During the Reporting Period, the revenue derived from the pharmaceutical products business decreased by 34.15% to approximately RMB100.52 million (2022: approximately RMB152.65 million). The profit derived from the pharmaceutical products business decreased to RMB19.82 million for the Reporting Period, representing a decrease of approximately 72.05% as compared to RMB70.90 million for the corresponding period in 2022.

業務回顧

截至二零二三年十二月三十一日止年度（「報告期」），本集團主要從事三項業務：(i) 醫藥產品業務；(ii) 融資租賃業務；(iii) 基因檢測及分子生物診斷服務。該三項業務載述如下：

醫藥產品業務

自二零二二年八月本集團成功將生產線從我們擁有51%股權的附屬公司轉移到我們全資擁有的附屬公司起，核心生產中心以及本集團自主研發醫藥產品的獨家銷售渠道於報告期內一直在我們全資擁有的附屬公司控制下。因此，由於我們擁有51%股權的附屬公司的非控股權益不再按往年分佔該分部銷售所得的大部分溢利，故本集團能夠增加分佔有關溢利的份額。然而，自二零二三年開始，中國傳統中藥材的一般成本大幅增加，供應量短缺，不可避免地影響了報告期內自主研發醫藥產品的銷售毛利率及銷量。

於報告期內，由於中國經濟復甦的實際步伐及進展不如原先預期般令人信服及鼓舞，故本集團將採取更審慎的態度，通過擴充產能及推廣自主研發醫藥產品來提升市場佔有率。

本公司間接全資附屬公司福建至信在全國範圍內代理銷售中藥材、中藥飲片、中成藥、化學藥製劑、抗生素制劑、生化藥品、生物製品、保健品、食品等。

於報告期內，來自醫藥產品業務的收益減少34.15%至約人民幣100.52百萬元（二零二二年：約人民幣152.65百萬元）。醫藥產品業務產生的溢利於報告期內減少至人民幣19.82百萬元，較二零二二年同期的人民幣70.90百萬元減少約72.05%。

Management Discussion and Analysis

管理層討論與分析

Finance Leasing Business

The operation of the finance leasing business has been centralized in an indirect wholly-owned subsidiary of the Company, Union Development Financial Leasing (Shenzhen) Company Limited* (聯合發展融資租賃(深圳)有限公司)(“**Union Development**”). The revenue derived from finance leasing business of the Group for the Reporting Period was approximately RMB7.25 million (2022: RMB14.82 million). Given that most of the subsisting finance leasing contracts had expired and promptly settled in the latter half of 2023 and the Group having adopted a more prudent and cautious approach in the evaluation and granting of new finance leasing loans, the Group had not entered into any new finance leasing contracts in the latter half of 2023. The Group only had a total of two customers as at 31 December 2023 (31 December 2022: 21 customers).

Business Model and Customer Profiles

The Group's finance leasing business mainly provides financial leasing services of medical devices and rehabilitation equipment which are complimentary to the Group's existing pharmaceutical products business. The business of the lessees of our current finance leases were generally in the medical industry, pharmaceutical industry and public infrastructure industry. However, the Group's finance leasing services are not intended to be limited to any particular business or industry. Further, the products manufactured by the leased medical devices and rehabilitation equipment are not related to the business of the Group. The Group also does not preclude the possibility of providing financial leasing services for other types of devices and equipments.

Credit Risk Assessment

The potential lessee will first approach Union Development to confirm whether the equipment or devices fall within the scope in which financial leasing can be arranged. The management of Union Development will conduct site visits and carry out due diligence on the potential lessee, the equipment or devices proposed to be leased, assess the risks of the potential lease and followed by seeking the initial approval from the Group. The Group will further review, inter alia, the credit quality of the potential lessee, the purpose and value of the assets proposed to be leased, the financial conditions of the potential lessee, the ultimate beneficial owner(s) of the potential lessee and other relevant factors to assess the repayment capability of the potential lessee.

融資租賃業務

融資租賃業務已由本公司之間接全資附屬公司聯合發展融資租賃(深圳)有限公司(「**聯合發展**」)集中經營。報告期內，本集團融資租賃業務所產生收益約為人民幣7.25百萬元(二零二二年：人民幣14.82百萬元)。鑒於大多數存續融資租賃合約屆滿並於二零二三年下半年適時結算以及本集團就評估及授出新融資租賃貸款採取更加審慎的方針，於二零二三年下半年本集團並無訂立任何新融資租賃合約。於二零二三年十二月三十一日，本集團合共僅有兩名客戶(二零二二年十二月三十一日：21名客戶)。

業務模式及客戶簡介

本集團的融資租賃業務主要提供醫療器械及康復設備之融資租賃服務，以配合本集團之現有醫藥產品業務。我們目前融資租賃承租人的業務一般為醫療行業、醫藥行業及公共基礎設施行業。然而，本集團的融資租賃服務不限於任何特定業務或行業。此外，租賃醫療器械及康復設備生產的產品與本集團業務無關。本集團亦不排除為其他類型的器械及設備提供融資租賃服務的可能性。

信貸風險評估

潛在承租人將首先與聯合發展聯繫，以確認有關設備或器械是否屬於可安排融資租賃的範圍。聯合發展的管理層將進行現場考察，對潛在承租人、擬租賃的設備或器械進行盡職調查，評估潛在租賃風險，隨後尋求本集團的初步批准。本集團將進一步審查(其中包括)潛在承租人的信貸質素、建議租賃資產的用途及價值、潛在承租人的財務狀況、潛在承租人的最終實益擁有人及其他相關因素，評估潛在承租人的還款能力。

Approval Process

If the Group approves the finance lease in principle, the management of Union Development will further negotiate with the lessee on the terms of the transaction which include, inter alia, the lease terms, the interest rate, the option to purchase the equipment or device upon expiry of the lease term, etc. The Group will further check and seek professional advice on the compliance requirements and will comply with the requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), including making timely disclosures and obtaining Shareholder’s approval, if necessary.

The Group has established several departments and committee including, the business department, the risk department, the finance department and the review committee to implement division of work (approval, release and review of the lease). The Group has also established lease approval procedures, internal guidelines and standard forms for the finance lease business, including the due diligence report on the lessees, lease approval checklist and lease evaluation checklists. Further, the management has also formulated pre-lease and post-lease administrative measures for various departments of Union Development to follow up, including the administration of guarantees and assets charges, monitoring of overdue payment, handling of leased assets and post-lease agreement follow ups.

The Board will be responsible for the final approval of material finance lease agreements and delegate one of the executive Directors to liaise with Union Development and directly monitor the finance lease projects with the responsible staff of Union Development, including the review of the due diligence report on the lessees, preparation of the finance lease documents, examination of the assets to be leased and registration of the charges thereto (if necessary), collection of the rental income, review of the risks and assets portfolio of the finance leases and regular site visits and reviews of the lessees. The Group also regularly monitors its working capital ratio, quick ratio and other relevant financial ratios in order to drive its finance leasing business forward as well as to balance the risks and return of the Group and its sustainability.

審批程序

倘本集團原則性批准融資租賃，聯合發展的管理層將就有關交易條款與該承租人進行進一步磋商，其中包括租賃條款、利率及租賃期屆滿後購買有關設備或器械的選擇等。本集團將進行進一步檢查並就合規要求尋求專業意見，且將遵守香港聯合交易所有限公司（「**聯交所**」）證券上市規則（「**上市規則**」）規定，包括及時披露及於必要時取得股東批准。

本集團已設立若干部門及委員會（包括業務部門、風險部門、融資部門及審查委員會）以實行工作細分（批准、解除及審查有關租賃）。本集團亦為融資租賃業務制定了租賃審批程序、內部指引及標準表格，包括承租人的盡職調查報告、租賃審批清單及租賃評估清單。此外，管理層亦已制定租前及租後管理辦法供聯合發展各部門遵循，包括擔保及資產押記的管理、逾期付款的監控、租賃資產的處理及租後協議的跟進。

董事會將負責重大融資租賃協議的最終審批，並授權一名執行董事與聯合發展聯繫，與聯合發展的負責員工一起直接監察融資租賃項目，包括審查承租人的盡職調查報告、編製融資租賃文件、檢查擬租賃資產並登記其資產抵押品（如需）、收取租金收入、檢討融資租賃的風險及組合以及定期現場考察及審查承租人。本集團亦定期監察其營運資金比率、速動比率及其他相關財務比率，以推動其融資租賃業務的發展，並平衡本集團的風險及收益以及可持續發展。

Management Discussion and Analysis

管理層討論與分析

Finance Lease Portfolio

The Group has not entered into any new finance leasing agreements during the Reporting Period.

The weighted average term of finance leases outstanding during the year ended 31 December 2023 is 1.6 years (2022: 1.4 years) and all the leases require repayment by instalments. In the event that the lessee breaches the finance lease contract, the Group has the right to use or sell the leased assets and to demand for full or partial repayment of the outstanding balance of finance lease receivables.

The Company will continue to manage and monitor its finance leasing business with a prudent approach in order to maximise the long-term interests of the Shareholders.

Genetic Testing and Molecular Diagnostic Services

Zentrogene Bioscience Laboratory Limited (“Zentrogene”), an indirect wholly-owned subsidiary of the Company, is primarily engaged in the provision of, inter alia, genetic testing and molecular diagnostic services. Zentrogene operates a laboratory with the requisite license in Hong Kong, providing services such as non-invasive prenatal diagnosis (NIPD), tumor genetic screening, DNA testing and paternity testing. Genetic testing is a prerequisite for precision medicine.

During the Reporting Period, the revenue generated from genetic testing and molecular diagnostic services amounted to approximately RMB14.33 million (2022: RMB8.45 million), representing a significant increase of approximately 69.59%, as compared to the corresponding period in 2022. Such significant increase was mainly due to the removal of all COVID-19 related social distance restrictions and the re-opening of the border between Hong Kong and Mainland China during the Reporting Period.

OUTLOOK

Looking forward to the year of 2024, after the re-opening of the border of Hong Kong with Mainland China and the end of all COVID-19 restrictions, sustainable economic growth will become one of the key tone of macroeconomic policies. The Group will evaluate the policies and proactively adapt to the changes, consolidate and enhance its competitive advantages. However, the Group expects that our businesses will continue to face numerous challenges as the actual pace and progress of economic recovery in China has not been as promising and encouraging as originally expected during the Reporting Period. Looking ahead, the Group will continue to rigorously implement our cost control measures, maintain a flexible and prudent approach and allocate resources in an appropriate manner to strengthen its revenue base and optimise its business and financial performance.

融資租賃組合

於報告期內，本集團並無訂立任何新融資租賃協議。

截至二零二三年十二月三十一日止年度，尚未償還融資租賃之加權平均租期為1.6年(二零二二年：1.4年)，所有租約均需分期償還。若承租人違反融資租賃合約，本集團有權佔用或出售租賃資產，同時本集團有權要求全部或部分償還融資租賃應收款項之未償清結餘。

本公司將繼續以審慎的態度管理及監督其融資租賃業務，實現股東長遠利益最大化。

基因檢測及分子生物診斷服務

本公司間接全資附屬公司Zentrogene Bioscience Laboratory Limited (「Zentrogene」) 主要從事提供(其中包括)基因檢測及分子生物診斷服務。Zentrogene在香港運營一家持有必要經營執照的化驗所，提供唐氏篩查(NIPD)、腫瘤基因篩查、遺傳基因檢測、親子鑒定等服務。基因檢測是精準醫療的必要前提。

於報告期內，基因檢測及分子生物診斷服務所得收益約為人民幣14.33百萬元(二零二二年：人民幣8.45百萬元)，較二零二二年同期大幅增加約69.59%。收益大幅增長主要是由於報告期內解除所有COVID-19相關的社交距離限制及重新開放香港與中國大陸的邊界所致。

前景

展望二零二四年，於香港與中國大陸的邊界重新開放及解除所有COVID-19限制後，維持經濟增長將成為宏觀經濟政策的基調之一。本集團將評估政策並積極適應變化，鞏固及提升其競爭優勢。然而，於報告期內，由於中國經濟復甦的實際步伐及進展不如原先預期般令人信服及鼓舞，故本集團預計業務將繼續面臨重重挑戰。展望未來，本集團將繼續嚴格執行成本控制措施，並保持靈活且審慎的態度，合理分配資源，鞏固本集團收入基礎，並優化其業務及財務表現。

For pharmaceutical products, the Group expects to achieve a stable sales revenue. The Group will continue to expand its sales networks in order to enhance its market penetration rate. However, as a result of the significant increase in the cost of traditional Chinese herbal materials in China, the gross profit margin of our own pharmaceutical products will continue to be adversely affected as in the Reporting Period.

For finance leasing business, the Group expects the finance leasing market to remain stable. The Group will closely monitor the development of the finance leasing market as well as the trend of the interest rates while remain flexible in adjusting and optimizing its overall risk appetite and the lease portfolios.

In view of the uncertainties of the strength of economic growth as well as the relative volatility of the financial market in the PRC where the Group's principal finance leasing business operates, the Group will continue to adopt a more prudent and cautious approach in the evaluation and the granting of new finance leasing loans in the year of 2024.

The Group will continue to closely monitor the market developments, seek potential opportunities in existing business segments, explore and expand into other industries or geographical regions at the appropriate time and enhance the Group's future development. The Group believes that the diversification of its business will facilitate the Group's long-term development and business sustainability and provide better returns for its shareholders.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2023, the Group generated a total revenue of approximately RMB122.10 million, representing a decrease of approximately 30.59% as compared to approximately RMB175.92 million for the year ended 31 December 2022. The decrease was primarily attributed to the decrease in both the sales of self-manufactured pharmaceutical products as well as the sales of pharmaceutical products of other non-competing pharmaceutical companies.

Distribution Costs

For the year ended 31 December 2023, the distribution costs of the Group were approximately RMB0.78 million (2022: approximately RMB1.60 million), representing a decrease of approximately 51.25%, which commensurate with the 30.59% decrease in sales during the Reporting Period.

Administrative Expenses

Administrative expenses amounted to approximately RMB15.39 million for the year ended 31 December 2023 (2022: approximately RMB17.51 million), representing a decrease of approximately 12.11%.

就醫藥產品業務而言，預計本集團可取得穩定的銷售收益。本集團將繼續拓展其銷售網絡以提升其市場滲透率。然而，由於中國傳統中藥材的成本大幅增加，故將繼續如報告期一樣對我們醫藥產品的毛利率造成不利影響。

就融資租賃業務而言，本集團預計融資租賃市場將維持穩定。本集團將密切關注融資租賃市場的發展，同時於調整及優化其整體風險偏好及租賃組合時保持靈活性。

鑒於經濟增長幅度的不確定性及本集團主營融資租賃業務所在的中國金融市場相對波動，於二零二四年，本集團將繼續就評估及授出新融資租賃貸款採取更加審慎的方針。

本集團將繼續密切監察市場發展，尋求現有業務分部的潛在機會，並在適當時機探索及拓展其他行業或其他地區的業務，加強本集團未來發展。本集團相信，多元化業務可促進本集團長期發展及業務可持續發展，並向其股東提供更佳回報。

財務回顧

收益

截至二零二三年十二月三十一日止年度，本集團產生總收益約人民幣122.10百萬元，較截至二零二二年十二月三十一日止年度約人民幣175.92百萬元減少約30.59%。該減少乃主要由自產醫藥產品的銷售及其他非競爭醫藥公司的醫藥產品的銷售減少。

分銷成本

截至二零二三年十二月三十一日止年度，本集團的分銷成本約為人民幣0.78百萬元（二零二二年：約人民幣1.60百萬元），減少約51.25%，與報告期內的銷售下跌30.59%相符。

行政開支

截至二零二三年十二月三十一日止年度，行政開支約為人民幣15.39百萬元（二零二二年：約人民幣17.51百萬元），減少約12.11%。

Management Discussion and Analysis

管理層討論與分析

Gross Profit and Gross Profit Margin

Gross profit and gross profit margin for the year ended 31 December 2023 amounted to approximately RMB35.19 million and 28.82% respectively (2022: approximately RMB91.68 million and 52.11% respectively). Gross profit decreased by approximately RMB56.49 million as compared with the corresponding period in 2022, which was mainly attributable to the decrease in both the sales volume of self-manufactured pharmaceutical products and the significantly lower gross profit margin recorded as a direct result of the very substantial increase in the general costs of traditional Chinese herbal materials in the PRC in the Reporting Period.

Finance Costs

Finance costs for the year ended 31 December 2023 amounted to approximately RMB2.05 million (2022: approximately RMB1.79 million). The finance costs mainly represented the interest expenses attributable to the convertible notes issued by the Company on 9 February 2022.

Profit for the Reporting Period

Profit attributable to owners of the Company was approximately RMB18.63 million for the year ended 31 December 2023, representing a decrease of approximately 36.24% as compared with the profit attributable to owners of the Company of approximately RMB29.22 million in the corresponding period in 2022. The decrease was mainly attributable to the decrease in both the sales volume of self-manufactured pharmaceutical products and the decrease in the resulting gross profit.

Basic and Diluted Earnings per Share

The basic and diluted earnings per share for the year ended 31 December 2023 was approximately RMB0.58 cent and RMB0.51 cent respectively (2022: approximately RMB0.95 cent and RMB0.89 cent respectively).

Liquidity and Financial Resources

As at 31 December 2023, the Group had cash and cash equivalents of approximately RMB332.47 million (2022: approximately RMB21.84 million) and most cash and cash equivalents were denominated in Renminbi and Hong Kong dollars.

Capital Structure and Gearing Ratio

As at 31 December 2023, the total issued shares of the Company was 3,210,222,500 shares (as at 31 December 2022: 3,196,222,500 shares).

As at 31 December 2023, the share capital and equity attributable to owners of the Company amounted to approximately RMB29.87 million and approximately RMB264.45 million respectively (2022: approximately RMB29.74 million and approximately RMB245.59 million respectively).

毛利及毛利率

截至二零二三年十二月三十一日止年度，毛利及毛利率分別約為人民幣35.19百萬元及28.82%（二零二二年：分別約為人民幣91.68百萬元及52.11%）。毛利較二零二二年同期減少約人民幣56.49百萬元，乃主要由於報告期內自產醫藥產品的銷量減少，以及中國傳統中藥材的一般成本大幅上升直接導致錄得相當低的毛利率。

財務成本

截至二零二三年十二月三十一日止年度，財務成本約為人民幣2.05百萬元（二零二二年：約人民幣1.79百萬元）。該等財務成本主要為利息開支，原因為本公司於二零二二年二月九日發行可換股票據。

報告期內溢利

截至二零二三年十二月三十一日止年度，本公司擁有人應佔溢利約為人民幣18.63百萬元，較二零二二年同期的本公司擁有人應佔溢利約人民幣29.22百萬元減少約36.24%。該減少主要由於自產醫藥產品的銷量減少，以及由此產生的毛利下降。

每股基本及攤薄盈利

截至二零二三年十二月三十一日止年度，每股基本及攤薄盈利分別約為人民幣0.58分及人民幣0.51分（二零二二年：分別約為人民幣0.95分及人民幣0.89分）。

流動資金及財政資源

於二零二三年十二月三十一日，本集團之現金及現金等價物約為人民幣332.47百萬元（二零二二年：約人民幣21.84百萬元）及大部分現金及現金等價物以人民幣及港元計值。

資本結構及資產負債比率

於二零二三年十二月三十一日，本公司已發行股份總數為3,210,222,500股（於二零二二年十二月三十一日：3,196,222,500股）。

於二零二三年十二月三十一日，本公司擁有人應佔股本及權益分別為約人民幣29.87百萬元及約人民幣264.45百萬元（二零二二年：分別為約人民幣29.74百萬元及約人民幣245.59百萬元）。

The Group had reviewed the capital structure by using gearing ratio. The gearing ratio represents the total debt, which includes trade and other payables of the Group, divided by total equity of the Group. The gearing ratio of the Group was approximately 39.23% as at 31 December 2023 (2022: approximately 45.52%).

Exposure to Fluctuation in Exchange Rates

For the Reporting Period, the Group conducted most of its business transactions in Renminbi. The Group has not experienced any material difficulties or negative impacts on its operations as a result of the fluctuations in currency exchange rates. As at 31 December 2023, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group was not exposed to any material interest and exchange risks during the Reporting Period. The management, however, will monitor and consider hedging foreign currency exposure should the need arise.

CAPITAL COMMITMENTS AND CONTINGENCIES

As at 31 December 2023, the Group did not have any other significant capital commitment (2022: nil).

Save as disclosed in this report, the Group did not have any other significant contingent liabilities as at the date of this report.

SIGNIFICANT ACQUISITIONS AND DISPOSAL OF INVESTMENTS

Save as disclosed in this report, there was no other significant acquisition and disposal of investments held during the Reporting Period.

Memorandum of Understanding Regarding a Proposed Acquisition

The Group has entered into a non-legally binding memorandum of understanding (the “MOU”) with certain shareholders (the “Vendors”) of 杭州綠天生物科技有限公司 (Hangzhou Greensky Biological Technology Company Limited) (the “Target Company”) on 9 May 2023, pursuant to which the Group intended to acquire from the Vendors not less than an aggregate of 51% controlling shareholding interest in the Target Company (the “Proposed Acquisition”). The Target Company is principally engaged in the research and development, production and sales of plant extracts, medicine intermediates and raw materials for supplements. Subsequently in late October 2023, the Group and the Vendors have mutually agreed to terminate the MOU and decided not to proceed further on the Proposed Acquisition as a result of being unable to reach a consensus on the detailed terms as well as the consideration of the Proposed Acquisition.

本集團運用資產負債比率檢討資本結構。資產負債比率指總負債（包括本集團之貿易應付款項及其他應付款項）除以本集團之總權益。本集團於二零二三年十二月三十一日之資產負債比率為約39.23%（二零二二年：約45.52%）。

匯率波動風險

報告期內，本集團之大部分業務交易以人民幣進行。本集團從未因貨幣匯率波動而遭遇重大困難，且其營運亦未因此承受負面影響。於二零二三年十二月三十一日，本集團並無任何外匯合約、利息或貨幣掉期或其他用作對沖的金融衍生工具。因此，本集團於報告期內並無任何重大利率及匯兌風險。然而，管理層將監察並考慮在需要時對沖外匯風險。

資本承擔及或然事項

於二零二三年十二月三十一日，本集團並無任何其他重大資本承擔（二零二二年：無）。

除本報告所披露者外，本集團於本報告日期並無任何其他重大或然負債。

重大投資收購及出售

除本報告所披露者外，報告期內概無進行其他重大投資收購及出售。

有關建議收購之諒解備忘錄

於二零二三年五月九日，本集團與杭州綠天生物科技有限公司（「目標公司」）若干股東（「賣方」）訂立不具法律約束力的諒解備忘錄（「諒解備忘錄」），據此，本集團擬向賣方購買目標公司合共不少於51%的控股股權（「建議收購」）。目標公司主要從事植物提取物、醫藥中間體、保健品原料的研發、生產及銷售。隨後，於二零二三年十月底，本集團與賣方互相協定終止諒解備忘錄，並決定不再進一步進行建議收購，原因是雙方無法就詳細條款及建議收購的代價達成共識。

Management Discussion and Analysis

管理層討論與分析

NUMBER AND REMUNERATION OF EMPLOYEES

For the Reporting Period, the Group employed approximately 68 employees (2022: 72 employees) with total staff cost of approximately RMB11.44 million (2022: approximately RMB18.45 million) from continuing operations. The Group determined staff remuneration with reference to the prevailing market salary scales, individual qualifications and performance. Remuneration packages, including performance bonuses and entitlements to share options, are reviewed on a regular basis.

RETIREMENT BENEFIT SCHEME

During the years ended 31 December 2022 and 2023, the Group had no forfeited contributions under its retirement benefit scheme which may be used to reduce the existing level of contributions.

CAPITAL EXPENDITURE

For the years ended 31 December 2022 and 2023, there was no significant capital expenditure of the Group for property, plant and equipment.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2023, the Group has charged the entire issued share capital of Sanai International Investment Company Limited (“**Sanai International**”), a direct wholly-owned subsidiary of the Company, as security (the “**Share Charges**”) for the convertible notes issued by the Group in February 2022 (the “**Convertible Notes**”).

As at 31 December 2022, the Group has charged (i) the bank accounts (the “**Account Charge**”) of the indirect wholly-owned subsidiaries of the Company, Fujian Sanai Biotechnology Limited* (福建三愛生物科技有限公司) (“**Fujian Sanai**”) and Fujian Zhixin Medicine Co., Limited* (福建至信醫藥有限公司) (“**Fujian Zhixin**”), and (ii) the entire issued share capital of Sanai International as security for the Convertible Notes. On 3 March 2023, the Company has executed the Supplemental Deed and the deed of release of Account Charge, pursuant to which the Account Charge has been released.

AMENDMENTS TO THE TERMS AND CONDITIONS OF CONVERTIBLE NOTES

On 13 January 2022, the Company as the issuer, Mr. Zhi Shao Huan (“**Mr. Zhi**”) and Mr. Jiang Heng Guang (“**Mr. Jiang**”) as the subscribers (collectively, the “**Subscribers**”), and Fujian Sanai and Fujian Zhixin as the obligors (collectively, the “**Obligors**”), entered into a subscription agreement, pursuant to which, the Company has agreed to issue, and Mr. Zhi and Mr. Jiang have agreed to subscribe for, the Convertible Notes in the aggregate principal amount of HK\$72,000,000 at the interest rate of 3% per annum and at initial conversion price of HK\$0.119 per share. The bank accounts of Fujian Sanai and Fujian Zhixin were charged as security of the Convertible Notes, and the entire issued share capital of Sanai International was charged in favour of Mr. Zhi and Mr. Jiang. Completion of the issue of Convertible Notes took place on 9 February 2022.

僱員人數及薪酬

報告期內，本集團就持續經營聘用約68名僱員(二零二二年：72名僱員)，總員工成本約為人民幣11.44百萬元(二零二二年：約人民幣18.45百萬元)。本集團參考現行市場薪酬水平、個人資歷及表現釐定員工薪酬。薪酬待遇(包括表現花紅及獲發購股權之權利)作定期檢討。

退休福利計劃

截至二零二二年及二零二三年十二月三十一日止年度，本集團的退休福利計劃項下並無可用於減少現有供款水平的沒收供款。

資本開支

於截至二零二二年及二零二三年十二月三十一日止年度，本集團並無物業、廠房及設備的重大資本開支。

本集團資產抵押

於二零二三年十二月三十一日，本集團已將本公司的直接全資附屬公司三愛國際投資有限公司(「三愛國際」)的全部已發行股本抵押，作為本集團於二零二二年二月發行可換股票據(「可換股票據」)的擔保(「股份抵押」)。

於二零二二年十二月三十一日，本集團已將(i)本公司間接全資附屬公司福建三愛生物科技有限公司(「福建三愛」)及福建至信醫藥有限公司(「福建至信」)的銀行賬戶(「賬戶抵押」)，以及(ii)三愛國際的全部已發行股本抵押，作為可換股票據的擔保。於二零二三年三月三日，本公司已簽立補充契據及賬戶抵押解除契據，據此，賬戶抵押已解除。

修訂可換股票據的條款及條件

於二零二二年一月十三日，本公司(作為發行人)、支紹環先生(「支先生」)及蔣恒光先生(「蔣先生」)(作為認購人)(統稱「認購人」)與福建三愛及福建至信(作為債務人)(統稱「債務人」)訂立認購協議，據此，本公司已同意發行且支先生及蔣先生已同意認購本金總額為72,000,000港元的可換股票據，年利率為3%及初步換股價為每股股份0.119港元。福建三愛及福建至信的銀行賬戶被抵押作為可換股票據的擔保，而三愛國際的全部已發行股本以支先生及蔣先生為受益人被抵押。發行可換股票據已於二零二二年二月九日完成。

On 3 March 2023, the Company has entered into the Supplemental Deed with the Subscribers and the Obligors to (a) amend the conversion price to HK\$0.098 per conversion share; (b) extend the maturity date for 3 years to the fourth anniversary of the date of issue of the Convertible Notes (i.e. 9 February 2026); (c) amend the terms relating to the interest payment date due to extension of the maturity date; (d) execute the deed of release of Account Charge; (e) execute the supplemental deeds to the Share Charges as security in the manner and on the terms set forth therein; and (f) make such consequential amendments to the instrument due to the foregoing changes. As at the date of the Supplemental Deed, the Company has redeemed a total of HK\$12,000,000 of the principal amount of the Convertible Notes and paid all the interest accrued thereon. The total outstanding principal amount of the Convertible Notes as at 31 December 2023 was HK\$60,000,000.

Assuming full conversion of the outstanding Convertible Notes at the amended conversion price, the outstanding Convertible Notes will be convertible into 612,244,897 conversion shares, representing approximately 19.1% of the issued share capital of the Company at the date of the Supplemental Deed and approximately 16.0% of the issued share capital of the Company as enlarged by the issue of the conversion shares upon full conversion of the Convertible Notes (based on the issued share capital as at the date of the Supplemental Deed). The conversion shares will be allotted and issued pursuant to the general mandate upon conversion of the outstanding Convertible Notes.

The Company intends to use approximately 45% of the net proceeds from the issue of the Convertible Notes for the purchase of production plant, equipment and facilities and the purchase of raw materials for pharmaceutical products, approximately 30% of the net proceeds for the enrichment of the pharmaceutical product base, including the development of new medicines and/or the acquisition of the drug licenses, and approximately 25% of the net proceeds for the addition for sales points and the staff costs of additional sales staffs.

As at 31 December 2023, none of the net proceeds has been utilised.

Further details of the Convertible Notes and the Supplemental Deed are set out in the announcements of the Company dated 13 January 2022, 26 January 2022, 31 January 2022, 9 February 2022, 9 February 2023, 3 March 2023 and 20 March 2023 respectively.

DIVIDEND

The Board does not recommend payment of any final dividend for the year ended 31 December 2023 (31 December 2022: Nil).

於二零二三年三月三日，本公司與認購人及債務人訂立補充契據，以(a)將換股價修訂為每股換股股份0.098港元；(b)將到期日延長3年至可換股票據發行日期的第四個週年(即二零二六年二月九日)；(c)因延長到期日而修訂與利息支付日期有關的條款；(d)簽立賬戶抵押解除契據；(e)按照當中所載方式及條款簽立股份質押補充契據作為擔保；及(f)因上述變更而對文據作出相應修訂。於補充契據日期，本公司已贖回合共12,000,000港元的可換股票據本金額並支付其中所有應計利息。於二零二三年十二月三十一日，可換股票據的未償還本金總額為60,000,000港元。

假設未行使可換股票據按經修訂換股價悉數兌換，未行使可換股票據將可兌換612,244,897股換股股份，相當於補充契據日期本公司已發行股本約19.1%及經可換股票據悉數兌換(按於補充契據日期已發行股本計算)而發行換股股份擴大後本公司已發行股本約16.0%。換股股份將於兌換未行使可換股票據後根據一般授權配發及發行。

本公司擬將發行可換股票據所得款項淨額的約45%用於生產廠房、設備及設施的購置以及醫藥產品原材料的採購、所得款項淨額的約30%用於豐富醫藥產品基礎，包括開發新藥及/或取得藥品許可證及所得款項淨額的約25%用於增加銷售點及額外銷售人員的員工成本。

於二零二三年十二月三十一日，概無動用所得款項淨額。

有關可換股票據及補充契據的更多詳情載於本公司日期分別為二零二二年一月十三日、二零二二年一月二十六日、二零二二年一月三十一日、二零二二年二月九日、二零二三年二月九日、二零二三年三月三日及二零二三年三月二十日的公告。

股息

董事會不建議就截至二零二三年十二月三十一日止年度派付任何末期股息(二零二二年十二月三十一日：無)。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving a high standard of corporate governance practice, such that the interests of our shareholders, customers, employees as well as the long term development of the Company can be safeguarded.

The culture of the Group is that the directors and management of the Group are required to develop its business and operation within the boundary of the applicable laws and regulations and the general standards and expectations of the business community and society. The Group is required to operate based on sound governance and utmost integrity and prohibit all kinds of damaging, corruptive, collusive, unethical and discriminative acts.

The Company's corporate governance structure includes the Board and three board committees under the Board, namely the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee"). The Board stipulates the terms of reference of all board committees and specifies therein clearly the powers and responsibilities of the board committees.

The Company has complied with the provisions as set out in the Corporate Governance Code ("CG Code") in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31 December 2023, except for deviation from provision C.2.1 of the CG Code as further elaborated below.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the Company's own code for securities transactions by its Directors. In addition, the Company has made specific enquiries with all Directors and all Directors confirmed that during the year ended 31 December 2023, they had fully complied with the required standards as set out in the Model Code.

BOARD OF DIRECTORS

As at 31 December 2023, the Board consisted of nine members, with five executive Directors, namely, Mr. Chen Chengqing, Mr. Gao Borui, Mr. Yuan Chaoyang, Professor Zhang Rongqing and Mr. She Hao, one non-executive director, namely Mr. Xiu Yuan and three independent non-executive Directors, namely, Professor Zhu Yi Zhun, Mr. Khor Khie Liem Alex and Mr. Zhang Ruigen. All Directors have distinguished themselves in their field of expertise, and have exhibited high standards of professional ethics and personal integrity. The biographical details of each Director are set out in the section headed "Directors' Biographies" of this annual report. There is no relationship among the Directors.

企業管治常規

本公司致力達至高度的企業管治常規，以保障股東、客戶及員工利益以及本公司長遠發展。

本集團的文化是要求本集團的董事及管理層在適用法律法規以及商界及社會的基本準則及期望的範圍內發展業務及運營。本集團須以穩健治理及最佳誠信為基礎運營，並禁止各種破壞性、腐敗、串通、不道德及歧視行為。

本公司的企業管治架構包括董事會及其轄下的三個董事會委員會，即審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）。董事會以書面訂明所有董事會委員會的職權範圍，並清楚列明各董事會委員會的權力及職責。

於截至二零二三年十二月三十一日止年度，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄C1《企業管治守則》（「企業管治守則」）所載條文（除偏離企業管治守則第C.2.1條。有關偏離詳情於下文詳述。

董事進行證券交易

本公司已採納上市規則附錄C3所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司董事進行證券交易之守則。此外，本公司已向全體董事作出具體查詢，全體董事確認於截至二零二三年十二月三十一日止年度內，彼等已全面遵守標準守則所載的規定標準。

董事會

於二零二三年十二月三十一日，董事會由九名成員組成，其中五名為執行董事（即陳成慶先生、高伯瑞先生、袁朝陽先生、張榮慶教授及余昊先生）、一名為非執行董事（即修遠先生）以及三名為獨立非執行董事（即朱依諄教授、許麒麟先生及張瑞根先生）。全體董事均在其專業領域有突出表現，展現高尚的個人專業道德和個人誠信。各董事的履歷詳情載於本年報「董事履歷」一節。董事之間概無任何關係。

The Board is responsible for planning and overseeing the overall development and management of the Group with the objective of enhancing shareholders' value. The Board is responsible for the approval and monitoring of the overall strategies and policies of the Group, approval of annual budgets and business plans, evaluation of the Company's performance and oversight of the works of management.

The Board is accountable to the shareholders and report to them at general meetings. The day-to-day operations of the Group are delegated to the management.

The Board meets regularly throughout the year to review the overall strategy and to monitor the operation as well as the financial performance of the Company. The Chairman focuses on the Company's strategy and is responsible for chairing and managing the efficient operation of the Board and ensuring that all key issues are considered by the Board in a timely manner. Notice of at least 14 days has been given to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda whenever they consider appropriate and necessary. Agenda and accompanying Board papers in respect of regular Board meetings are dispatched in full to all Directors within a reasonable time before the meeting. Directors have to declare their direct or indirect interests, if any, in any proposals or transactions to be considered at Board meetings and abstain from voting as appropriate. Draft minutes of all Board meetings are circulated to Directors for comment within reasonable time prior to confirmation. The Board meets at least 4 times a year, at approximately quarterly intervals, to review the financial performance and results of each period, material investments and other matters of the Company that require the resolution of the Board. Conference call may be used to improve attendance when individual Director cannot attend the meeting in person. Opinions of the independent non-executive Directors are actively sought by the Company if they are unable to attend the meeting in person.

Minutes of Board meetings are kept by the company secretary of the Company ("**Company Secretary**"). All Directors have access to Board papers and related materials, and are provided with adequate information in a timely manner. This enables the Board to make informed decision on matters placed before it.

In respect of the corporate governance functions, during the year under review, the Board formulated the terms of reference on the corporate governance duties and performed corporate governance duties in accordance with the terms of reference. The Board mainly performed the following corporate governance duties during the year under review:

- reviewed the Company's policies and practices on corporate governance and made recommendations;

董事會負責規劃及監察本集團整體發展及管理，以提升股東價值為目標。董事會負責審批及監管本集團的整體策略及政策、批准年度預算及業務計劃、評估本公司表現以及監督管理層之工作。

董事會對股東負責，並須於股東大會上向股東匯報工作。本集團的日常營運由管理層負責。

董事會於整個年度定期開會以檢討本公司整體策略及監察經營以及財務表現。主席專注於公司策略並負責領導及管理董事會之有效運作，並確保所有重大問題已獲董事會適時考慮。所有定期董事會會議之通告最少在會議前14天內發給所有董事，而董事可將其認為適宜及需要的任何事項載入議程。定期董事會會議之議程及隨附之會議文件將於會議開始前之合理時間內悉數派發予所有董事。董事必須聲明彼等將於董事會會議上考慮之任何建議或交易之直接或間接權益(如有)，並於適合情況下放棄投票。所有董事會會議之會議記錄初稿將於確認前合理時間內發送予董事以供彼等提供意見。董事會每年至少舉行四次會議，約每季一次，以檢討本公司財務表現及每段期間之業績、重大投資以及需要董事會決議案之其他事宜。當個別董事未能親自出席會議，則可能會利用電話會議，以提高董事之出席率。倘獨立非執行董事未克親身出席會議，本公司仍會積極尋求彼等之意見。

本公司公司秘書(「**公司秘書**」)保存董事會會議記錄。所有董事均有權查閱董事會文件及相關材料，並會及時獲提供充分資料。此使董事會可就提呈之事項作出知情決定。

企業管治職能方面，董事會於回顧年度內就企業管治職責制訂了職權範圍，並按照職權範圍履行了企業管治職責。董事會於回顧年度內主要履行了下列企業管治職責：

- 檢討本公司企業管治政策及常規，並提出建議；

Corporate Governance Report

企業管治報告

- reviewed and monitored the training and continuous professional development of Directors and senior management;
- reviewed and monitored the Company's policies and practices to ensure compliance with applicable legal and regulatory requirements;
- developed, reviewed and monitored the code of conduct applicable to directors and employees; and
- reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本公司的政策及常規，以確保遵守適用法律及監管規定；
- 制定、檢討及監察董事及僱員適用的操守守則；及
- 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露事項。

BOARD ATTENDANCE

For the year ended 31 December 2023, the Board had convened 4 Board meetings and 1 general meeting.

Attendance records of the Directors are as follows:

董事會出席率

於截至二零二三年十二月三十一日止年度，董事會已舉行4次董事會會議及1次股東大會。

董事之出席記錄如下：

Directors 董事		Number of attendance of Board meetings 董事會會議出席次數	Number of attendance of general meetings 股東大會出席次數
Executive Directors 執行董事			
Mr. Chen Chengqing	陳成慶先生	1/4	1/1
Professor Zhang Rongqing	張榮慶教授	2/4	1/1
Mr. She Hao	佘昊先生	4/4	1/1
Mr. Gao Borui	高伯瑞先生	2/4	1/1
Mr. Yuan Chaoyang	袁朝陽先生	4/4	1/1
Non-executive Director 非執行董事			
Mr. Xiu Yuan	修遠先生	0/4	1/1
Independent non-executive Directors 獨立非執行董事			
Professor Zhu Yi Zhun	朱依諄教授	2/4	1/1
Mr. Khor Khie Liem Alex	許麒麟先生	2/4	1/1
Mr. Zhang Ruigen	張瑞根先生	2/4	1/1

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In respect of the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer of the Company shall be separated and shall not be performed by the same individual. During the Reporting Period, there is no Chairman of the Company and Mr. She Hao is the Deputy Chief Executive Officer of the Company. On the other hand, there are three independent non-executive Directors in the Board, all of them are independent from the Company and the Board believes that there is a sufficient check and balance in the Board. Therefore, the Board considers the Company has provided sufficient protection to its interests and the interests of its shareholders. The Board shall review the structure from time to time and shall consider appropriate adjustments should suitable circumstances arise.

Throughout the Reporting Period and up to the date of this annual report, the Company has complied with the requirements under Rules 3.10 and 3.10A of the Listing Rules, which require at least three independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise. All independent non-executive Directors have confirmed their independence, as required under Rule 3.13 of the Listing Rules, to the Company and the Board considers that all independent non-executive Directors have satisfied the independence requirements under the Listing Rules.

NON-EXECUTIVE DIRECTORS

Code provision C.1.6 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. All non-executive Directors attended the annual general meeting held on 14 June 2023.

All non-executive Directors (including independent non-executive Directors) are appointed for a term between one and two years. The appointment contracts will be renewed automatically every year and they are subject to retirement by rotation and re-election by shareholders in accordance with the articles of association of the Company. The responsibilities of the non-executive Directors include, without limitation: regular attendance at meetings of the Board and of board committees of which they are members; provision of independent opinions at meetings of the Board and other board committees; resolution of or taking the lead where there is potential conflict of interests; service on the audit committee, remuneration committee and nomination committee of the Company; and scrutinizing and monitoring the performance of the Company.

主席及行政總裁

根據企業管治守則之守則條文第C.2.1條，本公司主席與行政總裁的角色應有所區分，並不應由一人同時兼任。於報告期內，本公司並無主席，余昊先生為本公司副行政總裁。另一方面，董事會有三名獨立非執行董事，彼等均獨立於本公司，董事會相信董事會中存在足夠制衡。因此，董事會認為本公司已就其權益及其股東權益提供足夠保障。董事會須不時檢討有關架構，並於適當情況下考慮適當調整。

報告期間及直至本年報日期，本公司一直遵守上市規則第3.10條及第3.10A條至少有三名獨立非執行董事具備適當的專業資歷，或具備會計或相關財務管理專業知識之規定。全體獨立非執行董事均已按照上市規則第3.13條的規定向本公司確認彼等之獨立身份，且董事會認為全體獨立非執行董事均已符合上市規則項下的獨立性要求。

非執行董事

企業管治守則之守則條文第C.1.6條規定，獨立非執行董事及其他非執行董事應出席股東大會，對股東意見有公正之了解。全體非執行董事均已出席於二零二三年六月十四日舉行之股東週年大會。

所有非執行董事(包括獨立非執行董事)的委任期為期一至兩年。委任合約每年自動重續，且非執行董事須根據本公司之公司章程細則輪席退任，並經股東重新選舉。非執行董事之責任包括(但不限於)：定期出席董事會及其出任成員的董事委員會會議；在董事會和其他董事委員會會議上提供獨立意見；在有潛在利益衝突時予以解決或起表率作用；出任本公司審核委員會、薪酬委員會及提名委員會成員；及檢查及監察本公司表現。

BOARD DIVERSITY

The Board has adopted the board diversity policy (the “**Board Diversity Policy**”) in August 2013 and such Board Diversity Policy states the method by which the board diversity can be reached.

To the knowledge of the Company, the fact that the Board has become gradually more and more diversified has helped the Company achieved its strategic objectives and has provided support for the Company’s sustainable development.

The Company aims at achieving board diversity by taking into consideration of various factors including age, gender, culture and educational background, race, professional experience, knowledge and other qualifications of the members of the Board. When the Company determines the best combination for the members of the Board, it will, from time to time, take into consideration of its own business model and specific needs.

The Nomination Committee has designed measurable goals according to four major aspects (namely, age, professional qualification, term of service and independence) for the purposes of implementing the Board Diversity Policy and considered that it has tried its best endeavour to achieve such goals during the year under review. The relevant goals will be reviewed from time to time so as to ensure its appropriateness and its progress for achieving such goals. The Nomination Committee will review the Board Diversity Policy from time to time (if appropriate) to ensure that such policy continues to be effective.

Target has been set by the Company to appoint at least one female Board member by the end of the year 2024 in accordance with the requirements of the Listing Rules. The Board will take opportunities to invite suitable female members to join the Board when selecting and making recommendation on suitable candidates for Board appointments.

董事會成員多元化

董事會於二零一三年八月採納董事會成員多元化政策（「**董事會多元化政策**」），該董事會成員多元化政策載列達致董事會成員多元化的方法。

本公司知悉董事會成員日益多元化已有助達成本公司策略目標及為本公司可持續發展提供支持。

本公司藉考慮多項因素，包括董事會成員之年齡、性別、文化及教育背景、種族、專業經驗、知識以及其他資格，務求達致董事會成員多元化。本公司在決定董事會最佳成員組合時亦將不時考慮其本身業務模式及具體需要。

提名委員會已按四個重點範疇（年齡、專業資格、服務任期及獨立性）設定可計量目標，以執行董事會成員多元化政策，並認為於回顧年度已盡力達成該等目標。有關目標將不時審閱以確保其合適及確定達成該等目標的進度。提名委員會將不時（視適用情況而定）審閱董事會成員多元化政策，確保相關政策持續有效。

根據上市規則規定，本公司已制定於二零二四年年底委任至少一名女性董事會成員的目標。董事會將於甄選合適的董事會成員人員並就此提出建議推薦時，藉機邀請合適女性成員加入董事會。

DIRECTORS' TRAINING

Code Provision C.1.4 of the CG Code stipulates that Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remain informed and relevant.

All Directors are encouraged to participate in continuous professional development activities by way of attending trainings and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities. A summary of professional trainings received by the Directors for the Reporting Period according to the records provided by the Directors is as follows:

董事培訓

企業管治守則守則條文第C.1.4條規定，董事應參與持續專業發展，增進並重溫其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

全體董事獲鼓勵透過出席培訓及／或閱讀與本公司業務或董事職務及職責有關的資訊，參與持續專業發展。根據董事所提供記錄，董事於報告期接受專業培訓的概要如下：

Attending seminar(s)
programme(s)/
conference(s) and/or
reading materials
relevant to
the business or
directors' duties
出席研討會課程／
會議及／或閱讀與
業務或董事職務
有關的資訊

Executive Directors

Mr. Chen Chengqing
Professor Zhang Rongqing
Mr. She Hao
Mr. Gao Borui
Mr. Yuan Chaoyang

執行董事

陳成慶先生
張榮慶教授
佘昊先生
高伯瑞先生
袁朝陽先生

✓
✓
✓
✓
✓

Non-executive Director

Mr. Xiu Yuan

非執行董事

修遠先生

✓

Independent non-executive Directors

Professor Zhu Yi Zhun
Mr. Khor Khie Liem Alex
Mr. Zhang Ruigen

獨立非執行董事

朱依諄教授
許麒麟先生
張瑞根先生

✓
✓
✓

Corporate Governance Report

企業管治報告

DIVIDEND POLICY

Any distribution of dividends shall be in accordance with the articles of association of the Company and the distribution shall achieve continuity, stability and sustainability. The recommendation of the payment of any dividend is subject to the absolute discretion of the Board and the Board shall take into account, inter alia, the Group's earnings per share, the reasonable return in investment of the investors and the shareholders in order to provide incentive to them to continue to support the Group in their long-term development, the financial conditions and business plan of the Group, and the market sentiment and circumstances. The dividend policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

DIRECTORS' AND OFFICERS' LIABILITY

The Company has maintained and renewed Directors' and Officers' liabilities insurance for all the Directors and the senior management of the Company for the year ended 31 December 2023. The insurance covers them against costs, charges, expenses and liabilities incurred arising out of the corporate activities.

BOARD COMMITTEES

The monitoring and assessment of certain governance matters are delegated to the three Board committees, each of which operates under its defined terms of reference.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the Listing Rules. The composition of the Audit Committee and their attendance records for the year ended 31 December 2023 were as follows:

Directors 董事

Independent non-executive Directors

Mr. Khor Khie Liem Alex (Chairman)
Professor Zhu Yi Zhun
Mr. Zhang Ruigen

獨立非執行董事

許麒麟先生(主席)
朱依諄教授
張瑞根先生

Each member can bring to the committee his valuable experience in reviewing financial statements and evaluating significant internal control and financial issues of the Company as each of them possesses management experience in the accounting profession or commercial sectors.

股息政策

任何股息分配均應符合本公司的組織章程細則之規定，分配應實現連續性、穩定性及可持續性。董事會可全權酌情建議派付任何股息，董事會應考慮(其中包括)本集團的每股盈利、投資者和股東的合理投資回報，以激勵他們繼續支持本集團的長期發展、本集團的財務狀況及業務計劃，及市場情緒及情況。股息政策將不時予以檢討，並不保證於任何特定期間將擬派或宣派股息。

董事及高級職員責任

本公司已維持並續保截至二零二三年十二月三十一日止年度本公司全體董事及高級管理層的董事及高級職員責任保險。有關保險為彼等承保企業活動所產生的成本、費用、開支及責任。

董事委員會

若干管治事宜之監察及評估工作已授權予三個董事委員會，各委員會乃根據其界定之職權範圍運作。

審核委員會

本公司已根據上市規則成立審核委員會並書面確定其職權範圍。截至二零二三年十二月三十一日止年度，審核委員會之組成及彼等的出席記錄如下：

Number of
attendance of
出席次數

由於彼等各自均於會計專業或商界擁有豐富的管理經驗，故每位成員可貢獻其寶貴經驗，審閱財務報表及評估本公司重大內部控制及財務事宜。

The principal duties of the Audit Committee include the review and supervision of the Company's financial reporting system, financial statements, risk management and internal control procedures. The Audit Committee also monitors the appointment of the Company's external independent auditor. The terms of reference of the Audit Committee are available for inspection on the website of the Company at www.1889hk.com and the website of the Stock Exchange.

The Audit Committee shall meet at least twice a year. During the year under review, three meetings were held and the Audit Committee has reviewed the effectiveness of the Company's internal audit function. The Audit Committee together with the management of the Company also reviewed the accounting policies and practices adopted by the Group and discussed, among other things, the risk management and internal control systems and the financial reporting matters of the Company.

REMUNERATION COMMITTEE

The Company has established a remuneration committee with written terms of reference in compliance with the Listing Rules. The composition of the Remuneration Committee and their attendance records for the year ended 31 December 2023 were as follows:

Directors 董事		Number of attendance of 出席次數
Executive Director	執行董事	
Professor Zhang Rongqing	張榮慶教授	1/1
Independent non-executive Directors	獨立非執行董事	
Mr. Khor Khie Liem Alex (<i>Chairman</i>)	許麒麟先生 (主席)	1/1
Professor Zhu Yi Zhun	朱依諄教授	1/1
Mr. Zhang Ruigen	張瑞根先生	1/1

The Board has delegated the authority to the Remuneration Committee to review and recommend to the Board the compensation scheme of the Directors as well as that of the senior management staff.

The main function of the Remuneration Committee is to assist the Board to oversee the Company's remuneration packages, bonus and other compensation payable to Directors and senior management and establish a transparent procedure for developing policy on such remuneration. The Terms of Reference of the Remuneration Committee has been amended such that the Committee is also responsible for reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. The Board shall provide sufficient resources to the Remuneration Committee to enable it to discharge its duties.

審核委員會之主要責職包括審議及監察本公司之財務申報系統、財務報表、風險管理及內部監控程序。審核委員會亦監督公司外聘獨立核數師的任用。審核委員會之職權範圍可於本公司網站www.1889hk.com及聯交所網站查閱。

審核委員會應每年至少舉行兩次會議。於回顧年度內，審核委員會舉行了三次會議，並已檢討本公司內部審核職能的成效。審核委員會連同本公司管理層亦審閱本集團所採納會計政策及慣例，並討論(其中包括)本公司風險管理及內部監控系統以及財務申報事宜。

薪酬委員會

本公司已根據上市規則成立薪酬委員會並書面確定其職權範圍。截至二零二三年十二月三十一日止年度，薪酬委員會之組成及彼等的出席記錄如下：

董事會授權薪酬委員會檢討董事及高級管理員工的薪酬計劃及就此向董事會提出建議。

薪酬委員會主要職能為協助董事會監察本公司支付董事及高級管理層之薪酬組合、獎金及其他補償以及訂立一套具透明度的程序，以制定有關該等酬金之政策。薪酬委員會之職權範圍已作出修訂，因此委員會亦負責審閱及/或批准上市規則第十七章所述有關股份計劃的事宜。董事會須向薪酬委員會提供充足資源，以令其能夠履行其職責。

Corporate Governance Report

企業管治報告

During the year under review, the Remuneration Committee has conducted one meeting. The Remuneration Committee assisted the Board in reviewing on the remuneration packages, policy and structure for the Directors and senior management of the Company and the share scheme of the Company, and made recommendations to the Board. The terms of reference of the Remuneration Committee are available for inspection on the website of the Company at www.1889hk.com and the website of the Stock Exchange.

NOMINATION COMMITTEE

The Company has established a nomination committee with written terms of reference. The composition of the Nomination Committee and their attendance records for the year ended 31 December 2023 were as follows:

Directors 董事		Number of attendance of 出席次數
Executive Director Professor Zhang Rongqing	執行董事 張榮慶教授	1/1
Independent non-executive Directors Mr. Zhang Ruigen (<i>Chairman</i>) Professor Zhu Yi Zhun Mr. Khor Khie Liem Alex	獨立非執行董事 張瑞根先生 (<i>主席</i>) 朱依諄教授 許麒麟先生	1/1 1/1 1/1

The main functions of the Nomination Committee are to review the structure, size and composition of the Board, to identify individuals who are suitably qualified to become members of the Board, and to assess the independence of the independent non-executive Directors. Having regard to the independence and quality of nominees, the Nomination Committee shall make recommendations to the Board so as to ensure that all nominations are fair and transparent. The Nomination Committee is also responsible for reviewing the succession planning for Directors, in particular the chairman of the Board and the chief executive officer of the Company, and reviewing the objectives set for implementing and reviewing the Board Diversity Policy, as well as the composition and diversity of the Board. The Board shall provide sufficient resources to the Nomination Committee to enable it to discharge its duties.

Pursuant to the Company's articles of association, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at least once every three years. The retiring Directors are eligible to offer themselves for re-election.

於回顧年度，薪酬委員會已召開一次會議。薪酬委員會協助董事會就本公司董事及高級管理層薪酬組合、政策及結構以及本公司股份計劃作出審議及就此向董事會提出建議。薪酬委員會之職權範圍可於本公司網站www.1889hk.com及聯交所網站查閱。

提名委員會

本公司已成立提名委員會並書面確定其職權範圍。截至二零二三年十二月三十一日止年度，提名委員會之組成及彼等的出席記錄如下：

提名委員會之主要職能是審議董事會之架構、規模及組成、物色具適合資格之人士加入董事會以及評估獨立非執行董事之獨立性。經考慮提名人士之獨立性及質素後，提名委員會須向董事會提出推薦建議，以確保所有任命均屬公平及具透明度。提名委員會亦負責審議有關董事特別是董事會主席及本公司行政總裁之繼任計劃、審議董事會成員多元化政策執行的目標以及董事會的構成及多元化。董事會須向提名委員會提供充足資源，以令其能夠履行其職責。

根據本公司之公司章程細則，當時為數三分之一之董事（或如人數並非三之倍數，則為最接近但不少於三分之一之人數）須於本公司之每屆股東週年大會上輪席告退，惟每名董事須最少每三年輪席告退一次。將輪席告退之董事符合資格應選連任。

During the year under review, the Nomination Committee has conducted one meeting in which the members of Nomination Committee has reviewed the composition of the Board, considered the re-election of Directors, and reviewed the independence of all of the independent non-executive Directors. During the year under review, the Nomination Committee also monitored the implementation of the Board Diversity Policy. The terms of reference of the Nomination Committee are available for inspection on the website of the Company at www.1889hk.com and the website of the Stock Exchange.

NOMINATION POLICY

The Nomination Committee may invite nominations of candidates from Board members for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board members. The factors which would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate of director include, inter alia, reputation for integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as Board member, diversity of the Board, and such other perspectives appropriate to the Company's business. The Nomination Committee shall make recommendations for the Board's consideration and approval.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance matters of the Company. The Board has established its terms of reference, pursuant to which the duties of the Board include, inter alia, (i) to develop, review and implement the policies and practices of corporate governance matters of the Company; (ii) to review, monitor and implement the policies and practices of the Company on compliance with legal and regulatory requirements; (iii) to review, monitor and implement the training and continuous professional development of the Directors and senior management of the Group; (iv) to develop, review, monitor and implement the code of conduct and compliance manual (if any) applicable to Directors and employees; and (v) to review and ensure compliance with the CG Code by the Company and proper and accurate disclosure in the Corporate Governance Report.

於回顧年度，提名委員會已召開一次會議，提名委員會成員在會上已審閱董事會的組成、考慮重選董事，並審閱全體獨立非執行董事之獨立性。於回顧年度，提名委員會亦監控董事會成員多元化政策實施情況。提名委員會之職權範圍可於本公司網站www.1889hk.com及聯交所網站查閱。

提名政策

提名委員會可邀請董事會成員提名候選人，以供提名委員會考慮。提名委員會亦可推舉並非由董事會成員提名之候選人。提名委員會於評估建議候選人是否合適董事職位時所參考的因素包括（其中包括）與本公司業務及公司策略相關的品格聲譽、專業資質、技能、知識及經驗、投入充分時間履行董事會成員職責之意願、董事會多元化及對本公司業務而言屬適當之其他因素。提名委員會應向董事會提出推薦意見供其審批。

企業管治職能

董事會負責本公司企業管治事宜。董事會已制定其職權範圍，據此，董事會的職責包括（其中包括）(i) 制定、檢討及實施本公司的企業管治事宜的政策及常規；(ii) 檢討、監察及實施本公司遵守法律及監管規定的政策及常規；(iii) 檢討、監察及實施本集團董事及高級管理層的培訓及持續專業發展；(iv) 制定、檢討、監察及實施適用於董事及僱員的操守準則及合規手冊（如有）；及(v) 檢討及確保本公司遵守企業管治守則並在企業管治報告內妥善及正確披露。

Corporate Governance Report

企業管治報告

SENIOR MANAGEMENT'S REMUNERATION

Details of the remuneration by band of the members of the senior management of the Company (including executive Directors), whose biographies are set out on pages 28 to 31 of this annual report, for the year ended 31 December 2023 are set out below:

Nil to HK\$1,000,000	零至1,000,000港元
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元

高級管理層酬金

截至二零二三年十二月三十一日止年度，本公司高級管理層成員（包括執行董事，其履歷載於本年報第28至31頁）按範圍劃分的酬金詳情如下：

	Number of individuals 人數
	3
	1

AUDITOR'S REMUNERATION

The total remuneration paid or payable to the Company's external auditor, Mazars CPA Limited, for their works in respect of the year ended 31 December 2023 was as follows:

Audit services	審核服務
Non-audit services in respect of interim results	中期業績的非審核服務
Other non-audit services (Note)	其他非審核服務(附註)

核數師酬金

截至二零二三年十二月三十一日止年度，就其工作已向或應向本公司外聘核數師中審眾環(香港)會計師事務所有限公司支付的酬金總額如下：

Fee paid and payable for the year ended 31 December 2023 截至二零二三年十二月三十一日止年度已付及應付費用 HK\$ 港元
1,490,000
100,000
110,000
210,000

Note:

Other non-audit services mainly include attendance at the annual general meeting of the Company and agreed-upon procedures on preliminary announcement of annual results for the year ended 31 December 2023.

附註:

其他非審核服務主要包括出席本公司股東週年大會及有關截至二零二三年十二月三十一日止年度之年度業績初步公告之協定程序。

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR ACCOUNTS

The Board acknowledges their responsibility for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The Board acknowledges their responsibilities for the preparation of the consolidated financial statements of the Company for the year ended 31 December 2023, which give a true and fair view of the state of affairs of the Company and of the results and cash flows for that period. In preparing these consolidated financial statements, the Board has adopted suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable; and have prepared the consolidated financial statements on a going concern basis. The Directors are responsible for keeping proper accounting records which set out the financial position of the Group with reasonable accuracy at any time.

Mazars CPA Limited, the auditor of the Company, has set out their responsibilities in the independent auditor's report as set out on pages 50 to 56 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board places great importance on risk management and internal control and has ultimate responsibilities for overseeing management in the design, implementation and monitoring of the risk management and internal control systems of the Group on an ongoing basis. The Board is also committed to review the adequacy and effectiveness of the Group's risk management and internal control systems at least annually.

The Group established the risk management and internal control systems with aims to manage rather than eliminate the risk of failure to achieve business objectives, and provide reasonable and not absolute assurance against material misstatements or losses caused by judgment in decision making process, human error, fraud or other irregularities.

In order to comply with the applicable code provisions set out in the CG Code, the Board has engaged an independent professional firm as an outsourced internal auditor to facilitate the Group's internal audit function in order for the Group to be equipped with adequate resources in conducting reviews as required by the Stock Exchange. The independent professional internal auditor firm also assisted the Audit Committee and the Board in performing reviews on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2023.

董事及核數師有關賬目之責任

董事會明白其須負責依照上市規則及其他法定規則的要求作出有關年報、中期報告、內幕資料公佈及其他財務披露的平衡、清晰及可以理解的評估。董事會明白其須負責編製本公司截至二零二三年十二月三十一日止年度之綜合財務報表，並真實公平地反映本公司於該期間之事務狀況以及業績與現金流量。於編製該等綜合財務報表時，董事會已採用合適之會計政策並貫徹應用該等會計政策；作出審慎、公正及合理之判斷及估計；及按持續經營基準編製綜合財務報表。董事須負責留存於任何時間均合理準確載列本集團財務狀況之適當會計記錄。

本公司核數師中審眾環（香港）會計師事務所有限公司已於本年報第50至56頁之獨立核數師報告內載列其責任。

風險管理及內部監控

董事會高度重視風險管理及內部監控，對持續監督本集團的管理風險管理及內部監控系統的設計、實施及監察負有最終責任。董事會亦致力至少每年檢討本集團風險管理及內部監控系統的充分性及有效性。

本集團已建立風險管理及內部監控系統，旨在管理而非消除未能達成業務目標的風險，並就在決策過程中由判斷所引致的重大錯誤陳述或損失、人為錯誤、欺詐或其他違規行為提供合理且而非絕對之保證。

為遵守企業管治守則所載適用守則條文，董事會已委聘獨立專業事務所作為外聘內部審核師，便利本集團內部審核部門，使本集團配備充足資源及按聯交所的規定進行檢討。獨立專業內部核數師事務所亦協助審核委員會及董事會就本集團截至二零二三年十二月三十一日止年度之風險管理及內部監控系統的效能進行檢討。

Corporate Governance Report

企業管治報告

The Group has conducted an annual risk assessment which identified respective strategic risks, operational risks, financial risks and compliance risks for each of the major business operations of the Group. Risk factors were analyzed and consolidated at the Group level. Based on the risk assessment results following a risk based methodology audit approach, an internal audit plan was devised which prioritized the risks identified into respective annual internal audit projects and manage the risks accordingly.

An annual review was performed by the independent professional internal auditor firm according to the internal audit plan with a view to assisting the Audit Committee and the Board to evaluate the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2023. The Company has taken further steps to enhance its risk management and internal control systems according to some control weaknesses that were found during risk assessment and examination of the internal control system and strengthened the implementation of all the risk management and internal control systems.

The Company has established procedures in handling and dissemination of inside information in an accurate and secure manner to avoid possible mishandling of inside information within the Group. Release of inside information is subject to the approval of the Board. Unless duly authorized, all staff members of the Company shall not communicate any inside information to any external parties and shall not respond to any market speculation or rumours. In addition, all external publications and presentation materials must be reviewed by the management before release.

Based on the risk management and internal control systems established and maintained by the Group, and the work performed by the internal and external auditors, the Audit Committee and the Board performed an annual review on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2023. The Audit Committee and the Board are of the view that the Group has maintained effective and adequate risk management and internal control systems during the year ended 31 December 2023.

COMPANY SECRETARY

During the year ended 31 December 2023, the company secretary of the Company was Ms. Li Yuen Shan. She undertook not less than 15 hours of professional trainings during the year under review in accordance with Rule 3.29 of the Listing Rules.

本集團已進行年度風險評估，可識別本集團各主要業務營運的相關策略風險、經營風險、財務風險及合規風險。風險因素乃於本集團水平進行分析及綜合。根據採納風險主導的審核方法後的風險評估結果，本集團已制定一個內部審核計劃，可據此將所識別之風險優先列入相關年度內部審核項目並進行相應管理。

獨立專業內部審核事務所根據內部審核計劃進行年度檢討，旨在協助審核委員會及董事會評估本集團於截至二零二三年十二月三十一日止年度風險管理及內部監控系統之效能。本公司已根據於風險評估及內部監控系統檢查期間所發現的若干監控弱點，採取進一步措施增強其風險管理及內部監控系統及加強實施所有風險管理及內部監控系統。

本公司已建立以準確及安全之方式處理及公佈內幕資料之程序，以避免不當處理本集團內之內幕資料。公佈內幕資料須經董事會批准。除非獲正式授權，否則本公司所有員工均不得向任何外部人士交流任何內幕資料，且不得回應市場猜測或傳言。此外，所有向外部公佈及提呈之材料於刊發前均需由管理層審閱。

根據本集團建立及維持的風險管理及內部監控系統，及由內部及外部審核人員進行的有關工作，審核委員會及董事會對截至二零二三年十二月三十一日止年度本集團風險管理及內部監控系統之效能進行檢討，並認為本集團已於截至二零二三年十二月三十一日止年度維持有效及充分的風險管理及內部監控系統。

公司秘書

截至二零二三年十二月三十一日止年度，本公司之公司秘書為李婉珊女士。彼於回顧年度內已按照上市規則第3.29條進行不少於十五小時的專業培訓。

COMMUNICATIONS WITH SHAREHOLDERS

The Company believes that shareholders' rights should be well respected and protected. The Company endeavours to maintain good communications with shareholders on its performance through interim reports, annual reports, general meetings and public disclosure on the website of the Company (www.1889hk.com) and the website of the Stock Exchange, so that they may make an informed assessment for their investments and exercise their rights as shareholders. The Company also encourages shareholders' participation through general meetings or other means. Specific enquiries and suggestions by shareholders can be submitted in writing to the Board or the Company Secretary at the principal place of business of the Company in Hong Kong at Unit 5, 7/F., Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Company has reviewed its communication policy and given the above measures, considered that it is effective.

SHAREHOLDERS' RIGHT

Procedures to convene an extraordinary general meeting and putting forward proposals at general meeting

Pursuant to the articles of association of the Company, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Any requisition to convene an extraordinary general meeting or proposal to be put forward at the general meeting can be addressed to the principal place of business of the Company in Hong Kong at Unit 5, 7/F., Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The requisitionists must state in their request(s) the objects of the extraordinary general meeting to be convened, and such request must be signed by all the requisitionists. Upon receipt, the Company will verify the requisitionists' particulars and if the request is in order, the Company shall convene the extraordinary general meeting in accordance with its articles of association.

與股東溝通

本公司相信股東之權利應得到充分尊重及保障。本公司致力於通過中期報告、年報、股東大會及於本公司網站 (www.1889hk.com) 及聯交所網站之公開披露，就其表現與股東維持良好之溝通，以使彼等可就其投資作出知情評估及行使股東權利。本公司亦鼓勵股東通過股東大會或其他方式參與公司事務。股東之具體詢問及意見可以書面方式提交本公司香港主要營業地點 (地址為香港九龍觀塘鴻圖道57號南洋廣場7樓5室) 寄予董事會或公司秘書。

本公司已審閱其溝通政策，並鑒於上述措施認為其行之有效。

股東權利

召開股東特別大會及於股東大會上提出提案的程序

根據本公司的公司章程細則，任何一位或一位以上於遞呈要求日期持有不少於本公司已繳足股本 (附帶於本公司股東大會上投票權) 十分之一的股東於任何時候均有權透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而合理產生的所有開支應由本公司向遞呈要求人士作出償付。

任何召開股東特別大會或在股東大會上提出提案的要求可發往本公司於香港的主要營業地點，地址為香港九龍觀塘鴻圖道57號南洋廣場7樓5室。遞呈要求人士必須陳述其召開股東特別大會的目的，該提呈並須由所有遞呈要求人士簽署。本公司於獲接該提呈後，將核實遞呈要求人士資料，而倘提呈符合規程，本公司將按其公司章程細則召開股東特別大會。

Directors' Biographies

董事履歷

EXECUTIVE DIRECTORS

Mr. Chen Chengqing, aged 46, has been an executive Director since 17 February 2017. Mr. Chen is an entrepreneur with more than 20 years of experience in business management in the PRC. Mr. Chen is currently the chairman of Guizhou Changtong Cable Co., Ltd., the vice president of Pingba District Federation of Industry and Commerce, the executive vice president of Anshun Zhejiang Federation of Commerce, a member of Pingba District Committee of the Chinese People's Political Consultative Conference and the vice president of Guizhou Wenzhou Federation of Commerce.

Professor Zhang Rongqing, aged 67, was redesignated from an independent non-executive Director to an executive Director on 15 September 2017. Professor Zhang was appointed as the independent non-executive Director on 16 June 2017. He also serves as a member of each the Remuneration Committee and the Nomination Committee of the Company. He graduated from Suzhou Medical College in 1982 with a Bachelor degree of medicine and received PhD in animal physiology and biochemistry from Nanjing Agricultural University in 1993. Prof. Zhang has worked as professor in Tsinghua University since 1998, and he has been the associate dean of School of life Science in Tsinghua University. He is currently a director of the Institute of Biomedical Research in Yangtze Delta Region of Tsinghua University in Zhejiang, deputy director of the Teaching Guidance Committee of Biological Technology and Bio-engineering of the Ministry of Education, the member of the 3rd and 4th Advisory Group of Experts of the "973" Plan in the field of agriculture of the Ministry of Science and Technology. Prof. Zhang has received many awards and patents in science and technology. He is a well-known senior expert in the field of marine biochemistry & molecular biology, marine natural drug & gene engineering, and marine biological enzyme. Prof. Zhang has been an independent director of Shenzhen Hepalink Pharmaceutical Group Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002399), since May 2014. He is also an independent director of Shandong Oriental Ocean Sci-tech Co., Ltd., a company whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002086), since April 2017.

Mr. Gao Borui, aged 64, was appointed as an executive Director with effect from 26 July 2019. Mr. Gao has extensive experience in business, finance and accounting management. Since November 1998, Mr. Gao has consecutively worked as the chief financial officer, the chief accountant and the assistant to the chairman for the group companies of Xiuzheng Pharmaceutical Group Company Limited* (修正藥業集團股份有限公司), a limited company incorporated in the People's Republic of China (the "PRC") and principally engaged in developing, manufacturing and sale of healthcare medication and related products, where he was primarily responsible for finance, budget and funds management of the group. Mr. Gao passed exams in accounting and graduated from Changchun Taxation College* (長春稅務學院) in Changchun City, Jilin Province, the PRC in April 2001. Mr. Gao is a former member of the Chinese People's Political Consultative Conference of Tonghua City, Jilin Province, the PRC. He is a former executive member of the Chinese Pharmaceutical Accounting Association* (中國醫藥會計學會) and the deputy secretary-general of the Accounting Association of Tonghua City* (通化市會計學會).

執行董事

陳成慶先生，46歲，自二零一七年二月十七日為執行董事。陳先生為於中國具有超過20年企業管理經驗的企業家。陳先生現任貴州長通線纜有限公司董事長、平壩區工商聯合會副會長、安順浙江商會常務副會長、平壩區政協委員及貴州溫州商會副會長。

張榮慶教授，67歲，於二零一七年九月十五日由獨立非執行董事調任為執行董事。張教授於二零一七年六月十六日獲委任為獨立非執行董事。彼亦擔任本公司薪酬委員會及提名委員會各自的成員。彼於一九八二年畢業於蘇州醫學院，獲醫學學士學位；一九九三年獲得南京農業大學動物生理學及生物化學專業博士學位。張教授自一九九八年起在清華大學擔任教授，曾擔任清華大學生命科學學院副院長，現任浙江清華長三角研究院生物技術與醫藥研究所所長，教育部高等學校生物技術、生物工程類專業教學指導委員會副主任，國家重點基礎研究發展計劃「973」計劃第三、第四屆農業科學領域專家諮詢組成員。張教授曾多次獲頒科學技術獎項，且為多項專利的發明人，為海洋生物化學與分子生物學、海洋天然藥物與基因工程藥物及海洋生物酶學等領域的資深專家。張教授自二零一四年五月起為深圳市海普瑞藥業集團股份有限公司（於深圳證券交易所上市的公司，股份代號：002399）的獨立董事。彼亦自二零一七年四月起擔任山東東方海洋科技股份有限公司（其股份於深圳證券交易所上市的公司，股份代號：002086）的獨立董事。

高伯瑞先生，64歲，獲委任為執行董事，自二零一九年七月二十六日起生效。高先生於企業、財務及會計管理方面擁有豐富經驗。自一九九八年十一月起，高先生先後在修正藥業集團股份有限公司（一間於中華人民共和國（「中國」）註冊成立，主要從事研發、製造及銷售保健藥品及相關產品的公司）擔任集團財務總監、集團總會計師及董事長助理，彼主要負責該集團之財務、預算及資金管理。高先生於二零零一年四月通過會計學專業考試並自位於中國吉林省長春市的長春稅務學院畢業。高先生曾任中國吉林省通化市中國人民政治協商會議委員。彼曾任中國醫藥會計學會常務理事及通化市會計學會副秘書長。

Mr. Yuan Chaoyang, aged 52, was appointed as an executive Director with effect from 26 July 2019. Mr. Yuan has extensive experience in business investment, development and management. He has been the director of the strategic planning department and project director of Delixi Group Co., Ltd.* (德力西集團有限公司), a limited company incorporated in the PRC and responsible for the strategic planning and project management for the company. From January 2017 to January 2018, Mr. Yuan served as the vice president of project development in AVIC Joy Holdings (HK) Limited, an investment holding company principally engaged in natural gas, construction material and property-related business, the shares of which are listed on the Stock Exchange (stock code: 260). Throughout the period, Mr. Yuan was primarily responsible for project development, operational efficiency, quality control and public relations management. Mr. Yuan graduated from the People's Armed Police Command College, Fuzhou branch* (武警福州指揮學院) in Fujian Province, the PRC, in 1991, majoring in Japanese Language. Mr. Yuan completed his studies of enterprise management courses in the Graduate School, Shanghai University of Finance and Economics* (上海財經大學研究生院) in July 2015 and obtained a certificate. He was interested or deemed to be interested in an aggregate of approximately 27.00% of the total number of issued shares in the Company as at 31 December 2023.

Mr. She Hao, aged 40, was appointed as an executive Director with effect from 11 November 2019. He also serves as the deputy Chief Executive Officer and of the Group. Mr. She holds a bachelor degree in bioengineering from Xiang Tan University in 2005, and a master of business administration from University of Electronic Science and Technology of China in 2013. He served as a Research and Development Engineer and project supervisor in Shanghai Biolaxy Medical Science and Technology Co. Ltd.* (上海藍心醫藥科技有限公司) (a pharmaceutical Research and Development institute, which was then acquired by Anbo Biotechnology Co., Ltd.* (安博生物科技有限公司), a subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司)), responsible for matters relating to pharmaceutical research and development from 2006 to 2011. He served as a quality manager in Yifeng Pharmacy Chain Co., Ltd.* (益豐大藥房連鎖股份有限公司) (a pharmaceutical circulation enterprise, a company whose shares are listed on the Shanghai Stock Exchange, stock code: SH603939), responsible for channel construction and government relations from the end of 2013 to the end of 2014; He served as an investment manager, senior investment manager and investment director in Fortune Link Investment Holdings Limited* (東方匯富投資控股有限公司) (a private equity investment institute), responsible for investment matters in relation to pharmaceuticals and other greater health projects from 2015 to 2017. He served as an investment manager in the Investment and Development Department of Jiangmen Sugarcane Chemical Factory (Group) Co., Ltd. (江門甘蔗化工廠(集團)股份有限公司) (a company whose shares are listed on the Shenzhen Stock Exchange, stock code: SZ000576), responsible for investment matters from September 2017 to November 2019. Mr. She has extensive experience in pharmaceutical research and development, circulation and pharmaceutical investment.

袁朝陽先生，52歲，獲委任為執行董事，自二零一九年七月二十六日起生效。袁先生於業務投資、發展及管理方面擁有豐富經驗。彼一直擔任德力西集團有限公司(一間於中國註冊成立的有限公司)戰略規劃部主管及項目主管，負責該公司的戰略規劃及項目管理。於二零一七年一月至二零一八年一月，袁先生擔任幸福控股(香港)有限公司(一間投資控股公司，主要從事天然氣、建材及物業相關業務，其股份於聯交所上市(股份代號：260))項目開發副總裁。於整個期間，袁先生主要負責項目開發、運營效率、質量控制及公共關係管理。袁先生於一九九一年畢業於中國福建省武警福州指揮學院，主修日語。袁先生於二零一五年七月完成上海財經大學研究生院企業管理課程研讀並獲得畢業證書。彼於二零二三年十二月三十一日於本公司已發行股份總數中擁有或被視為擁有合共約27.00%權益。

余昊先生，40歲，獲委任為執行董事，自二零一九年十一月十一日起生效。彼亦擔任本集團副行政總裁。余先生於二零零五年持有湘潭大學生物科學學位，二零一三年取得電子科技大學工商管理碩士學位。彼於二零零六年至二零一一年在上海藍心醫藥科技有限公司(一間醫藥研發機構，後被上海復星醫藥(集團)股份有限公司之子公司安博生物科技有限公司收購)任研發工程師及項目主管，負責醫藥研發相關事宜。彼於二零一三年底至二零一四年底在益豐大藥房連鎖股份有限公司(一間醫藥流通企業，為一間股份於上海證券交易所上市之公司，股份代號：SH603939)任質量主管，負責渠道建設及政府關係；彼於二零一五年至二零一七年在東方匯富投資控股有限公司(一間私募股權機構)任投資經理、高級投資經理及投資總監，負責醫藥及其他大健康項目的投資相關事宜。彼於二零一七年九月至二零一九年十一月在江門甘蔗化工廠(集團)股份有限公司(為一間股份於深圳證券交易所上市之公司，股份代號：SZ000576)之投資發展部任投資經理，負責投資相關事宜；余先生在醫藥研發、流通及醫藥投資方面具有豐富經驗。

Directors' Biographies

董事履歷

NON-EXECUTIVE DIRECTOR

Mr. Xiu Yuan, aged 41, was appointed as a non-executive Director with effect from 5 November 2018. Mr. Xiu graduated from the Economic Management of Xian Political College of the Chinese People's Liberation Army. He is currently the general manager of XiuZheng Pharmaceutical Group Marketing Co., Ltd. and a Member of the Young Entrepreneur Committee of the All-China Federation of Industry and Commerce, a director of the 11th China Youth Entrepreneurs Association, and the founding director of the China Youth Entrepreneur "00 School" club.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Zhu Yi Zhun, aged 59, was appointed as an independent non-executive Director on 31 December 2020. He also serves as a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Professor Zhu graduated from the School of Medicine of the Shanghai Jiao Tong University with a bachelor degree in Medicine in 1989, and then graduated from the School of Medicine of the Heidelberg University with a doctor's degree in Medicine in 1994. Professor Zhu has been working on cardiovascular and neuropharmacology research for nearly 20 years, and he is currently the first director and the chair professor of the School of Pharmacy of the Macau University of Science and Technology, and the Director of Zhuhai UM Science & Technology Research Institute. Professor Zhu also had served as the Dean of the School of Pharmacy of Fudan University for almost 10 years. He was also appointed as the Changjiang Scholar Distinguished Professor of the Ministry of Education of the People's Republic of China, and awarded the National Outstanding Young Scholars, the chief scientist of the National Major Scientific Research Program, and was the person in charge of platform of new drug creation in a major project in respect of national science and technology.

Professor Zhu was appointed as an independent non-executive director of Green International Holdings Limited, the shares of which were listed on the Stock Exchange (stock code: 2700) for the period from 4 March 2016 to 30 June 2017. He was also appointed as an independent director of 山西仟源醫藥集團股份有限公司 (Shanxi C & Y Pharmaceutical Group Company, Limited*) (stock code: 300254) for the period from June 2010 to July 2016 and an independent director of 江門甘蔗化工廠(集團)股份有限公司 (Jiangmen Sugarcane Chemical Factory (Group) Company, Limited*) (stock code: 000576) from August 2015 to May 2018; the shares of both of which are listed on the Shenzhen Stock Exchange.

非執行董事

修遠先生，41歲，獲委任為非執行董事，自二零一八年十一月五日起生效。修先生畢業自中國人民解放軍西安政治學院，取得經濟管理學士學位。彼現擔任修正藥業集團營銷有限公司總經理以及中華全國工商業聯合會青年企業家委員會委員、第十一屆中國青年企業家協會理事及中國青年企業家「00派」俱樂部創始理事。

獨立非執行董事

朱依諄教授，59歲，於二零二零年十二月三十一日獲委任為獨立非執行董事。彼亦擔任本公司審核委員會、薪酬委員會及提名委員會各自的成員。朱教授於一九八九年畢業自上海交通大學醫學院，取得醫學學士學位，其後於一九九四年畢業自德國海德堡大學醫學院，並取得醫學博士學位。朱教授從事心血管及神經藥理學研究近20年，現為澳門科技大學藥學院首任院長、講座教授及珠海澳大科技研究院院長。朱教授亦曾任復旦大學藥學院院長近10年，並為中華人民共和國教育部長江學者特聘教授、國家傑出青年基金獲得者、國家重大科學研究計劃首席科學家及國家科技重大專項新藥創制平台負責人。

於二零一六年三月四日至二零一七年六月三十日，朱教授獲委任為格林國際控股有限公司（其股份於聯交所上市（股份代號：2700））之獨立非執行董事。朱教授於二零一零年六月至二零一六年七月亦曾任山西仟源醫藥集團股份有限公司（股份代號：300254）的獨立董事，以及於二零一五年八月至二零一八年五月擔任江門甘蔗化工廠（集團）股份有限公司（股份代號：000576）的獨立董事，以上兩家公司的股份均於深圳證券交易所上市。

Mr. Khor Khie Liem Alex, aged 55, was appointed as an independent non-executive Director on 3 February 2021. He also serves as the chairman of each of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee of the Company. Mr. Khor has accumulated more than 20 years of working experience in the field of finance, capital market, financial reporting and financial compliance services. Currently, Mr. Khor is a founding director of KBS Capital Partners (Singapore) Pte. Ltd. ("**KBS Capital**") since July 2004, principally providing accounting, tax, company secretarial compliance services, and corporate advisory services including IPO facilitation, M&A services and project financing services. Since founding KBS Capital, Mr. Khor has completed various IPO, M&A and project fund raising transactions for its clients from Singapore, Malaysia and China. Mr. Khor has been appointed as an independent non-executive Director of Pa Shun International Holdings Limited (stock code: 576), a company listed on the main board of the Stock Exchange, since 10 March 2023. Mr. Khor is also currently an independent non-executive director of Xinming China Holdings Limited (stock code: 2699), a company listed on the main board of the Stock Exchange, and an independent director of Davis Commodities Limited, a company listed on NASDAQ CM.

Prior to this, Mr. Khor was the Group Financial Controller of CFM Holdings Limited between 2002 to 2004, the Group Financial Controller of TEE International Limited between 2000 to 2002, and the Regional Financial Controller of Showpla Asia Limited between 1997 to 2000, all of these companies are listed on Singapore Exchange.

Mr. Khor was admitted as an associate and a fellow member of the Association of Chartered Certified Accountants in 1999 and 2002 respectively. He graduated from his studies in Master of Business Administration from University of Leicester, UK in 2004. Currently, he is a Chartered Accountant of both of the Institute of Singapore Chartered Accountants and Malaysian Institute of Accountants.

Mr. Zhang Ruigen, aged 57, was appointed as an independent non-executive Director on 25 June 2021. He also serves as a member of each of the Audit Committee, the Remuneration Committee and the Chairman of the Nomination Committee of the Company. Mr. Zhang graduated from Southwest University of Political Science and Law with a bachelor degree in Law in 2005. Mr. Zhang has accumulated more than 30 years of working experience in the field of legal and professional services. Currently, Mr. Zhang is a senior partner of Shanghai Haoxin Law Firm since 2015. Prior to this, Mr. Zhang was a teacher of Zhejiang Yueqing Normal School from 1987 to 1991. He was a deputy director of Zhejiang Haichang Law Firm from 1991 to 2000, the senior partner of Beijing Lianfa Law Firm from 2001 to 2004 and supervisor of Beijing Jingzhe Law Firm from 2004 to 2015.

* For identification purpose only

許麒麟先生，55歲，於二零二一年二月三日獲委任為獨立非執行董事。彼亦為本公司審核委員會及薪酬委員會各委員會的主席以及提名委員會成員。許先生在金融、資本市場、財務匯報及財務合規服務方面積累了20多年的工作經驗。許先生目前是自二零零四年七月起設立的策略資本有限公司(KBS Capital Partners (Singapore) Pte. Ltd.) ("**策略資本**")的創始董事，主要提供會計、稅務、公司秘書合規服務及企業諮詢服務(包括首次公開發售、併購及項目融資等服務)。自創立策略資本以來，許先生已完成多個新加坡、馬來西亞及中國客戶的首次公開發售、併購及項目集資交易。許先生自二零二三年三月十日起獲委任為百信國際控股有限公司(股份代號：576，一間於聯交所主板上市之公司)的獨立非執行董事。許先生現時亦擔任新明中國控股有限公司(股份代號：2699，一間於聯交所主板上市之公司)的獨立非執行董事及Davis Commodities Limited(一間於納斯達克資本市場上市之公司)的獨立董事。

在此之前，許先生於二零零二年至二零零四年擔任祥發控股公司(CFM Holdings Limited)的集團財務總監，於二零零零年至二零零二年擔任特毅國際公司(TEE International Limited)的集團財務總監及於一九九七年至二零零零年擔任昭和塑膠公司(Showpla Asia Limited)的區域財務總監，該等公司均為新加坡交易所上市公司。

許先生於一九九九年及二零零二年分別獲接納為特許公認會計師公會會員及資深會員，彼於二零零四年畢業於英國萊斯特大學，獲得工商管理碩士學位。目前，彼為新加坡特許會計師協會及馬來西亞會計師協會的特許會計師。

張瑞根先生，57歲，於二零二一年六月二十五日獲委任為獨立非執行董事。彼亦為本公司審核委員會、薪酬委員會各委員會的成員及提名委員會主席。張先生於二零零五年畢業於西南政法大學，取得法學學士學位。張先生在法律及專業服務領域累積逾30年工作經驗。目前，張先生自二零一五年起擔任上海市浩信律師事務所的高級合夥人。在此之前，張先生於一九八七年至一九九一年擔任浙江樂清師範學校教師。彼於一九九一年至二零零零年任浙江省海昌律師事務所副主任，於二零零一年至二零零四年任北京聯法律師事務所高級合夥人，並於二零零四年至二零一五年任北京市京哲律師事務所主任。

Directors' Report

董事會報告

The Directors would like to present their annual report together with the audited accounts of the Company for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its major subsidiaries of the Company are set out in note 35 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 57 and 58 respectively.

The Board of Directors does not recommend payment of any final dividend for the year ended 31 December 2023 (2022: Nil) to the shareholders.

RESERVES

As at 31 December 2023, the Company's reserves available for distribution amounted to RMB167,524 (2022: RMB169,284,000). Movements in the reserves of the Group and the Company during the year under review are set out in the consolidated statement of changes in equity on page 60 and in note 28 to the consolidated financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the year under review are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2023 are set out in note 27 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of associations or the laws of the Cayman Islands which oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

董事謹此呈列彼等的年報，連同本公司截至二零二三年十二月三十一日止年度的經審核賬目。

主要業務

本公司為一間投資控股公司。本公司主要附屬公司之主要業務載於綜合財務報表附註35。

業績及分派

本集團截至二零二三年十二月三十一日止年度之業績分別載於第57及58頁之綜合損益表及綜合損益及其他全面收益表。

董事會並不建議就截至二零二三年十二月三十一日止年度向股東派付任何末期股息(二零二二年：無)。

儲備

於二零二三年十二月三十一日，本公司可供分派的儲備為人民幣167,524元(二零二二年：人民幣169,284,000元)。本集團及本公司於回顧年度內之儲備變動分別載於第60頁之綜合權益變動表及綜合財務報表附註28。

物業、廠房及設備

本集團於回顧年度內物業、廠房及設備的變動載於綜合財務報表附註15。

股本

有關截至二零二三年十二月三十一日止年度本公司之股本變動詳情載於綜合財務報表附註27。

優先購置權

根據本公司的公司章程細則或開曼群島法律，概無優先購置權的條文致使本公司按比例向現有股東提呈發售新股份。

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holding of the shares in the Company.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2023.

DIRECTORS

The Directors of the Company during the Reporting Period and up to the date of this annual report were:

Executive Directors

Mr. Chen Chengqing
Professor Zhang Rongqing
Mr. Gao Borui
Mr. Yuan Chaoyang
Mr. She Hao

Non-executive Director

Mr. Xiu Yuan

Independent Non-executive Directors

Professor Zhu Yi Zhun
Mr. Khor Khie Liem Alex
Mr. Zhang Ruigen

Mr. She Hao, Mr. Khor Khie Liem Alex and Mr. Zhang Ruigen will retire from office by rotation in accordance with Article 87(1) of the articles of association of the Company and, being eligible, have offered themselves for re-election at the forthcoming annual general meeting.

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with the independence guidelines set out in rule 3.13 of the Listing Rules during the year ended 31 December 2023.

BIOGRAPHICAL DETAILS OF THE DIRECTORS

The biographical details of the Directors are set out on pages 28 to 31 of this annual report.

稅務寬免

本公司並不知悉本公司股東可由於持有本公司股份而享有任何稅務寬免。

購買、出售或贖回本公司上市證券

截至二零二三年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司的任何上市證券。

董事

報告期內及直至本年報日期，本公司董事為：

執行董事

陳成慶先生
張榮慶教授
高伯瑞先生
袁朝陽先生
余昊先生

非執行董事

修遠先生

獨立非執行董事

朱依諄教授
許麒麟先生
張瑞根先生

余昊先生、許麒麟先生及張瑞根先生將根據本公司組織章程細則第87(1)條於應屆股東週年大會上輪席退任，並將合資格及願意應選連任。

獨立性之年度確認

截至二零二三年十二月三十一日止年度，本公司已自各獨立非執行董事獲取有關彼等獨立性之年度確認，根據上市規則第3.13條所載獨立性指引，本公司認為相關董事均為獨立。

董事簡歷

董事簡歷載於本年報第28至31頁。

Directors' Report

董事會報告

DIRECTORS' SERVICE CONTRACTS

None of the Directors (including Directors standing for re-election in the forthcoming annual general meeting) has entered into any contract of service, which is not determinable by the employer within one year without payment of compensation (other than statutory compensation), with the Company or any of its subsidiaries.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the executive directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The remuneration of the non-executive directors (including the independent non-executive directors) of the Company are recommended by the Remuneration Committee. The details of emoluments of the Directors are set out in note 11 to the consolidated financial statements.

PERMITTED INDEMNITY

The Company has renewed the Directors' and Officers' liabilities insurance for all the Directors and the senior management of the Company for the year ended 31 December 2023. The insurance covers them against costs, charges, expenses and liabilities incurred arising out of the corporate activities.

MANAGEMENT CONTRACTS

Save for the contracts of service entered into with the respective Directors, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme is set out in note 33 to the consolidated financial statements.

During the years ended 31 December 2022 and 2023, the Group had no forfeited contributions under its retirement benefit scheme which may be used to reduce the existing level of contributions as described in paragraph 26(2) of Appendix D2 to the Listing Rules.

董事服務合同

概無董事（包括於應屆股東週年大會應選連任的董事）與本公司或其任何附屬公司訂有不可由僱主於一年內終止而毋須作出賠償（法定賠償除外）的服務合同。

薪酬政策

本集團的僱員薪酬政策由薪酬委員會根據彼等的表現、資歷及能力制定。

薪酬委員會經考慮本公司之經營業績、個人表現及可資比較市場統計數據後決定本公司之執行董事薪酬。本公司非執行董事（包括獨立非執行董事）的酬金乃由薪酬委員會建議。有關董事薪酬之詳情載於綜合財務報表附註11。

獲准許的彌償

本公司已續保截至二零二三年十二月三十一日止年度本公司全體董事及高級管理層之董事及行政人員之責任保險。保險覆蓋彼等於企業活動中產生的成本、費用、開支及責任。

管理合同

除與各董事簽訂的服務合同外，於回顧年度內概無就有關本公司全部或任何主要業務訂立或存在管理及行政合同。

退休福利計劃

有關退休福利計劃的詳情載於綜合財務報表附註33。

截至二零二二年及二零二三年十二月三十一日止年度，本集團的退休福利計劃項下並無上市規則附錄D2第26(2)段所述的可用於減少現有供款水平的沒收供款。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2023, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules, were as follows:

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零二三年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團（香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所界定）的股份、相關股份或債權證中，擁有根據證券及期貨條例第352條須列入本公司所存置登記冊，或根據上市規則附錄C3所載標準守則規定須知會本公司及聯交所之權益或淡倉如下：

Name of directors 董事姓名	Capacity 身份	Number of shares held/interested (Note 1) 所持有／擁有權益 股份數目 (附註1)	Total number of shares held/interested 所持有／ 擁有權益 股份總數	Approximate percentage of the total issued shares 佔已發行 股份總數的 概約百分比
Mr. Yuan Chaoyang 袁朝陽先生	Interest in controlled corporation (Note 2) 受控法團權益(附註2) Beneficial owner 實益擁有人	836,753,000(L) 30,000,000(L)	866,753,000	27.00%
Professor Zhang Rongqing 張榮慶教授	Beneficial owner 實益擁有人	6,000,000(L)	6,000,000	0.19%
Mr. She Hao 余昊先生	Beneficial owner 實益擁有人	22,000,000(L)	22,000,000	0.69%
Mr. Gao Borui 高伯瑞先生	Beneficial owner 實益擁有人	5,000,000(L)	5,000,000	0.16%
Mr. Xiu Yuan 修遠先生	Beneficial owner 實益擁有人	10,000,000(L)	10,000,000	0.31%

Notes:

- The letter "L" denotes long position in the shares.
- The percentage of shareholding is calculated on the basis of 3,210,222,500 issued shares of the Company as at 31 December 2023.

附註：

- 「L」指於股份中之好倉。
- 股權百分比按於二零二三年十二月三十一日之本公司已發行股份3,210,222,500股作基準計算。

Save as disclosed above, none of the Directors or chief executive of the Company is aware of any other Director or chief executive of the Company who has any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporation which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 December 2023.

除上文所披露者外，於二零二三年十二月三十一日，就本公司董事或最高行政人員所知，任何本公司其他董事或最高行政人員並無於本公司或其任何相聯法團的任何股份、相關股份及債權證中擁有根據證券及期貨條例第352條須列入本公司所存置登記冊或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

Directors' Report

董事會報告

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save for the Old Share Option Scheme (as defined below) and the New Share Option Scheme (as defined below), at no time during the year ended 31 December 2023 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company in any other body corporate.

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

As at 31 December 2023, the following persons, other than a director or chief executive of the Company, had an interest or a short position in the shares or underlying shares in the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholders 股東名稱/姓名	Capacity 身份	Number of shares held/interested (Note 1) 所持有/擁有 權益股份數目 (附註1)	Total number of shares held/ interested 所持有/擁有 權益股份總數	Approximate percentage of the total issued shares (Note 2) 估已發行股份 總數的 概約百分比 (附註2)
Mr. Yuan Chaoyang 袁朝陽先生	Interest in controlled corporation (Note 2) 受控法團權益(附註2)	866,753,000(L)	866,753,000	27.00%
Cyber Success 科成環球	Beneficial owner (Note 2) 實益擁有人(附註2)	836,753,000(L)	836,753,000	26.07%

Notes:

- The letter "L" denotes long position in the shares of the Company.
- According to the disclosure of interest form submitted by Mr. Yuan on 8 April 2022 in accordance with Part XV of the SFO, 836,753,000 of these shares are registered in the name of Cyber Success, which is wholly-owned by Mr. Yuan. By virtue of the SFO, Mr. Yuan is deemed to be interested in all the shares in which Cyber Success is interested Mr. Yuan is also beneficially interested in 30,000,000 shares of the Company.
- The percentage of shareholding is calculated on the basis of 3,210,222,500 issued shares of the Company as at 31 December 2023.

Save as disclosed above, the Company was not aware of any person, other than the Directors of the Company whose interests or short positions are set out in the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations" above, who had an interest or a short position in the shares or underlying shares in the Company which were required to be recorded in the register to be kept by the Company under section 336 of the SFO as at 31 December 2023.

董事收購股份或債權證的權利

除舊購股權計劃(定義見下文)及新購股權計劃(定義見下文)外,於截至二零二三年十二月三十一日止年度內任何時間,本公司或其任何之附屬公司概無訂立任何安排以使董事可藉由收購本公司或任何其他法人團體的股份或債權證而獲得利益。

主要股東於本公司之股份及相關股份的權益及淡倉

於二零二三年十二月三十一日,以下人士(本公司董事或最高行政人員除外)於本公司股份或相關股份擁有根據證券及期貨條例第336條須列入本公司所存置登記冊的權益或淡倉如下:

附註:

- 「L」指於本公司股份中之好倉。
- 根據由袁先生於二零二二年四月八日提交的證券及期貨條例第XV部披露權益表格,該等股份中之836,753,000股以袁先生全資擁有的科成環球之名義登記。根據證券及期貨條例,袁先生被視為於科成環球擁有權益之全部股份中擁有權益。袁先生亦於本公司30,000,000股股份中擁有實益權益。
- 股權百分比按於二零二三年十二月三十一日之本公司已發行股份3,210,222,500股作基準計算。

除上文所披露者外,於二零二三年十二月三十一日,本公司並無知悉任何人士(其權益或淡倉載於上文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」一段的本公司董事除外)於本公司股份或相關股份擁有根據證券及期貨條例第336條須列入本公司所存置登記冊的權益或淡倉。

EQUITY-LINKED AGREEMENTS

Share Option Scheme

The Company has adopted a share option scheme (the “**Old Share Option Scheme**”) for, among others, the senior management and employees on 8 January 2007, which serve as incentives or rewards to attract, retain and motivate its staff. The Old Share Option Scheme has already expired on 7 January 2017.

Pursuant to the ordinary resolution passed on 16 June 2017, the Company has adopted another share option scheme (the “**New Share Option Scheme**”) for, among others, the senior management and employees, which serves as incentives or rewards to attract, retain and motivate staff. The New Share Option Scheme will remain valid for a period of 10 years commencing from 21 June 2017. Under the New Share Option Scheme, the Board may grant options to all full-time employees, Directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above, of the Group, substantial shareholders of each member of the Group, associates of the directors and substantial shareholders of any member of the Group, trustee of any trust pre-approved by the Board, and any advisor (professional or otherwise) or consultant, distributor, supplier, agent, customer, joint venture partner, service provider of the Group whom the Board considers, at its sole discretion, has contributed or contributes to the Group.

Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 5 January 2022, the scheme mandate limits of the New Share Option Scheme were refreshed. The said refreshed scheme mandate limits were solely used to grant options to all full-time employees, Directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above of the Group under the New Share Option Scheme as incentives or rewards for their continuous contributions and loyalty to the Group. On 29 April 2022, 174,000,000 share options were granted by the Company to certain eligible persons under the New Share Option Scheme including 5 Directors at the exercise price of HK\$0.084 per share. Further details of the said share options granted are set out in the announcement of the Company dated 29 April 2022.

The number of options available for grant under the refreshed mandate of the New Share Option Scheme as at 1 January 2023 and 31 December 2023 was 132,722,250 respectively. Other than the abovementioned share option schemes, the Company does not have other share schemes. The number of shares that may be issued in respect of options granted under those share option schemes represented approximately 0.97% of the weighted average number of Shares for the Reporting Period.

股票掛鈎協議

購股權計劃

本公司已於二零零七年一月八日為(其中包括)高級管理層及僱員採納購股權計劃(「**舊購股權計劃**」),作為吸引、挽留及激勵員工的獎勵或回報。舊購股權計劃已於二零一七年一月七日屆滿。

根據於二零一七年六月十六日通過之普通決議案,本公司為(其中包括)高級管理層及僱員採納另一購股權計劃(「**新購股權計劃**」),作為吸引、挽留及激勵員工的獎勵或回報。新購股權計劃將自二零一七年六月二十一日起十年期間維持有效。根據新購股權計劃,董事會可全權酌情將購股權授予其認為對本集團有貢獻之本集團所有全職僱員、董事(包括獨立非執行董事)及每週工作時長10小時及以上之兼職僱員、本集團各成員公司之主要股東、本集團任何成員公司董事及主要股東之聯繫人、董事會預先批准任何信託之信託人,以及任何本集團之顧問(專業或其他)或專家顧問、分銷商、供應商、代理人、客戶、合營企業合夥人、服務供應商。

根據於二零二二年一月五日舉行之本公司股東週年大會通過之普通決議案,新購股權計劃的計劃授權限額已予更新。上述經更新計劃授權限額僅適用於根據新購股權計劃向本集團所有全職僱員、董事(包括獨立非執行董事)及每週工作時長10小時及以上之兼職僱員授出購股權,作為彼等持續向本集團作出貢獻及忠誠的激勵或獎勵。於二零二二年四月二十九日,本公司按每股股份0.084港元的行使價向新購股權計劃項下若干合資格人士(包括5名董事)授出174,000,000份購股權。有關上述已授出購股權之進一步詳情載於本公司日期為二零二二年四月二十九日的公告。

於二零二三年一月一日及二零二三年十二月三十一日,根據新購股權計劃經更新授權可供授出的購股權數目分別為132,722,250份。除上述購股權計劃外,本公司概無其他股份計劃。根據該等購股權計劃授出的購股權可發行的股份數目約佔報告期內加權平均股份數目的0.97%。

Directors' Report

董事會報告

The following table sets out the movements in the share options of the Company (the "Share Options") during the Reporting Period:

下表載列於報告期內本公司購股權(「購股權」)之變動：

Category of participant	Number of Share Options 購股權數目					Date of grant	Exercise period	Exercise price	Closing price of the shares immediately before the date of grant
	At 1 January 2023	Granted during the year	Forfeited during the year	Exercise during the year	At 31 December 2023				
參與人士類別	於二零二三年一月一日 HK\$ 港元	年內授出	年內沒收	年內行使	於二零二三年十二月三十一日 HK\$ 港元	授出日期	行使期	行使價	緊接授出日期前股份收市價
Directors									
董事									
Professor Zhang Rongqing 張榮慶教授	22,000,000	-	(22,000,000)	-	-	24 May 2018 二零一八年五月二十四日	24 May 2018 to 23 May 2023 二零一八年五月二十四日至二零二三年五月二十三日	0.32	0.32
Mr. Chen Chengqing 陳成慶先生	2,800,000	-	(2,800,000)	-	-	30 May 2018 二零一八年五月三十日	30 May 2018 to 29 May 2023 二零一八年五月三十日至二零二三年五月二十九日	0.335	0.335
Mr. Gao Borui 高伯瑞先生	5,000,000	-	-	-	5,000,000	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零三二年四月二十八日	0.084	0.078
Professor Zhang Rongqing 張榮慶教授	6,000,000	-	-	-	6,000,000	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零三二年四月二十八日	0.084	0.078
Mr. Xiu Yuan 修遠先生	10,000,000	-	-	-	10,000,000	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零三二年四月二十八日	0.084	0.078
	45,800,000	-	(24,800,000)	-	21,000,000				
Other participant									
其他參與人士									
Employees in aggregate 僱員總數	10,000,000	-	(10,000,000)	-	-	30 May 2018 二零一八年五月三十日	30 May 2018 to 29 May 2023 二零一八年五月三十日至二零二三年五月二十九日	0.335	0.335
Non-employees in aggregate 非僱員總數	2,000,000	-	(2,000,000)	-	-	30 May 2018 二零一八年五月三十日	30 May 2018 to 29 May 2023 二零一八年五月三十日至二零二三年五月二十九日	0.335	0.335
Employees in aggregate 僱員總數	24,000,000	-	-	(14,000,000)	10,000,000	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零三二年四月二十八日	0.084	0.078
	36,000,000	-	(12,000,000)	(14,000,000)	10,000,000				
	81,800,000	-	(36,800,000)	(14,000,000)	31,000,000				

Note: The Share Options are not subject to any vesting period.

附註：購股權並不受任何歸屬期所限。

DIRECTORS' AND MANAGEMENT EMOLUMENTS

Particulars of the directors' emoluments on an individual and named basis and the five highest paid individuals in the Group are set out in note 11 to the consolidated financial statements. The remuneration policies of the Group are as follows:

- The amount of remuneration for the Directors or the employees is determined according to their relevant experience, responsibilities, workload, contributions and years of service in the Group and with reference to the goals and objectives of the Group;
- The non-monetary benefits are determined by the Board (or by the relevant management after consultation with the Board) and may be provided in the remuneration package of the Directors or the employees; and
- No person participates in the deliberation or approval of his own remuneration package.

The Company's policies concerning remuneration of the Directors are as follows:

- (i) the amount of remuneration is determined on a case by case basis taking into consideration of the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided at the discretion of the Board to the relevant Directors under their remuneration package; and
- (iii) the Directors may be granted, at the discretion of the Board and in accordance with the requirements under the Listing Rules, with share options under the share option scheme adopted by the Company, as part of their remuneration package.

董事及高級管理層之酬金

各董事酬金以及本集團獲最高薪酬之五位人士之資料詳情載列於綜合財務報表附註11。本集團之薪酬政策如下：

- 薪酬數額根據董事或僱員的相關經驗、責任、工作量、貢獻及在本集團服務年期以及參考本集團目標及目的而確定；
- 非現金福利由董事會（或於諮詢董事會後由相關管理層）決定，及可於董事或僱員的薪酬待遇中提供；及
- 概無人士參與其自身薪酬待遇的商討或批准。

本公司有關董事薪酬的政策如下：

- (i) 薪酬金額按個別情況經考慮有關董事的經驗、職責、工作量及貢獻給本集團的時間釐定；
- (ii) 非現金福利可由董事會酌情按董事的薪酬待遇發放予有關董事；及
- (iii) 視乎董事會酌情決定及根據上市規則的要求，董事或會獲授本公司所採納購股權計劃下的購股權，作為彼等部分的薪酬待遇。

Directors' Report 董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The information of revenue and purchases attributable to the major customers and suppliers of the Company for the year under review is as follows:

Revenue from sales of goods or rendering of services	銷售貨品或提供服務所得收益
The largest customer	最大客戶
Five largest customers in aggregate	五大客戶合共
Purchases	購買額
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商合共

None of the Directors, their close associates or any shareholders (who to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers and major customers noted above.

PROVISION FOR LITIGATION AND AUDIT QUALIFICATION

Due to the uncertainties in relation to the impacts of the litigation on the audited consolidated financial statements of the Company, the Auditor had been unable to obtain supportable evidence for the Auditor to assess whether any provision should be provided at 31 December 2023 and 2022 in relation to the litigation and whether the profit or loss effect on the provision of litigation should be reported for the years ended 31 December 2023 and 2022 were properly stated. The Auditor had issued qualified opinion on this matter.

There was no difference in view on this basis for audit qualification between the Auditor and the Company's management.

The details of the basis are as follows:

- (i) In light of the fact that the hearing of the Retrial pertaining to the Litigation, as elaborated under the section headed "Litigation" on page 43 and page 44, is still in progress up to the date of this Annual Report, the management has agreed with the Auditor that the exact extent of financial impact arising from the Litigation on the consolidated financial statements of the Company for the year ended 31 December 2023 cannot be ascertained with reasonable accuracy and certainty, hence the management is of the view that no provision should be provided concerning the Litigation as at 31 December 2023 and 2022.

主要客戶及供應商

於回顧年度內，本公司主要客戶及供應商佔營業額及購買額之資料如下：

2023 二零二三年 %	2022 二零二二年 %
33.3	21.5
70.7	57.5
26.6	18.0
67.9	59.9

概無董事、彼等的緊密聯繫人或任何股東（就董事所知擁有本公司股本5%以上權益者）於上述主要供應商及主要客戶中擁有任何權益。

訴訟撥備及審計保留意見

由於訴訟對本公司經審核綜合財務報表的影響存在不確定因素，核數師無法獲得支持憑證，以供核數師評估是否已公允載列於二零二三年及二零二二年十二月三十一日應提供任何訴訟，以及是否適當載列截至二零二三年及二零二二年十二月三十一日止年度應呈報訴訟撥備之損益影響。核數師就此事宜發表保留意見。

核數師與本公司管理層就有關審計保留意見基準的看法並無不同。

基準詳情如下：

- (i) 鑒於直至本年報日期有關訴訟的重審仍在進行中（如第43及44頁「訴訟」一節所述），管理層認同核數師的意見，認為訴訟對本公司截至二零二三年十二月三十一日止年度的綜合財務報表的財務影響的確切程度無法合理準確確定，因此，管理層認為於二零二三年及二零二二年十二月三十一日毋須就訴訟計提撥備。

(ii) The Company, as one of the joint guarantors under the Finance Lease Agreement 2016 (to be defined in the sub-section headed "Litigation" in the Directors' Report), is jointly liable together with other joint guarantors in the Litigations. The extent of and financial impact on the provision for Litigations on the Company is uncertain.

The Company has, through its PRC legal representatives, endeavoured to liaise with the court as to when the trial could proceed. However, the court replied that they were occupied and would not be able to commit as to specifically when such trial could be arranged at the date of this Report. As such, the Company confirms that there is currently no concrete timetable for the Litigations. Accordingly, the Company is of the view that there is no certainty in the results of the Litigations up to now.

As mentioned above, the Company was not in control and not in the position to provide any conclusive supportive evidence to the Auditor regarding the assessment concerning the Litigations. The Company will continue to liaise with the court on the progress of the Retrial and further discuss with the Auditors once any updates relating to the Appeal is available.

The management of the Company engaged a PRC lawyer to issue a legal opinion on the likely outcome of the litigation case to address the concerns of the Auditor. Nevertheless, the Auditor considered that the said legal opinion is insufficient to eliminate the uncertainties of the Litigations by contemplating 1) the fact that the judgement had been made by Beijing No.4 Intermediate People's Court *北京市第四中級人民法院 dated 22 December 2020; and 2) the uncertainties as mentioned above. The Company further understands from the Auditor that they would likely to continue to issue qualified opinion on the provision of litigation until the final judgement of the court on the litigations is available whereby all uncertainties in relation to such litigation will ultimately be removed.

The Audit Committee has reviewed and concurred with the management's view.

The Company understands that the Auditor could only remove the qualification after the final judgement of the court on the litigations is available. Even if the management is going to make a full provision in the consolidated financial statements, the Auditors would still have doubt and uncertainty on the truth and fairness of such provision amount, which may result in substantial difference against the final judgement to be ultimately handed down by the court, and as such the qualified opinion will still remain.

(ii) 本公司作為二零一六年融資租賃協議(定義見董事報告中「訴訟」分節)項下的連帶擔保人之一，與訴訟下的其他連帶擔保人共同承擔連帶責任。訴訟撥備對本公司的影響程度及財務影響尚未確定。

本公司已通過其中國法律代表努力與法院聯絡，了解審判何時進行。然而，法院回復稱，審判工作已滿，無法於本報告日期承諾具體何時可安排審判。因此，本公司確認，目前尚無訴訟的具體時間表。因此，本公司認為直至目前，訴訟結果尚不確定。

如上所述，本公司無法控制，亦無法就訴訟評估向核數師提供任何確鑿的支持性證據。本公司將繼續就重審的進展與法院聯絡，一旦獲得有關上訴的任何最新進展即進一步與核數師討論。

本公司管理層已聘請一名中國律師就訴訟案件的可能結果出具法律意見，以解決核數師的疑慮。然而，考慮到1)北京市第四中級人民法院已於二零二零年十二月二十二日作出判決；及2)上述的不確定性，核數師認為上述法律意見不足以消除訴訟的不確定性。本公司進一步自核數師了解到，其可能會仍就訴訟撥備發表保留意見，直至法院就訴訟作出最終判決，從而最終消除與有關訴訟的所有不確定性。

審核委員會已審閱並認同管理層的看法。

本公司了解，核數師僅於法院對訴訟作出最終判決後方可撤回其保留意見。即使管理層將於綜合財務報表中計提全額撥備，核數師仍對有關撥備金額的真實性及公允性存有疑慮及不確定性，從而可能導致與法院的最終判決存在重大差異，因此保留意見仍將保留。

Directors' Report

董事會報告

The Company also note that the Auditor is not in the position on advising as to whether the consolidated financial statements of the Company for the financial year ending 31 December 2024 will be free of the audit qualification specifically with respect to the subject litigation at this juncture since, as explained above, the basis leading to the qualification arose from the uncertainties pertaining to the Retrial.

The Company understands that in the event that the Retrial will be heard and the relevant judgement is made before the announcement of the annual results of the Company for the financial year ending 31 December 2024, such uncertainties would no longer exist and, given that (1) the management will take immediate appropriate action to fully reflect the financial impact brought by the final judgement of the court in the Company's consolidated financial statements for the financial year ending 31 December 2024; and (2) the Auditor is satisfied with the supporting documents and audit evidence to be provided by the management, such qualification would then be removed accordingly.

EVENTS AFTER THE REPORTING PERIOD

Save for the events disclosed below, there was no other major subsequent events occurred subsequent to the Reporting Period and up to the date of this annual report.

Acquisition of 51% Equity Interest of Beijing Hangyang Health Technology Co., Ltd.* (“Beijing Hangyang”)

On 1 March 2024, Beijing Bafuluo Technology Co., Ltd.* (“Beijing Bafuluo”) (北京巴夫羅科技有限公司), an indirect wholly-owned subsidiary of the Company, as the purchaser, entered into a sales and purchase agreement with Mr. Xie Haijing, as the vendor, to acquire 51% of equity interest in Beijing Hangyang at a consideration of RMB33.15 million which shall be settled by cash. The principal activities of Beijing Hangyang are research, production and sales of health products, functional foods and skincare products in the field of soft capsule dosage form. The management considers that such acquisition will enable the Group to diversify the product portfolio, widen the geographical coverage of products and lower the concentration risk in the procurement of raw materials of the pharmaceutical and healthcare products business. The acquisition was not yet completed as at the date of this annual report.

For further details, please refer to the announcements of the Company dated 1 March and 18 March 2024.

本公司亦注意到，核數師無法就本公司截至二零二四年十二月三十一日止財政年度的綜合財務報表(尤其與目前之訴訟相關者)是否不存在審核保留意見而提供意見，原因為導致保留意見的依據來自與重審有關的不確定性(誠如上述闡釋)。

本公司了解，倘若重審於本公司截至二零二四年十二月三十一日止財政年度的年度業績公佈前進行聆訊及作出相關判決，有關不確定性將消除，且鑒於(1)管理層將立即採取適當行動，於本公司截至二零二四年十二月三十一日止財政年度的綜合財務報表中充分反映法院最終判決帶來的財務影響；及(2)核數師信納管理層將提供的證明文件及審核憑證，因此有關保留意見將相應撤回。

報告期後事項

除下文所披露的事項外，於報告期後直至本年報日期，概無發生其他重大其後事項。

收購北京航洋健康科技有限公司(「北京航洋」)51%股權

於二零二四年三月一日，北京巴夫羅科技有限公司(「北京巴夫羅」)(本公司間接全資附屬公司，作為買方)與謝海京先生(作為賣方)訂立買賣協議，以收購北京航洋51%股權，代價為人民幣33.15百萬元，以現金結付。北京航洋的主要業務為研究、製造及銷售軟膠囊保健產品、功能食品及護膚品。管理層認為，該收購有助本集團多元化產品組合、擴展產品地域覆蓋及降低醫藥及保健產品業務原料採購集中風險。於本年報日期，該收購尚未完成。

更多詳情，請參閱本公司日期為二零二四年三月一日及三月十八日的公告。

LITIGATION

The Company has received a civil judgement (the “**Judgement**”) dated 22 December 2020 issued by 北京市第四中級人民法院 (the No. 4 Intermediate People’s Court of Beijing*) (the “**Court**”) in relation to a civil litigation (the “**Litigation**”) brought by 北京市文化科技融資租賃股份有限公司 (Beijing Cultural Technology Finance Lease Company Limited*, the “**Plaintiff**”) against, among others, (a) the Company; (b) 福建三愛藥業有限公司 Fujian Sanai Pharmaceutical Company Limited (“**Fujian Sanai Pharmaceutical**”) (the disposal of which was completed in April 2019); (c) Lin Ouwen, a former executive Director; and (d) Lin Min, a former executive Director.

The Plaintiff first filed a statement of claim (the “**Statement of Claim**”) with the Court on 30 August 2018, whereby, among others, the Plaintiff alleged that (i) Fujian Sanai Pharmaceutical, a then subsidiary of the Company, had entered into a finance lease agreement (the “**Finance Lease Agreement 2016**”) with the Plaintiff on 21 March 2016, pursuant to which the Plaintiff agreed to lease certain assets to Fujian Sanai Pharmaceutical for a term of 36 months with a total leasing cost of RMB134,954,600 at an interest rate of 8.3%; (ii) each of the Company, Lin Ouwen and Lin Min, entered into a guarantee agreement with the Plaintiff respectively to provide joint guarantee (the “**Guarantee**”) for the debts owed by Fujian Sanai Pharmaceutical under the Finance Lease Agreement 2016; and (iii) Fujian Sanai Pharmaceutical had failed to pay the rent payable under the Finance Lease Agreement 2016 since 20 August 2017, and the Company, Lin Ouwen and Lin Min had failed fulfill their obligations as guarantors. The Statement of Claim was received by the Company in July 2019.

As such, the Plaintiff demanded, among others, that (i) Fujian Sanai Pharmaceutical immediately pays to the Plaintiff the unpaid due rent in the amount of RMB33,855,032.69 with the default interest accrued thereon, undue rent in the amount of RMB47,592,982.21, default payment in the amount of RMB4,759,298.22 (being 10% of the undue rent), the legal fees in the amount of RMB800,000, the retention purchase price of RMB100 and the cost incurred in relation to the Litigation; and (ii) the Company, Lin Ouwen and Lin Min be jointly liable for the debts owed by Fujian Sanai Pharmaceutical under the Finance Lease Agreement 2016.

The Plaintiff also submitted to the Court a copy of the alleged minutes of the Board meeting held on 22 March 2016, during which resolutions were passed to approve, inter alia, the provision of the Guarantee by the Company. However, only two of the then Directors, Lin Ouwen and Lin Qingping, were recorded to have attended and voted on the said resolutions.

訴訟

本公司已接獲北京市第四中級人民法院 (「**法院**」) 所發出日期為二零二零年十二月二十二日的民事判決 (「**判決**」)，內容有關北京市文化科技融資租賃股份有限公司 (「**原告**」) 針對 (其中包括) (a) 本公司; (b) 福建三愛藥業有限公司 (「**福建三愛藥業**」) (已於二零一九年四月完成出售); (c) 前執行董事林歐文; 及 (d) 前執行董事林敏提出之民事訴訟 (「**訴訟**」)。

原告最初於二零一八年八月三十日向法院提交申索書 (「**申索書**」)，當中 (其中包括)，原告指稱 (i) 本公司當時的附屬公司福建三愛藥業已於二零一六年三月二十一日與原告訂立融資租賃協議 (「**二零一六年融資租賃協議**」)，據此，原告同意向福建三愛藥業出租若干資產，為期 36 個月，總租賃成本為人民幣 134,954,600 元，利率為 8.3%; (ii) 本公司、林歐文及林敏各自分別與原告訂立擔保協議，為福建三愛藥業於二零一六年融資租賃協議項下所欠債務提供共同擔保 (「**擔保**」); 及 (iii) 福建三愛藥業自二零一七年八月二十日起未有支付二零一六年融資租賃協議項下的應付租金，及本公司、林歐文及林敏未有履行擔保人義務。本公司已於二零一九年七月收到申索書。

因此，原告要求 (其中包括) (i) 福建三愛藥業立即向原告支付未付到期租金人民幣 33,855,032.69 元及就此應計的違約利息、未到期租金人民幣 47,592,982.21 元、違約金人民幣 4,759,298.22 元 (即未到期租金的 10%)、法律費用人民幣 800,000 元、留購價款人民幣 100 元及因訴訟產生的費用; 及 (ii) 本公司、林歐文及林敏對福建三愛藥業於二零一六年融資租賃協議項下所欠債務共同承擔責任。

原告亦向法院提交一份據稱於二零一六年三月二十二日舉行的董事會會議的會議記錄，於會上通過決議案批准 (其中包括) 本公司提供擔保。然而，據記錄，當時的董事中僅兩名董事林歐文及林慶平出席會議並就上述決議案表決。

Directors' Report

董事會報告

Pursuant to the Judgement, among other things, Fujian Sanai Pharmaceutical shall, within ten days of the Judgement, pay to the Plaintiff the unpaid due rent under the Finance Lease Agreement 2016 in the amount of RMB33,855,032.69 with the default interest accrued thereon, the accelerated due rent under the Finance Lease Agreement 2016 in the amount of RMB47,592,982.21, the default payment in the amount of RMB4,759,298.22, the retention purchase price of RMB100, the legal fees in the amount of RMB800,000, the announcement fees in the amount of RMB2,650, the preservation insurance fees in the amount of RMB175,636.06 and the preservation fees in the amount of RMB5,000 (collectively the **"Judgement Amount"**); and the Company, Lin Ouwen and Lin Min shall be jointly liable for the Judgement Amount, and they are entitled to claim against Fujian Sanai Pharmaceutical after discharging such joint liabilities.

The Company has lodged an appeal (the **"Appeal"**) against the Judgement to 北京市高級人民法院 (the Higher People's Court of Beijing*) on 22 January 2021.

In the Appeal, the Company has pleaded to 北京市高級人民法院 (the Higher People's Court of Beijing*) to rule that the Finance Lease Agreement 2016 and the Guarantee were invalid, and to reject all of the Plaintiff's claims.

On 18 December 2023, the Company has received a 民事裁定書 (civil judgement) (the **"Civil Judgement"**) on the Appeal from the 北京市高級人民法院 (the Higher People's Court of Beijing*). Pursuant to the Civil Judgement, among other things, (i) the judgement of 北京市第四中級人民法院 (the No. 4 Intermediate Peoples' Court of Beijing) (the **"Intermediate People's Court"**) was dismissed; and (ii) the case was returned to the Intermediate People's Court for retrial.

As at the date of this annual report, the hearing of the retrial at the Intermediate People's Court (the **"Retrial"**) is in progress.

For further details, please refer to the announcements of the Company dated 18 January 2021, 4 February 2021, 1 June 2023 and 19 December 2023.

CORPORATE GOVERNANCE

Report of the corporate governance principles and practices adopted by the Company is set out on pages 14 to 27 of this annual report.

根據判決，其中包括：福建三愛藥業應在判決十日內，向原告支付二零一六年融資租賃協議項下的未付到期租金人民幣33,855,032.69元及就此應計的違約利息、二零一六年融資租賃協議項下剩餘的到期租金人民幣47,592,982.21元、違約金人民幣4,759,298.22元、留購價款人民幣100元、法律費用人民幣800,000元、公告費用人民幣2,650元、保全保險費人民幣175,636.06元及保全費用人民幣5,000元（統稱為「**判決金額**」）；及本公司、林歐文及林敏應共同承擔判決金額，彼等在解除共同承擔的有關責任後有權向福建三愛藥業申索賠償。

本公司已於二零二一年一月二十二日就判決向北京市高級人民法院提出上訴（「**上訴**」）。

於上訴中，本公司已向北京市高級人民法院提出抗辯，裁定二零一六年融資租賃協議及擔保無效，並駁回原告的所有申索。

於二零二三年十二月十八日，本公司收到北京市高級人民法院就上訴所發出的民事裁定書（「**民事裁定書**」）。根據民事裁定書（其中包括），(i)北京市第四中級人民法院（「**中級人民法院**」）的判決被駁回；及(ii)案件發還中級人民法院重審。

於本年報日期，中級人民法院的重審聆訊（「**重審**」）正在進行。

更多詳情，請參閱本公司日期為二零二一年一月十八日、二零二一年二月四日、二零二三年六月一日及二零二三年十二月十九日的公告。

企業管治

有關本公司採納的企業管理原則及常規的報告載於本年報第14至27頁。

SUFFICIENCY OF PUBLIC FLOAT

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

DONATIONS

During the year under review, the Group did not make any charitable donations (2022: Nil).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Upon specific enquiries made by the Company, all Directors have confirmed that they have fully complied with the required standards as set out in the Model Code throughout the Reporting Period.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors or any of their connected entities had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group which the Company or any of its subsidiaries was a party to or involved in at the end of the year under review or at any time during the Reporting Period.

CONTRACTS OF SIGNIFICANCE

No contract of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of the year under review or at any time during the year under review, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of the year under review or at any time during the Reporting Period.

COMPETING INTERESTS

None of the Directors had an interest in a business which competes or may compete with the business of the Company or has any other conflict of interest with the Company during the Reporting Period.

足夠公眾持股量

根據本公司公開資料並就董事所知，截至二零二三年十二月三十一日止年度及直至本年報日期，根據上市規則的要求，本公司維持足夠公眾持股量。

捐款

於回顧年度內，本集團並無作出任何慈善捐款（二零二二年：無）。

證券交易標準守則

本公司已採納上市規則附錄C3所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之操守準則。經本公司作出具體查詢後，全體董事確認，彼等於報告期內已全面遵守標準守則所載之規定標準。

董事於交易、安排或合約之權益

於回顧年度結束時或於報告期內任何時間，概無董事或任何彼等之關連實體於本公司或任何其附屬公司所訂立或所牽涉的對本集團業務而言屬重大的任何交易、安排或合約中擁有（不論直接或間接）重大權益。

重大合約

於回顧年度結束時或於報告期內任何時間，本公司或其任何附屬公司與本公司控股股東或其任何附屬公司之間概無重大合約存續，亦概無本公司控股股東或其任何附屬公司訂立以向本公司或其任何附屬公司提供服務的重大合約存續。

競爭權益

於報告期內，概無董事於與本公司業務構成或可能構成競爭的業務中擁有權益，且並無與本公司存在任何其他利益衝突。

Directors' Report

董事會報告

AUDIT COMMITTEE

In compliance with Rule 3.21 of the Listing Rules, the Board has established an audit committee with written terms of reference on 8 January 2007. The primary duties of the audit committee are to review the financial reporting procedures and internal control and risk management systems and provides guidance in relation thereto. The Audit Committee comprises three independent non-executive Directors as at the date of this annual report.

The Audit Committee has reviewed the accounting principles and practice adopted by the Company as well as the audited financial statements of the Company for the year ended 31 December 2023 before recommending to the Board for approval.

AUDITORS

The consolidated financial statements for the year ended 31 December 2023 have been audited by Mazars CPA Limited ("Mazars"). Mazars has been the auditor of the Company since 11 November 2022 and the consolidated financial statements for the year ended 31 December 2022 have also been audited by Mazars. Mazars will retire, and being eligible, offer themselves for re-appointed at the forthcoming annual general meeting. A resolution for its reappointment as auditor of the Company will be proposed.

BUSINESS REVIEW

Business Performance and Future Development

The discussion on the Group's business performance and future development, being part of the Directors' Report, is set out in the section headed "Management Discussion and Analysis" of this annual report.

Key Financial Performance Indicators

The analysis of the Group's key financial performance indicators, being part of the Directors' Report, is set out in the section headed "Management Discussion and Analysis" of this annual report.

RISKS RELATING TO OUR BUSINESS

Our newly launched products may not be well received by the market.

The success of a pharmaceutical company depends, to a large extent, on whether the products it introduces to the market are well received by the market. The primary factors which may affect the acceptance of our products by the market include efficacy, quality and price. In particular, the introduction of new products requires substantial investment of capital resources and research and development efforts. If any of our new drugs is not well received by the market because its efficacy is not as good as expected, it is too expensive compared to other substitutes, or for any other reason, we may not be able to recoup the investment we have made in developing such new drug, in which case our financial condition and results of operations may be materially and adversely affected.

審核委員會

為遵守上市規則第3.21條，董事會已於二零零七年一月八日成立審核委員會，並書面釐定其職權範圍。審核委員會主要職責為審閱財務申報程序及內部監控及風險管理系統，並就此提供指引。於本年報日期，審核委員會由三名獨立非執行董事組成。

審核委員會已審閱本公司所採納的會計政策及常規，並在建議董事會批准前已審閱本公司截至二零二三年十二月三十一日止年度的經審核財務報表。

核數師

截至二零二三年十二月三十一日止年度的綜合財務報表經中審眾環(香港)會計師事務所有限公司(「中審眾環」)審核。中審眾環自二零二二年十一月十一日起一直為本公司核數師，及截至二零二二年十二月三十一日止年度的綜合財務報表亦經中審眾環審核。中審眾環將於應屆股東週年大會退任及合資格並願意獲再度委任。我們將提呈有關中審眾環續任本公司核數師的決議案。

業務審視

業務表現和未來發展

本集團的業務表現和未來發展的討論載於本年報「管理層討論與分析」一節，該等討論為董事會報告的一部分。

關鍵財務表現指標

本集團的財務關鍵表現指標的分析載於本年報「管理層討論與分析」一節，該等討論為董事會報告的一部分。

與本公司業務有關的風險

本公司的新產品未必受到市場歡迎。

醫藥公司成功與否，很大程度上取決於其產品是否受到市場歡迎，而影響市場對本公司產品接納程度的主要因素，則包括療效、質量與價格。其中，推介新產品尤其需要投入大量資本資源和研發力度。若因療效未如預期般理想、與其他替代品相比價格過於昂貴、或任何其他原因，以致本公司任何新藥未受到市場歡迎，則本公司未必能夠收回開發該等新藥的投資，如此可能會對本公司的財務狀況及經營業績造成實質性不利影響。

RISKS RELATING TO OUR INDUSTRY

The pharmaceutical industry is extremely competitive.

Our business is subject to competitions from other pharmaceutical manufacturers. Chinese and international pharmaceutical manufacturers engaged in the manufacture and sale of substitute or similar products to ours in China may have more capital resources, better research and development capabilities and more experience in manufacturing and marketing. Many of our competitors, including large pharmaceutical companies and other generic drug manufacturers, have employed various strategies intended to maximize their market share for previously-patented products. Competition is likely to intensify if (i) the number of manufacturers or distributors of substitute or similar products increases due to increased market demand or increased prices; (ii) competitors drastically reduce prices due to oversupply of products; or (iii) competitors develop new products or substitute products having comparable medicinal applications or therapeutic effects that may be used as direct substitutes for our products which are more effective with prices comparable to or lower than our products.

Our Company is subject to environmental regulations and may be exposed to liability and potential costs for environmental compliance.

We are subject to the PRC laws and regulations concerning the discharge of effluent water and solid waste during our manufacturing processes. We are required to obtain certain clearances and authorizations from governmental authorities for the treatment and disposal of such discharge. Any violation of these regulations may result in substantial fines, criminal sanctions, revocation of operating permits, shutdown of our facilities and obligation to take corrective measures. Our costs of complying with current and future environmental laws and regulations, and liabilities which may potentially arise from the discharge of effluent water and solid waste, may adversely affect our business, financial condition and results of operations.

The PRC government may adopt more stringent environmental regulations and there is no assurance that we will be at all times in full compliance with these regulatory requirements. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental regulations, we may need to incur substantial capital expenditures to install, replace, upgrade or supplement our pollution control equipment or make operational changes to limit any adverse impact or potential adverse impact on the environment in order to comply with new environmental protection laws and regulations. If such costs become prohibitively expensive, we may be forced to modify, curtail or cease certain of our business operations.

與行業有關的風險

藥業的激烈競爭。

本公司的業務需面對其他製藥生產商的競爭。於中國從事生產或銷售本公司產品的代替產品或類似產品的中國或國際製造商或擁有更多的資金來源、更優勝的研究及發展能力，及於生產及市場推廣上有更豐富的經驗。眾多的競爭者包括大型的製藥公司及其他仿製藥製造商，均運用了不同的策略以擴大已獲得專利權產品的市場佔有率。假如(i)生產及分銷代替產品或類似產品的製造商或分銷商的數目因市場需求上升或價格上升而增加；(ii)競爭者因產品供應過剩而大幅降價；或(iii)競爭者所發展的產品或代替產品擁有相近的醫藥用途或醫療功效，並可直接代替本公司的產品，並且更為有效，而價格與本公司的產品相若或更便宜，則本公司所面對的競爭將更加激烈。

本公司須遵守環境法規及為達致環境標準承擔責任及潛在成本。

本公司需遵守有關生產過程中排放污水及固體廢物的中國法律及法規。本公司需為該等排放的處理及棄置從政府機關取得若干許可證及批准。違反這些法規可能引致大額罰款、刑事制裁、撤銷經營許可證、關閉設備及負責執行矯正措施。遵守現時及未來環境法律及法規的成本，以及排放污水及固體廢物所潛在產生的責任或會對本公司的業務、財務狀況及經營業績造成不利影響。

中國政府可能採用更嚴厲的環境法規，概不保證本公司將於所有時間均全面遵守這些法規要求。由於出現不可預知的法規及其他發展的可能性，未來環保開支的金額及時間計算可能與目前所估計的出現重大差異。假如環境法規出現任何不可預知的轉變，本公司將需作出重大的資本開支以安裝、更換、提升或補充本公司的污染控制器材或作出營運模式的轉變，藉此限制任何不利影響或對環境的潛在不利影響，以遵守新的環境保護法律及法規。假如該等成本高昂得無法負擔，本公司將被迫變更、縮減或停止本公司若干的業務營運。

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group understands the importance of environmental protection to the sustained stable development of enterprises. Striving to strike the best balance between cost control and environmental protection, the Group consistently executes various measures on clean production, energy saving, reducing consumption, etc. The Group also carries out regular reviews on various environmental protection measures and routine jobs, to ensure that all environmental protection permission and approval required by the regulatory authorities of the PRC will be granted.

In the meantime, the Group endeavours to create an environmentally-friendly work environment to promote the environmental awareness to employees by encouraging them to use less electricity and paper, and recycle office supplies and other materials.

The Company shall issue the Environmental, Social and Governance Report separately in accordance with the requirements under the Listing Rules in due course.

LAWS AND REGULATIONS THAT HAVE SIGNIFICANT IMPACT ON THE COMPANY

The principal activities of the Group are manufacturing, marketing and selling of branded prescription and non-prescription drugs as well as Chinese pharmaceutical products in the PRC. The production of all pharmaceutical products must comply with the current Good Manufacturing Practice standard of the PRC, and be approved by the China Food and Drug Administration. The Group also needs to comply with the Production Safety Law, Law on Employment Contracts and Company Law of the PRC. As the shares of Company are listed on the Main Board of the Stock Exchange, the Company is also required to comply with the Listing Rules and the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

For the year ended 31 December 2023, the Group is not aware of any occurrence of material breach of laws or regulations that have significant impact on the Group.

The Group acknowledges that as the PRC is in the midst of the critical period for healthcare system reform, it is expected that relevant laws, regulations and policies regarding the healthcare and pharmaceutical industry will be updated frequently. Hence, the Group will pay close attention to the updates and timely implement measures required by the relevant laws and regulations so as to ensure the business and operation are not adversely affected.

環境政策及表現

本集團了解環境保護對企業持續穩定發展的重要性，並貫徹執行清潔生產、節能減耗及減少用量等各項措施，力求在成本控制及環保之間取得最佳平衡。本集團亦定期就各項環保措施及常規工作進行檢討，確保獲得所有中國監管機構所需的環保許可及批文。

本集團同時致力營造一個環保型的工作環境，向員工推廣環保意識，鼓勵節約用電、減少用紙、回收辦公用品及其他材料。

本公司將適時按照上市規則的要求另行刊發《環境、社會及管治報告》。

對本公司有重大影響的法律法規

本集團的業務主要是在中國製造、營銷和銷售品牌處方及非處方西藥和中成藥產品，所有藥品的生產均需符合中國現行生產質量管理規範標準，並通過國家食品藥品監督管理局的認證。本集團同時需要遵守中國的安全生產法、勞動合同法及公司法。由於本公司股份於聯交所主板上市，因此本公司亦需要遵守上市規則和香港法例第622章公司條例的披露規定。

截至二零二三年十二月三十一日止年度，本集團並無知悉有重大違反對其有重大影響的法律及法規的情況。

本集團明白，中國正處於醫療體制改革關鍵時期，預計有關醫療保健及製藥業的相關法律、法規和政策經常更新，故本集團將密切關注，以適時執行相關法律及法規所要求的工作，確保業務及營運不受不利影響。

IMPORTANT RELATIONS WITH STAKEHOLDERS

Employees

The Group endeavours to develop and maintain good working relationship with the employees. The Group provides its directors and senior management with continuous professional trainings, including seminars and workshops, such that the latest changes of regulatory requirements and corporate governance practices can be introduced and considered. Aiming to raise the operational efficiency, the Group also organises various pre-employment and on-the-job trainings to deepen the employees' understanding of its business objectives and operation. For safeguarding the occupational safety and health of employees, the Group spares no effort to provide employees with a safe work environment and enhance their health and safety awareness. In addition, the Group provides competitive remuneration, rewards program, retirement and medical benefits to attract, retain and incentivise employees.

Suppliers

The Group selects the suppliers prudently and requires them to satisfy certain evaluation criteria, including track records, experience, financial strength, legal and regulatory compliances, reputation, ability to manufacture high-quality products, etc. The Group has developed long-term collaborative relationships with various suppliers and endeavours to make sure that they comply with the Group's commitment to quality and ethics.

Sales Agents and Distributors

The Group sells pharmaceutical products to drug stores through sales agents and distributors. The Group requires the sales agents and distributors to comply with the relevant laws and regulations and the Group's marketing policies. The Group also collaborates with the distributors by providing training for their frontline salespersons to ensure that they provide high-quality sales services.

CHANGES IN INFORMATION OF DIRECTORS

There is no change of information of the Directors subsequent to the date of the annual report for the year ended 31 December 2022 which is required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

By order of the Board

SHE HAO

Executive Director

Hong Kong, 27 March 2024

與權益人之重要關係

僱員

本集團致力與僱員建立及維繫良好的工作關係。本集團向董事及高級管理層提供持續專業培訓，包括舉辦講座及工作坊，以介紹並研究監管要求及企業管治常規的最新動態。本集團亦舉辦各項職前及在職培訓，加深員工對業務目標及營運的認識，以提升本集團的營運效率。為保障員工的職業安全與健康，本集團亦不遺餘力，致力為員工提供安全的工作環境、增強其健康安全意識。另外，本集團提供具競爭性的薪酬待遇、獎勵計劃、退休和醫療福利，以吸引、挽留及激勵僱員。

供貨商

本集團審慎挑選供貨商，並要求其滿足若干評估標準，包括往績記錄、經驗、財務實力、合法合規、聲譽、生產高質素產品的能力等。本集團已與多家供貨商建立長期的合作關係，並盡力確保彼等遵守本集團對質素及道德的承諾。

銷售代理及經銷商

本集團透過銷售代理及經銷商向藥店銷售藥品。本集團要求銷售代理及經銷商遵守相關法例、法規及本集團的銷售推廣政策。本集團亦與經銷商合作，提供培訓予其前線銷售人員，確保彼等提供優質的銷售服務。

董事資料變動

截至二零二二年十二月三十一日止年度之年度報告日期後的董事資料並無任何須根據上市規則第13.51B條作出披露的變動。

承董事會命

余昊

執行董事

香港，二零二四年三月二十七日

Independent Auditor's Report

獨立核數師報告

mazars

MAZARS CPA LIMITED
中審眾環(香港) 會計師事務所有限公司
42nd Floor, Central Plaza,
18 Harbour Road, Wan Chai, Hong Kong
香港灣仔港灣道18號中環廣場42樓
Tel 電話 : (852) 2909 5555
Fax 傳真 : (852) 2810 0032
Email 電郵 : info@mazars.hk
Website 網址 : www.mazars.hk

TO THE MEMBERS OF
SANAI HEALTH INDUSTRY GROUP COMPANY LIMITED
三愛健康產業集團有限公司
(Incorporated in the Cayman Islands with limited liability)

致三愛健康產業集團有限公司的股東
(於開曼群島註冊成立的有限公司)

QUALIFIED OPINION

We have audited the consolidated financial statements of Sanai Health Industry Group Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), set out on pages 57 to 158, which comprise the consolidated statement of financial position at 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

保留意見

吾等已審核三愛健康產業集團有限公司(「**貴公司**」)連同其附屬公司(統稱「**貴集團**」)載於第57至158頁之綜合財務報表,其中包括二零二三年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表、綜合現金流量表及綜合財務報表附註,包括重大會計政策資料。

In our opinion, except for the possible effects of the matter described in the “*Basis for Qualified Opinion*” section of our report, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2023, and of its financial performance and 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 (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

吾等認為,除吾等之報告中「保留意見之基礎」一節所述事宜之可能影響外,綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈之香港財務報告準則(「**香港財務報告準則**」)真實而公允反映 貴集團於二零二三年十二月三十一日之財務狀況以及截至該日止年度之財務表現及現金流量,並已遵照香港公司條例之披露規定妥為編製。

BASIS FOR QUALIFIED OPINION

Provision for litigation

Due to the uncertainties in relation to the litigation as disclosed in Note 38 to the consolidated financial statements, we were unable to obtain sufficient appropriate audit evidence to assess whether any provision should be provided in relation to the litigation at 31 December 2023 and 2022 and the profit or loss effect on any provision for the litigation should be reported for the years ended 31 December 2023 and 2022.

保留意見之基礎

訴訟撥備

由於綜合財務報表附註38所披露與訴訟有關的不確定因素,吾等無法獲得充足適當的審計憑證,以評估是否應就二零二三年及二零二二年十二月三十一日的訴訟計提任何撥備,以及是否應呈報截至二零二三年及二零二二年十二月三十一日止年度的任何訴訟撥備損益影響。

BASIS FOR QUALIFIED OPINION (Continued)

Provision for litigation (Continued)

We were unable to determine whether any adjustments to the figures as described above were necessary which might have a consequential effect on the Group's financial performance and the elements making up its consolidated statement of changes in equity and its consolidated cash flow statement for the years ended 31 December 2023 and 2022 and the financial position of the Group at 31 December 2023 and 2022, and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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 qualified opinion.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information included in the 2023 Annual Report of the Company but does not include 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. As described in the "Basis for Qualified Opinion" section above, we were unable to obtain sufficient appropriate evidence about the provision for litigation. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

保留意見之基礎(續)

訴訟撥備(續)

吾等無法釐定是否有必要對上文所述數字作出任何調整，有關調整可能對貴集團截至二零二三年及二零二二年十二月三十一日止年度的財務表現及構成綜合權益變動表及綜合現金流量表的元素以及貴集團於二零二三年及二零二二年十二月三十一日的財務狀況及其在綜合財務報表中的相關披露產生相應影響。

吾等已根據香港會計師公會頒佈的香港審核準則(「香港審核準則」)進行審核。吾等在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表須承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《職業會計師道德守則》(「守則」)，吾等獨立於貴集團，且吾等已遵循守則其他道德責任。吾等相信，吾等所獲得的審核憑證能充分適當地為吾等的保留意見提供基礎。

其他資料

貴公司董事須對其他資料負責。其他資料包括刊載於貴公司二零二三年年報內的所有資料，但不包括綜合財務報表及吾等的核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對該等其他資料發表任何形式的核證結論。

就吾等對綜合財務報表的審核而言，吾等的責任是閱覽其他資料，並在此過程中考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於吾等已執行的工作，如果吾等認為其他資料存在重大錯誤陳述，吾等需要報告該事實。誠如上文「保留意見之基礎」一節所述，吾等無法取得有關訴訟撥備之充分適當憑證。因此，吾等無法就此方面的其他資料是否存在重大錯誤陳述作出結論。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the “Basis for Qualified Opinion” section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

關鍵審核事項

Trade receivables and finance lease receivables

貿易應收款項及融資租賃應收款項

The Group tested the amount of trade receivables and finance lease receivables for recoverability and the provision for expected credit loss. This recoverability review is significant to our audit because the balance of trade receivables and finance lease receivables of approximately RMB22,950,000 and RMB9,689,000 at 31 December 2023, respectively. We have identified the recoverability assessment and the provision for expected credit loss as a key audit matter because the amount involved is significant and such assessment involved significant judgement and estimation made by the management of the Group.

貴集團測試貿易應收款項及融資租賃應收款項金額的可收回性以及預期信貸虧損撥備。此可收回性審閱對吾等的審核而言屬重大，原因為於二零二三年十二月三十一日的貿易應收款項及融資租賃應收款項結餘分別約為人民幣22,950,000元及人民幣9,689,000元。吾等已將可收回性評估及預期信貸虧損撥備識別為關鍵審核事項，原因為所涉金額重大及有關評估涉及貴集團管理層作出的重大判斷及估計。

Related disclosures are included in Notes 2, 4, 5, 19 and 20 to the consolidated financial statements.

相關披露載於綜合財務報表附註2、4、5、19及20。

關鍵審核事項

關鍵審核事項是根據吾等的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。該等事項是在吾等審核整體綜合財務報表及出具意見時進行處理。吾等不會對該等事項提供單獨的意見。除「保留意見之基礎」一節所述事宜外，吾等釐定下述事宜為須於本報告溝通之關鍵審核事項。

How our audit addressed the key audit matter

吾等之審計如何處理關鍵審核事項

Our procedures, among others, included:

吾等的審核程序其中包括：

- (a) understanding the Group's policies and procedures on granting credit limits and credit periods to customers and the Group's impairment provisioning policy in accordance with the requirements of applicable accounting standards;
- (a) 根據適用會計準則了解貴集團向客戶授出信貸額及信貸期的政策及程序及評估貴集團計提減值撥備的政策；
- (b) assessing the Group's relationship and transaction history with the customers;
- (b) 評估貴集團與客戶的關係及交易歷史；
- (c) evaluating the Group's recoverability assessment;
- (c) 評價貴集團的可收回性評估；
- (d) assessing, on a sample basis, the accuracy of ageing categories of the trade receivables;
- (d) 抽樣評估貿易應收款項賬齡分類的準確性；
- (e) assessing creditworthiness of the customers;
- (e) 評估客戶的信譽；
- (f) checking, on a sample basis, subsequent settlements from the customers; and
- (f) 抽樣檢查客戶的其後結算情況；及
- (g) assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.
- (g) 評估貴集團於綜合財務報表披露的信貸風險。

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

Valuation of convertible notes designated as financial liabilities at fair value through profit or loss

指定為按公平值計入損益之金融負債的可換股票據之估值

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

As 31 December 2023, the fair value of the convertible notes was approximately RMB53,214,000.

於二零二三年十二月三十一日，可換股票據之公平值約為人民幣53,214,000元。

The management of the Group engaged an independent professional valuer to estimate the fair value of the convertible notes at 31 December 2023.

貴集團管理層委任獨立專業估值師估計可換股票據於二零二三年十二月三十一日之公平值。

We have identified the valuation of the convertible notes as a key audit matter because the amount involved is significant and the valuation of the convertible notes and the related disclosures require market data and modelling techniques which rely on a range of inputs. Where observable market data are not available, or where instruments are not liquid, estimates must be developed based on the most appropriate source data. These estimates are subject to significant judgement. In addition, we have identified the disclosure of the fair value of the convertible notes in the fair value hierarchy as an area of focus. Besides, the recognition and measurement of the convertible notes involved significant judgement and estimates made by the management of the Group.

吾等已識別可換股票據之估值為關鍵審核事項，原因為所涉金額重大及可換股票據之估值及有關披露需要市場數據及倚賴大量輸入數據之建模技巧。倘可觀察市場數據無法取得，或倘工具未具流通性，則必須根據最適當之來源數據作出估計。該等估計受重大判斷限制。除此之外，吾等已將於公平值層級內披露可換股票據之公平值識別為重心。此外，可換股票據之確認及計量牽涉貴集團管理層之重大判斷及估計。

Related disclosures are included in Notes 2, 4, 5 and 25 to the consolidated financial statements.

相關披露載於綜合財務報表附註2、4、5及25。

Our procedures, among others, included:

吾等執行之程序包括(其中包括)：

- (a) evaluating the competence, capabilities and objectivity of the independent professional valuer;
- (a) 評價獨立估值師之技能、能力及客觀性；
- (b) assessing and evaluating the appropriateness of the valuation methodology, and the reasonableness on the key inputs and assumptions used by the independent professional valuer and agreed by the management of the Group including the discount rate and share price;
- (b) 評估及評價估值方法是否合適，及評估貴集團獨立專業估值師所用及管理層所同意之重大輸入數據(包括貼現率及股價)及假設的合理程度；
- (c) evaluating the sensitivity analysis performed by the independent professional valuer in relation to the fluctuation on the discount rate and share price of the Company's shares; and
- (c) 評價獨立專業估值師就貼現率及貴公司股份之股價波動所實施之敏感度分析；及
- (d) assessing the adequacy of the Group's disclosure made in the consolidated financial statements in relation to the convertible notes.
- (d) 評估貴集團於綜合財務報表中就可換股票據作出的披露是否足夠。

Independent Auditor's Report

獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

董事及治理層就綜合財務報表須承擔的責任

貴公司董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編制綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大失實陳述。

在編製綜合財務報表時，貴公司董事有責任評估貴集團持續經營的能力，披露（如適用）與持續經營有關的事項，並使用持續經營會計基準（除非董事擬將貴集團清盤或終止經營，或除此之外並無其他可行的選擇）。

管治層須負責監督貴集團的財務報告過程。

核數師就審核綜合財務報表須承擔的責任

吾等的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。本報告僅向閣下（作為整體）報告，除此之外本報告別無其他用途。吾等概不會就本報告之內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審核準則進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其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。

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors of the Company 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.

核數師就審核綜合財務報表須承擔的責任(續)

作為按照香港核數準則進行審計的一部分，吾等在整個審計期間作出專業判斷並保持專業懷疑。吾等亦：

- 識別及評估綜合財務報表中存在重大失實陳述(不論因欺詐或錯誤導致)的風險，設計及執行應對該等風險的審計程序，並取得充分適當的審計證據，為吾等的意見提供基礎。未發現欺詐導致重大失實陳述的風險高於錯誤導致重大失實陳述的風險，原因是欺詐可能涉及勾結、偽造、故意遺漏、虛假陳述或超越內部控制。
- 取得與審計相關的內部控制的理理解，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適當性及所作出會計估計和相關披露的合理性。
- 對 貴公司董事使用持續經營會計基準的適當性，及(基於所取得的審計證據)是否存在與事件或狀況相關且可能導致對 貴集團持續經營能力產生重大疑問的重大不確定性得出結論。倘若吾等認為存在重大不確定性，需要在核數師報告中提請注意綜合財務報表的相關披露或(如該披露不足)修改吾等的意見。吾等的結論基於截至核數師報告日期所獲得的審計證據。然而，未來事件或狀況可能導致 貴集團無法持續經營。
- 評價綜合財務報表的整體呈報、結構及內容，包括披露及綜合財務報表是否按實現公平呈報的方式反映了相關交易及事件。

Independent Auditor's Report 獨立核數師報告

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 those charged with governance 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 those charged with governance 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 those charged with governance, 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.

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 27 March 2024

The engagement director on the audit resulting in this independent auditor's report is:

She Shing Pang

Practising Certificate number: P05510

核數師就審核綜合財務報表須承擔的責任(續)

- 獲取有關 貴集團內實體或業務活動的財務資料的充分適當的審計證據，以對綜合財務報表發表意見。吾等負責指導、監督及進行集團審計。吾等仍然對吾等的審計意見承擔全部責任。

吾等就(其中包括)審計的規劃範圍及時間與重大審計結果(包括吾等在審計中發現的內部控制重大缺陷)與治理層溝通。

吾等亦向治理層提供一份聲明，表示吾等已遵守有關獨立性的相關道德要求，並就合理可能導致對吾等獨立性產生疑問的所有關係及(如適用)為消除所適用的威脅或保障措施採取的行動。

根據與治理層溝通的事項，吾等認為有關事項是對審計本期綜合財務報表而言最重要的事項，因此屬於關鍵審計事項。吾等在核數師報告中說明該等事項，除非法律或法規禁止公開披露該事項，或(在極少數情況下)由於其不利後果合理預期將超過公開披露所帶來的公共利益，吾等認為該事項不應在吾等的報告中披露。

中審眾環(香港)會計師事務所有限公司 執業會計師

香港，二零二四年三月二十七日

編製本獨立核數師報告的董事為：

余勝鵬

執業證書編號：P05510

Consolidated Statement of Profit or Loss

綜合損益表

Year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		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
Revenue	收益	8	122,098	175,923
Cost of sales and services rendered	銷售及提供服務之成本		(86,913)	(84,248)
Gross profit	毛利		35,185	91,675
Other income	其他收入	9	536	359
Distribution costs	分銷成本		(780)	(1,602)
Administrative and other operating expenses	行政及其他運營開支		(15,390)	(17,512)
Write-off of inventories	存貨撇銷		(52)	(164)
(Provision for) Reversal of impairment loss on trade receivables, net	貿易應收款項減值虧損(撥備)撥回淨額	19	(1,514)	807
Reversal of (Provision for) impairment loss on finance lease receivables, net	融資租賃應收款項減值虧損撥回(撥備)淨額	20	3,914	(4,135)
(Provision for) Reversal of impairment loss on other receivables	其他應收款項減值虧損(撥備)撥回		(37)	1,753
Equity-settled share-based payment expenses	以權益結算以股份為基礎之付款開支	31	-	(9,722)
Changes in fair value of convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之金融負債的可換股票據之公平值變動	25	2,554	(1,412)
Loss on disposal of subsidiaries	出售附屬公司虧損		-	(2,484)
Finance costs	財務成本	10	(2,052)	(1,792)
Profit before income tax	除所得稅前溢利	10	22,364	55,771
Income tax expenses	所得稅開支	12	(8,997)	(20,574)
Profit for the year	年內溢利		13,367	35,197
Profit (Loss) for the year attributable to:	下列人士應佔年內溢利(虧損):			
Owners of the Company	本公司擁有人		18,633	29,217
Non-controlling interests	非控股權益	36	(5,266)	5,980
			13,367	35,197
Earnings per share	每股盈利	14		
Basic (RMB cent)	基本(人民幣分)		0.58	0.95
Diluted (RMB cent)	攤薄(人民幣分)		0.51	0.89

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

Year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		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
Profit for the year	年內溢利		13,367	35,197
Other comprehensive expenses:	其他全面開支：			
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>其後或會重新分類至損益之項目</i>			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		(803)	(1,158)
Release of translation reserve upon disposal of subsidiaries	出售附屬公司時釋放匯兌儲備		-	(847)
Total other comprehensive expenses	其他全面開支總額		(803)	(2,005)
Total comprehensive income for the year	年內全面收益總額		12,564	33,192
Total comprehensive income (expenses) for the year attributable to:	下列人士應佔年內全面收益(開支)總額：			
Owners of the Company	本公司擁有人		17,830	27,212
Non-controlling interests	非控股權益	36	(5,266)	5,980
			12,564	33,192

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2023 於二零二三年十二月三十一日

		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
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	6,508	7,590
Right-of-use assets	使用權資產	16	5,673	5,589
Intangible assets	無形資產	17	2,454	4,419
Finance lease receivables	融資租賃應收款項	20	-	9,788
			14,635	27,386
CURRENT ASSETS	流動資產			
Inventories	存貨	18	487	438
Trade and other receivables	貿易應收款項及其他應收款項	19	25,947	12,674
Tax recoverable	可收回稅項		32	30
Finance lease receivables	融資租賃應收款項	20	9,689	322,257
Financial assets at FVPL	按公平值計入損益之金融資產	21	176	195
Cash and cash equivalents	現金及現金等價物	22	332,474	21,839
			368,805	357,433
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易應付款項及其他應付款項	23	43,317	45,490
Interest-bearing borrowings	計息借款	24	7,697	4,653
Lease liabilities	租賃負債	16	796	270
Convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之金融負債的可換股票據	25	-	65,089
Tax payables	應付稅項		7,363	11,084
			59,173	126,586
NET CURRENT ASSETS	淨流動資產		309,632	230,847
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		324,267	258,233
NON-CURRENT LIABILITIES	非流動負債			
Lease liabilities	租賃負債	16	771	1,055
Convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之金融負債的可換股票據	25	53,214	-
Deferred tax liabilities	遞延稅項負債	26	611	1,101
			54,596	2,156
NET ASSETS	淨資產		269,671	256,077
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	27	29,865	29,742
Reserves	儲備		234,584	215,847
Equity attributable to owners of the Company	本公司擁有人應佔權益		264,449	245,589
Non-controlling interests	非控股權益	36	5,222	10,488
TOTAL EQUITY	總權益		269,671	256,077

The consolidated financial statements on pages 57 to 158 were approved and authorised for issue by the Board of Directors on 27 March 2024 and signed on its behalf by

第57至158頁的綜合財務報表已於二零二四年三月二十七日經董事會批准及授權刊發，並由以下人士代表簽署：

Yuan Chaoyang
袁朝陽
DIRECTOR
董事

She Hao
余昊
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		Reserves							Non-controlling interests	Total equity	
		Share capital	Share premium	Share option reserve	Special reserve	Statutory surplus reserve	Translation reserve	Accumulated losses			Total reserves
		股本	股份溢價	購股權儲備	特別儲備	法定盈餘儲備	匯兌儲備	累計虧損	總儲備	非控股權益	總權益
		(Note 27)	(Note 28(a))	(Note 28(b))	(Note 28(c))	(Note 28(d))	(Note 28(e))				
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2022	於二零二二年一月一日	28,601	1,254,954	1,647	(10,416)	838	2,882	(1,079,435)	170,470	20,480	219,551
Profit for the year	年內溢利	-	-	-	-	-	-	29,217	29,217	5,980	35,197
Other comprehensive expenses:	其他全面開支：										
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>其後或會重新分類至損益之項目</i>										
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	-	(1,158)	-	(1,158)	-	(1,158)
Release of translation reserve upon disposal of subsidiaries	出售附屬公司時釋放匯兌儲備	-	-	-	-	-	(847)	-	(847)	-	(847)
Total other comprehensive expenses	其他全面開支總額	-	-	-	-	-	(2,005)	-	(2,005)	-	(2,005)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(2,005)	29,217	27,212	5,980	33,192
Transactions with owners:	與擁有人交易：										
<i>Contributions and distributions</i>	<i>出資及分派</i>										
Issue of shares upon exercise of share options (Note 27)	於行使購股權時發行股份(附註27)	1,141	8,443	-	-	-	-	-	8,443	-	9,584
Recognition of equity-settled share-based payment expenses (Note 31)	確認以股本結算以股份支付之開支(附註31)	-	-	9,722	-	-	-	-	9,722	-	9,722
Dividends paid to non-controlling interests	付予非控股權益的股息	-	-	-	-	-	-	-	-	(15,972)	(15,972)
Appropriation of statutory reserve	轉撥法定儲備	-	-	-	-	9,746	-	(9,746)	-	-	-
Total transactions with owners	與擁有人交易總額	1,141	8,443	9,722	-	9,746	-	(9,746)	18,165	(15,972)	3,334
At 31 December 2022	於二零二二年十二月三十一日	29,742	1,263,397	11,369	(10,416)	10,584	877	(1,059,964)	215,847	10,488	256,077

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		Reserves							Non-controlling interests	Total equity	
		Share capital	Share premium	Share option reserve	Special reserve	Statutory surplus reserve	Translation reserve	Accumulated losses			Total reserves
		股本	股份溢價	購股權儲備	特別儲備	法定盈餘儲備	匯兌儲備	累計虧損	總儲備	非控股權益	總權益
		(Note 27)	(Note 28(a))	(Note 28(b))	(Note 28(c))	(Note 28(d))	(Note 28(e))				
		(附註27)	(附註28(a))	(附註28(b))	(附註28(c))	(附註28(d))	(附註28(e))				
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2023	於二零二三年一月一日	29,742	1,263,397	11,369	(10,416)	10,584	877	(1,059,964)	215,847	10,488	256,077
Profit for the year	年內溢利	-	-	-	-	-	-	18,633	18,633	(5,266)	13,367
Other comprehensive expenses:	其他全面開支：										
<i>Item that may be reclassified subsequently to profit or loss</i>	<i>其後或會重新分類至損益之項目</i>										
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	-	(803)	-	(803)	-	(803)
Total other comprehensive expenses	其他全面開支總額	-	-	-	-	-	(803)	-	(803)	-	(803)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(803)	18,633	17,830	(5,266)	12,564
Transactions with owners:	與擁有人交易：										
<i>Contributions and distributions</i>	<i>出資及分派</i>										
Issue of shares upon exercise of share options (Note 27)	於行使購股權時發行股份(附註27)	123	907	-	-	-	-	-	907	-	1,030
Share options forfeited (Note 27)	已沒收購股權(附註27)	-	-	(1,647)	-	-	-	1,647	-	-	-
Appropriation of statutory reserve	轉撥法定儲備	-	-	-	-	2,784	-	(2,784)	-	-	-
Total transactions with owners	與擁有人交易總額	123	907	(1,647)	-	2,784	-	(1,137)	907	-	1,030
At 31 December 2023	於二零二三年十二月三十一日	29,865	1,264,304	9,722	(10,416)	13,368	74	(1,042,468)	234,584	5,222	269,671

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2023 截至二零二三年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
Cash flow from operating activities	經營活動之現金流量		
Profit before tax	除稅前溢利	22,364	55,771
Adjustments for:	為下列各項調整：		
Interest income	利息收入	(445)	(79)
Finance costs	融資成本	2,052	1,792
Write-off of property, plant and equipment	物業、廠房及設備撇銷	-	31
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,171	1,285
Depreciation of right-of-use assets	使用權資產折舊	926	275
Amortisation of intangible assets	無形資產攤銷	1,965	1,964
Write-off of inventories	存貨撇銷	52	164
Loss on disposal of subsidiaries	出售附屬公司之虧損	-	2,484
Equity-settled share-based payment expenses	以權益結算以股份為基礎之付款開支	-	9,722
Changes in fair value of financial assets at FVPL, net	按公平值計入損益之金融資產的公平值變動淨額	19	252
Changes in fair value of convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之金融負債的可換股票據之公平值變動	(2,554)	1,412
Rent concession received	已獲得的租金寬減	(68)	-
(Reversal of) Provision for impairment loss on finance lease receivables, net	融資租賃應收款項減值虧損(撥回)撥備淨額	(3,914)	4,135
Provision for (Reversal of) impairment loss on other receivables	其他應收款項減值虧損撥備(撥回)	37	(1,753)
Provision for (Reversal of) impairment loss for trade receivables, net	貿易應收款項減值虧損撥備(撥回)淨額	1,514	(807)
Exchange difference	匯兌差額	1,543	-
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	24,662	76,648
Changes in working capital:	營運資金變動：		
Inventories	存貨	(101)	3,052
Trade and other receivables	貿易應收款項及其他應收款項	(14,824)	39,880
Trade and other payables	貿易應付款項及其他應付款項	(2,110)	(34,836)
Finance lease receivables	融資租賃應收款項	326,270	(120,630)
Cash generated from (used in) operations	經營活動所得(所用)現金	333,897	(35,886)
Income tax paid	已付所得稅	(13,210)	(20,304)
Net cash from (used in) operating activities	經營活動所得(所用)現金淨額	320,687	(56,190)

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2023 截至二零二三年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
Cash flow from investing activities	投資活動所得現金流量		
Interest received	已收利息	445	79
Purchase of property, plant and equipment	購買物業、廠房及設備	(82)	(27)
Net cash outflow from disposal of subsidiaries	出售附屬公司產生的現金流出淨額	-	(67)
Net cash from (used in) investing activities	投資活動所得(所用)現金淨額	363	(15)
Cash flow from financing activities	融資活動所得現金流量		
Proceeds from issue of shares upon exercise of share options	於行使購股權時發行股份之所得款項	1,030	9,584
Inception of interest-bearing borrowings	借入計息借貸	3,044	4,653
Proceeds from issue of convertible notes	發行可換股票據所得款項	-	63,677
Partial redemption of convertible notes	部分贖回可換股票據	(10,864)	-
Dividends paid to non-controlling interests	付予非控股權益的股息	-	(15,972)
Payment for lease liabilities	支付租賃負債	(780)	(164)
Interest paid	已付利息	(2,033)	-
Net cash (used in) from financing activities	融資活動(所用)所得現金淨額	(9,603)	61,778
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	311,447	5,573
Cash and cash equivalents at beginning of the reporting period	報告期初現金及現金等價物	21,839	16,297
Effect of foreign exchange rates changes	外匯匯率變動之影響	(812)	(31)
Cash and cash equivalents at end of the reporting period, represented by bank balances and cash	報告期末現金及現金等價物，以銀行結餘及現金列示	332,474	21,839

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

1. GENERAL INFORMATION

Sanai Health Industry Group Company Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) was incorporated in the Cayman Islands on 21 March 2006 and registered as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Cayman Companies Law**”). Its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 1 February 2007. The address of the registered office of the Company is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands. The principal place of business of the Company is Unit 5, 7/F., Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company and the principal activities of its subsidiaries are set out in Note 35 to the consolidated financial statements. The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

A summary of the significant accounting policies adopted by the Group is set out below.

1. 一般資料

三愛健康產業集團有限公司（「**本公司**」，連同其附屬公司統稱為「**本集團**」）根據開曼群島公司法（「**開曼群島公司法**」）第22章（一九六一年第三條法例，經綜合及修訂）於二零零六年三月二十一日在開曼群島註冊成立並登記為受豁免有限公司。其股份於二零零七年二月一日於香港聯合交易所有限公司（「**聯交所**」）主板上市。本公司的註冊辦事處地址為 Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands。本公司的主要營業地點地址為香港九龍觀塘鴻圖道57號南洋廣場7樓5室。

本公司為投資控股公司及其附屬公司的主要業務載於綜合財務報表附註35。綜合財務報表以本公司功能貨幣人民幣（「**人民幣**」）呈列。除另有所指外，所有數額已四捨五入至最接近之千位數。

2. 主要會計政策

遵例聲明

該等綜合財務報表乃根據香港會計師公會（「**香港會計師公會**」）頒佈的香港財務報告準則（「**香港財務報告準則**」）（此統稱包含香港會計師公會頒佈的所有適用的個別香港財務報告準則、香港會計準則（「**香港會計準則**」）及詮釋以及香港公司條例的適用披露規定）編製。該等綜合財務報表亦符合聯交所證券上市規則（「**上市規則**」）的適用披露規定。

以下為本集團採納的主要會計政策概要。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement of compliance (Continued)

The measurement basis used in the preparation of the consolidated financial statements is historical cost, except for financial assets at fair value through profit or loss (“FVPL”) and convertible notes designated as financial liabilities at FVPL, which are stated at fair value as explained in the accounting policies set out below.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 consolidated financial statements except for the adoption of the new/revised HKFRSs and effective from the current financial reporting period as detailed below.

Adoption of new/revised HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs:

Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules
HKFRS17	Insurance Contracts
Amendments to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information

2. 主要會計政策(續)

遵例聲明(續)

除按公平值計入損益(「按公平值計入損益」)的金融資產、指定為按公平值計入損益的金融負債的可轉換票據如下文所載會計政策所解釋之按公平值計量外，編製綜合財務報表乃以歷史成本為計量基準。

該等綜合財務報表的編製基準與編製二零二二年綜合財務報表所應用的會計政策一致，惟採納下文詳述之與本集團相關及自本財政報告期間開始生效之新訂／經修訂香港財務報告準則除外。

採納新訂／經修訂香港財務報告準則

本集團已首次應用下列新訂／經修訂之香港財務報告準則：

香港會計準則 第1號之修訂本	會計政策披露
香港會計準則 第8號之修訂本	會計估計定義
香港會計準則 第12號之修訂本	單一交易產生的 資產及負債 相關遞延稅項
香港會計準則 第12號之修訂本	國際稅收改革 — 支柱二 立法模板
香港財務報告準則 第17號	保險合約
香港財務報告準則 第17號之 修訂本	初步應用香港 財務報告準則 第17號及香港 財務報告 準則第9號 — 比較資料

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of new/revised HKFRSs (Continued)

Amendments to HKAS 1: Disclosure of Accounting Policies

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements.

Amendments to HKAS 8: Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

Amendments to HKAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

Amendments to HKAS 12: International Tax Reform – Pillar Two Model Rules

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The Amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

2. 主要會計政策(續)

採納新訂／經修訂香港財務報告準則(續)

香港會計準則第1號之修訂本：會計政策披露

該等修訂本要求公司披露其重大會計政策資料，而非重要會計政策。

該等修訂本並無對綜合財務報表中任何項目的計量、確認或呈列產生影響。

香港會計準則第8號之修訂本：會計估計定義

該等修訂本澄清公司應如何區分會計政策變動與會計估計變動。

香港會計準則第12號之修訂本：單一交易產生的資產及負債相關遞延稅項

該等修訂本收窄了香港會計準則第12號第15及24段確認豁免的範圍，使其不再適用於確認時產生相等應課稅及可扣減暫時差額的交易。

香港會計準則第12號之修訂本：國際稅收改革 – 支柱二立法模板

該等修訂本為實體就經濟合作與發展組織的支柱二立法模板所產生的遞延稅項進行會計處理提供暫時寬免。該等修訂本亦引入有針對性的披露規定，以幫助投資者理解實體因該等規則而產生的所得稅風險。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of new/revised HKFRSs (Continued)

HKFRS 17: Insurance Contracts

HKFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued.

The core of HKFRS 17 is the general measurement model where estimates are re-measured each reporting period. Under the model, contracts are measured based on discounted probability-weighted cash flows, an explicit risk adjustment for non-financial risk, and a contractual service margin representing the unearned profit of the contract which is recognised as revenue over the coverage period.

An optional, simplified premium allocation approach is permitted for certain types of contracts, such as short duration contracts.

There is a modification of the general measurement model called the “variable fee approach” for certain contracts such as those with direct participation features. When applying the variable fee approach, the entity’s share of the fair value changes of the underlying items is included in the contractual service margin.

Amendment to HKFRS 17: Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

The amendment is a transition option relating to comparative information about financial assets presented on initial application of HKFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

The adoption of HKFRS 17 and the above amendments does not have any significant impact on the Group’s consolidated financial statements.

2. 主要會計政策(續)

採納新訂／經修訂香港財務報告準則(續)

香港財務報告準則第17號：保險合約

香港財務報告準則第17號確立已發行保險合約的確認、計量、呈列及披露原則。其亦要求類似原則適用於所持有再保險合約及已發行具全權參與特徵的投資合約。

香港財務報告準則第17號的核心為一般計量模型，即於各報告期重新計量估值。在該模型下，合約乃基於概率加權現金流量貼現、就非財務風險作出的明確風險調整及合約服務邊際(指合約未實現的利潤，並於覆蓋期內確認為收益)計量。

對於若干類型的合約，如短期合約，允許採用可選的簡化保費分配方法。

對於若干合約，如具有直接參與特徵的合約，一般計量模型有一種修改方法，稱為「可變費用法」。當採用可變費用法時，實體應佔相關項目公平值變動的份額計入合約服務邊際。

香港財務報告準則第17號之修訂本：初步應用香港財務報告準則第17號及香港財務報告準則第9號 – 比較資料

該修訂本為初步應用香港財務報告準則第17號時所呈列有關金融資產比較資料之過渡性選項。該修訂本旨在協助實體避免金融資產與保險合約負債之間的暫時會計錯配，從而改善比較資料對財務報表使用者的用處。

採納香港財務報告準則第17號及上述修訂本並無對本集團綜合財務報表產生任何重大影響。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from equity holders of the Company, in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRSs.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. 主要會計政策(續)

綜合賬目之基準

綜合財務報表包括本公司及其所有附屬公司之財務報表。附屬公司之財務報表就與本公司相同的報告期編製，並採納一致的會計政策。

集團內公司間交易產生之所有集團內公司間結餘、交易、收入及開支以及溢利及虧損全數對銷。附屬公司業績自本集團獲控制權當日起綜合入賬及繼續綜合入賬直到控制權終止日期止。

非控股權益乃獨立於本公司股權持有人，於綜合損益表及綜合損益及其他全面收益表及綜合財務狀況表之權益中呈列。於被收購方屬於現時擁有權權益並賦予其持有人於清盤時按比例分佔被收購方資產淨額之非控股權益，乃按公平值或現時擁有權權益應佔被收購方可識別資產淨額中已確認款項之比例初步計量。此計量決定以逐項收購為基礎。除香港財務報告準則規定另一種計量方法外，其他類別之非控股權益均按公平值初步計量。

全面收益總額之分配

損益及其他全面收益之各個組成部分歸屬於本公司擁有人及非控股權益。即使此舉會導致非控股權益有虧絀結餘，全面收益總額歸屬於本公司擁有人及非控股權益。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Changes in ownership interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the holding company had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset or liability, an associate, a joint venture or others, as appropriate, from the date when control is lost.

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

2. 主要會計政策(續)

綜合賬目之基準(續)

擁有權權益之變動

本集團於一間附屬公司之擁有權權益變動(並無導致失去控制權)列作權益交易。控股權益之賬面值已獲調整以反映附屬公司相關權益之變動。

倘本集團失去一間附屬公司之控制權，則出售產生之損益按(i)於失去控制權當日所收取代價之公平值及任何保留權益之公平值之總額與(ii)於失去控制權當日附屬公司資產(包括商譽)與負債以及任何非控股權益之賬面值兩者之間的差額計算。倘控股公司已直接出售相關資產或負債，則先前於其他全面收益內確認之已出售附屬公司金額按所需相同基準入賬。任何保留於前附屬公司之投資及任何前附屬公司欠付或結欠之金額按於失去控制權當日以財務資產或負債、聯營公司、合營企業或其他(如適用)入賬。

業務合併及商譽

收購法用於將業務合併中的收購附屬公司入賬。收購成本乃按所獲資產於收購日期之公平值、所發行之股本工具、所產生之負債以及或然代價計量。收購相關成本於有關成本產生及接獲服務期間確認為開支。於收購時，附屬公司之可識別資產及負債均按其於收購日期之公平值計量。

收購成本超出本集團應佔附屬公司可識別資產及負債之公平淨值之差額乃列作商譽。本集團應佔可識別資產及負債之公平淨值超出收購成本之差額乃於綜合損益內確認為本集團應佔議價購買之收益。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination and goodwill (Continued)

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, interests in subsidiaries are stated at cost less impairment loss. The carrying amounts of the interests are reduced to their respective recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2. 主要會計政策(續)

業務合併及商譽(續)

對於分段進行之業務合併，先前已持有之附屬公司之股權乃按其於收購日期之公平值重新計量，而由此產生之損益於綜合損益內確認。公平值會加入至收購成本以計算商譽。

倘先前已持有之附屬公司之股權之價值變動已於其他全面收益內確認(例如按公平值計入其他全面收益表之股本投資)，則於其他全面收益內確認之金額乃倘先前已持有之股權被出售的情況下所須之相同基準確認。

商譽會每年進行減值測試或當出現事件或情況改變顯示可能減值時則更頻繁地進行減值測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損之計量方法與下文會計政策內所述之其他資產之計量方法相同。商譽之減值虧損於綜合損益表內確認，且隨後不予撥回。就減值測試而言，商譽會被分配至預期因收購之協同效益而產生利益之現金產生單位。

於附屬公司之非控股權益初步按非控股股東應佔該附屬公司於收購當日之可識別資產及負債之公平淨值比例計算。

附屬公司

附屬公司指本集團控制之實體。當本集團因參與實體業務而承擔可變動回報之風險或享有當中權利，並能對該實體行使權力以影響該等回報時，則本集團控制該實體。倘事實及情況表明一個或以上控制要素變動，則本集團重新評估其是否控制被投資公司。

於本公司財務狀況表(於該等附註呈列)中，於附屬公司之權益按成本減減值虧損入賬。倘權益賬面值高於可收回金額，則權益賬面值按個別基準削減至其可收回金額。附屬公司業績按本公司已收及應收股息入賬。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, over their estimated useful lives at the annual rate as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Buildings	3.33% or over the unexpired term of lease, if shorter
Leasehold improvements	10% to 20%
Furniture, fixtures and office equipment	10% to 20%
Motor vehicles	20%
Plant and machinery	10% to 20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

2. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備按成本減累計折舊以及累計減值虧損列賬。物業、廠房及設備項目的成本包括其購買價以及將資產用於其營運狀況及地點擬定用途的任何直接應佔成本。維修及保養於其產生的期間內自損益扣除。

物業、廠房及設備於下述估計可使用年期內，在考慮到其估計剩餘價值後，由其可供使用之日起以直線法按年率計提折舊，以撇銷成本減累計減值虧損。倘物業、廠房及設備項目之各部分擁有不同的可使用年期，該項目之成本會獨立按合理基準分配及計算折舊：

樓宇	3.33% 或於未屆滿租期內(以較短者為準)
租賃物業裝修	10%至20%
傢具、固定裝置及辦公室設備	10%至20%
汽車	20%
廠房及機器	10%至20%

物業、廠房及設備項目於出售後或繼續使用該資產預期不會產生未來經濟利益時終止確認。終止確認資產(按出售所得款項淨額及項目賬面值之間的差額計算)所產生的任何損益於終止確認項目的期間內在損益入賬。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. 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.

Intangible assets with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that intangible assets has suffered an impairment loss.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of other intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss when the asset is derecognised.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

2. 主要會計政策(續)

無形資產

個別收購的無形資產

個別收購且具有有限使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬。攤銷在其估計可使用年限內以直線法確認。估計可使用年期及攤銷方法於各報告期末檢討，任何估計變動的影響將按前瞻方式入賬。

具有無限可使用年期的無形資產按成本減任何減值虧損列賬。每年或當有任何跡象顯示無形資產出現減值虧損時，會進行減值審閱。

業務合併時收購的無形資產

於業務合併時收購的無形資產與商譽分開確認，初步按收購日期的公平值確認。

在初步確認後，業務合併時收購的具有有限使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬，與個別收購的無形資產的基準相同。

終止確認其他無形資產

無形資產於出售時終止確認，或預期不會自使用或出售產生未來經濟利益時終止確認。終止確認無形資產產生的收益及虧損按出售所得款項淨額與資產賬面值之間的差額計量，於終止確認該資產時於損益確認。

金融工具

金融資產

確認及終止確認

金融資產於且僅於本集團成為該等工具合約條文的訂約方時按交易日期基準確認。

金融資產於且僅於以下情況時終止確認：(i) 本集團對金融資產未來現金流量的合約權利屆滿時，或(ii) 本集團轉讓該金融資產及(a) 其已轉移金融資產所有權的絕大部分風險及回報，或(b) 本集團既無轉移亦無保留金融資產所有權的絕大部分風險及回報，但並無保留該金融資產的控制權時。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Recognition and derecognition (Continued)

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income (“**Mandatory FVOCI**”); (iii) equity investment measured at fair value through other comprehensive income (“**Designated FVOCI**”); or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group’s business model for managing the financial assets and the financial asset’s contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

2. 主要會計政策(續)

金融工具(續)

金融資產(續)

確認及終止確認(續)

倘本集團保留已轉讓金融資產所有權的絕大部分風險及回報，則本集團將繼續確認金融資產，並就已收所得款項確認抵押借款。

倘本集團既無轉讓亦無保留已轉讓資產所有權的絕大部分風險及回報以及繼續控制已轉讓資產時，則本集團會根據其持續參與程度及可能需繳付之相關負債確認金融資產。

分類及計量

金融資產(除不含重大融資部分的貿易應收款項外)初始按公平值另加(如並非按公平值計入損益列賬的金融資產)收購有關金融資產直接應佔交易成本確認。該等貿易應收款項初步按其交易價格計量。

初始確認時，金融資產分類為(i)按攤銷成本計量；(ii)按公平值計入其他全面收益的債務投資(「**強制按公平值計入其他全面收益**」)；(iii)按公平值計入其他全面收益的權益投資(「**指定按公平值計入其他全面收益**」)；或(iv)按公平值計入損益計量。

金融資產於初始確認時的分類取決於本集團管理金融資產的業務模式以及金融資產合約現金流量特徵。金融資產於初始確認後不予重新分類，除非本集團改變其管理金融資產的業務模式，於此情況下，所有受影響的金融資產將在變更業務模式後首個年度報告期的第一天重新分類。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement (Continued)

(1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include finance lease receivables, trade and other receivables and cash and cash equivalents.

(2) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

2. 主要會計政策(續)

金融工具(續)

金融資產(續)

分類及計量(續)

(1) 按攤銷成本計量的金融資產
當金融資產同時符合以下條件，且並無指定按公平值計入損益，則該金融資產按攤銷成本計量：

- (i) 金融資產於一個業務模式內持有，而其目的以持有金融資產收取合約現金流量達致；及
- (ii) 金融資產的合約條款引致於指定日期的現金流量僅為支付本金及未償還本金利息。

按攤銷成本計量的金融資產其後使用實際利率法計量，並可予減值。減值、終止確認或攤銷過程中產生的收益及虧損於損益確認。

本集團按攤銷成本計量的金融資產包括融資租賃應收款項、貿易應收款項及其他應收款項以及現金及現金等價物。

(2) 按公平值計入損益之金融資產

該等投資包括並非按銷成本或按公平值計入其他全面收益計量的金融資產，包括持作買賣的金融資產、於初始確認後指定按公平值計入損益的金融資產、香港財務報告準則第3號適用之業務合併內的或然代價安排所產生的金融資產以及另行規定將按公平值計入損益計量的金融資產。該等資產以公平值列賬，由此產生的收益及虧損於損益確認，其中並不包括就金融資產所賺取的任何股息或利息。股息或利息收入與公平值損益分開呈報。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement (Continued)

(2) Financial assets at FVPL (Continued)

A financial asset is classified as held for trading if it is:

- (i) acquired principally for the purpose of selling it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets at FVPL include listed equity securities.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

2. 主要會計政策(續)

金融工具(續)

金融資產(續)

分類及計量(續)

(2) 按公平值計入損益之金融資產(續)

金融資產分類為持作買賣，前提為其：

- (i) 獲收購主要為於近期出售；
- (ii) 屬合併管理之已識別金融工具組合的一部分，及有證據表明於初始確認時出現近期實際短期獲利模式；或
- (iii) 並非財務擔保合約或並非指定有效對沖工具的衍生工具。

金融資產於初始確認時指定按公平值計入損益計量，如此行事，方可消除或大幅減低計量資產或負債或按不同基準確認收益或虧損時以其他方式產生的計量或確認的不一致性。

本集團按公平值計入損益之金融資產包括上市股本證券。

金融負債

確認及終止確認

金融負債於且僅於本集團成為工具合約條文的訂約方時確認。

金融負債於且僅於負債終絕時方終止確認，即有關合約訂明的責任獲解除、註銷或屆滿時。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities (Continued)

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, interest-bearing borrowing, lease liabilities and convertible notes designated as financial liabilities at FVPL. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Financial liabilities at FVPL include financial liabilities held for trading, financial liabilities designated upon initial recognition as at FVPL and financial liabilities that are contingent consideration of an acquirer in a business combination to which HKFRS 3 applies. They are carried at fair value, with any resultant gain and loss (excluding interest expenses) recognised in profit or loss, except for the portion of fair value changes of financial liabilities designated at FVPL that are attributable to the credit risk of the liabilities which is presented in other comprehensive income unless such treatment would create or enlarge an accounting mismatch in profit or loss.

A financial liability is classified as held for trading if it is:

- (i) incurred principally for the purpose of repurchasing it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

2. 主要會計政策(續)

金融工具(續)

金融負債(續)

分類及計量

金融負債初始按公平值另加(如並非按公平值計入損益列賬的金融負債)發行金融負債時直接應佔交易成本確認。

本集團金融負債包括貿易應付款項及其他應付款項、計息借貸、租賃負債及指定為按公平值計入損益的金融負債的可換股票據。除按公平值計入損益的金融負債外，所有金融負債初始按其公平值確認，其後採用實際利率法按攤銷成本計量，除非貼現影響甚微，而於此情況下，則以成本列賬。

按公平值計入損益的金融負債包括持作買賣之金融負債，按公平值計入損益於初始確認時指定的金融負債以及屬香港財務報告準則第3號適用的業務合併中收購方之或然代價的金融負債。其按公平值列賬，任何由此產生的收益及虧損(不包括利息開支)於損益中確認，惟於其他全面收益中列賬之負債信貸風險應佔的指定按公平值計入損益的金融負債的公平值變動部分除外，除非該處理方法會造成或擴大損益內會計錯配。

金融負債如屬以下各項，則分類為持作買賣：

- (i) 為於短期內回購之主要目的而產生；
- (ii) 屬於受集中管理的已識別金融工具組合的一部分，且有跡象顯示其於初始確認時近期確實出現短期獲利模式；或
- (iii) 並非財務擔保合約或並非指定有效對沖工具的衍生工具。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities (Continued)

Classification and measurement (Continued)

Financial liabilities are designated at initial recognition as at FVPL only if:

- (i) the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases;
- (ii) they are part of a group of financial liabilities or financial assets and financial liabilities that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- (iii) they contain one or more embedded derivatives, in which case the entire hybrid contract may be designated as a financial liability at FVPL, except where the embedded derivatives do not significantly modify the cash flows or it is clear that separation of the embedded derivatives is prohibited.

The convertible notes issued by the Group (including related embedded derivative) are designated as financial liabilities at FVPL on initial recognition. Subsequent to the initial recognition, the entire convertible notes are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise except for the changes in fair value attributable to the changes of the credit risk of the liabilities.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2. 主要會計政策(續)

金融工具(續)

金融負債(續)

分類及計量(續)

金融負債僅於以下情況在初始確認時指定按公平值計入損益：

- (i) 該指定抵銷或大幅減低因基於不同基準計量資產或負債或確認收益或虧損而產生之計量或確認之差異；
- (ii) 其為一組金融負債或金融資產組成部分，且金融負債之管理與按公平值基準評估之表現，均按一套規範之風險管理策略進行；或
- (iii) 其包括一項或多項嵌入式衍生工具，則整個混合合約或可指定為按公平值計入損益之金融負債，除非嵌入式衍生工具不會顯著改變現金流量或合約明確禁止分離嵌入式衍生工具。

本集團發行之可換股票據(包括相關嵌入式衍生工具)於初始確認時指定為按公平值計入損益之金融負債。初始確認後，全部可換股票據按公平值計量，而公平值變動則於產生期間於損益確認，惟負債之信貸風險變動引起之公平值變動除外。

實際利率法為計算金融負債之攤銷成本及於相關期間分配利息開支之方法。實際利率是可將金融負債預計年期或(如適用)較短期間之估計未來現金付款(包括構成實際利率不可或缺部分之一切已付或已收費用及點子、交易成本及其他溢價或貼現)精確貼現至初始確認時賬面淨值之利率。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities (Continued)

Classification and measurement (Continued)

Interest expenses is recognised on an effective interest basis other than financial liabilities classified as at FVPL.

Derivatives embedded in a hybrid contract with a host that is not an asset within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their economic characteristics and risks are not closely related to those of the host, and the hybrid contract is not measured at FVPL.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (“ECL”) on financial assets that are measured at amortised cost issued to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2. 主要會計政策(續)

金融工具(續)

金融負債(續)

分類及計量(續)

除分類為按公平值計入損益之金融負債外，利息開支乃按實際利率基準確認。

與並非屬香港財務報告準則第9號範圍內資產的主體簽訂的混合合約中嵌入的衍生工具於符合衍生工具的定義時會被視為獨立衍生工具，其經濟特徵及風險與主體的經濟特徵及風險並不密切相關，及混合合約不按公平值計入損益計量。

金融資產減值

本集團就根據香港財務報告準則第9號適用減值要求發行之按攤銷成本計量的金融資產的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。除下文詳述的特定處理方法外，於各報告日期，倘金融資產的信貸風險自初始確認後顯著增加，則本集團按相等於全期預期信貸虧損的金額計量金融資產的虧損撥備。倘金融資產的信貸風險自初始確認後未顯著增加，則本集團按相等於12個月預期信貸虧損的金額計量金融資產的虧損撥備。

預期信貸虧損之計量

預期信貸虧損為金融工具預計年期內信貸虧損的概率加權估計(即所有現金短缺的現值)。

就金融資產而言，信貸虧損為應付合約實體的合約現金流量與該實體預期收取的現金流量之間差額的現值。

全期預期信貸虧損是指金融工具預計年期內所有可能的違約事件產生的預期信貸虧損，而12個月預期信貸虧損是指於報告日期後12個月內可能發生的金融工具違約事件導致的全期預期信貸虧損一部分。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Financial instruments (Continued)****Impairment of financial assets (Continued)***Measurement of ECL (Continued)*

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) industry of debtors
- (iv) geographical location of debtors
- (v) external credit risk ratings where available

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

- (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
- (ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. 主要會計政策(續)**金融工具(續)****金融資產減值(續)***預期信貸虧損之計量(續)*

當預期信貸虧損按共同基準計量，則金融工具按以下一個或多個共同信貸風險特徵分組：

- (i) 逾期信息
- (ii) 工具的性質
- (iii) 債務人所在行業
- (iv) 債務人所在地區
- (v) 外部信貸風險評級(如有)

虧損撥備於各報告日期重新計量，以反映自初始確認以來金融工具的信貨風險及虧損變動。由此產生的虧損撥備變動於損益內確認為減值損益，並相應調整金融工具的賬面值。

違約之定義

本集團認為以下情況就內部信貸風險管理而言構成違約事件，因為過往經驗表明倘金融工具符合下列任何一項條件時本集團可能無法收回全部未償還合約款項。

- (i) 從內部所得資料或取自外部資料顯示債務人不大可能悉數向其債權人(包括本集團)支付欠款(未考慮本集團所持任何抵押品)；或
- (ii) 對手方有違反財務契諾。

不論上述分析結果如何，本集團認為，倘金融資產逾期超過90日，則已屬發生違約，除非本集團有合理及可靠資料以證明較為寬鬆的違約標準更為適當則作別論。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due, except for the receivables for which the Group has reasonable and supportable information to demonstrate that previous non-payments were an administrative oversight, instead of resulting from financial difficulty of the borrower, or that there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

2. 主要會計政策(續)

金融工具(續)

金融資產減值(續)

評估信貸風險顯著增加

評估金融工具的信貸風險自初始確認以來有否顯著增加時，本集團會將截至報告日期金融工具發生違約的風險，與截至初始確認日期金融工具發生違約的風險比較。於作出該評估時，本集團會同時考慮合理及可靠的定量及定性資料，包括無須付出過多成本或努力後即可獲得的過往經驗及前瞻性資料。具體而言，評估時會考慮以下資料：

- 債務人未能於到期日支付本金或利息款項；
- 金融工具的外部或內部信貸評級有實際或預期的顯著惡化(如有)；
- 債務人的經營業績有實際或預期的顯著惡化；及
- 技術、市場、經濟或法律環境方面有實際或預期的變化而會或可能會對債務人履行其對本集團的責任有重大不利影響。

不論上述評估結果如何，本集團假定合約付款逾期超過30日時，金融工具的信貸風險自初步確認以來已大幅增加，惟除本集團有合理可靠的資料以證明先前未付款屬行政疏忽而非借款人財務困難引致的應收款項外，或發生違約的風險大幅增加與付款逾期超過30日的金融資產無關。

儘管有前述分析，如金融工具於報告日期被釐定為低信貸風險，本集團會假設金融工具的信貸風險自初步確認以來無大幅增加。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Financial instruments (Continued)****Impairment of financial assets (Continued)***Low credit risk*

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Cash and cash equivalent are determined to have low credit risk.

Simplified approach of ECL

For trade receivables without significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower.
- (b) a breach of contract, such as a default or past due event.
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

2. 主要會計政策(續)**金融工具(續)****金融資產減值(續)***低信貸風險*

如有下列情況，金融工具會被釐定為低信貸風險：

- (i) 其具低違約風險；
- (ii) 借款人有實力履行其近期合約現金流量責任；及
- (iii) 較長遠的經濟或營商條件的不利變動可能(但不一定)會減低借款人履行其合約現金流量責任的能力。

現金及現金等價物被釐定為具低信貸風險。

預期信貸虧損的簡化法

就並無重大融資成份之貿易應收款項，本集團已應用簡化法來計算預期信貸虧損。本集團根據於各報告日期之全期預期信貸虧損確認虧損撥備，並根據其過往信貸虧損經驗建立撥備矩陣，並根據債務人及經濟環境特定的前瞻性因素作出調整。

已出現信貸減值之金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一項或多項事件之時，該金融資產即出現信貸減值。金融資產出現信貸減值之證據包括有關下列事件之可觀察數據：

- (a) 發行人或借貸方出現重大財務困難。
- (b) 違反合約(如違約或逾期事件)。
- (c) 借貸方之貸款人基於借貸方財務困難之經濟或合約理由，而向借貸方提供貸款方在其他情況下不會考慮之寬減。
- (d) 借貸方將可能破產或進行其他財務重組。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial asset (Continued)

- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts, if any.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. 主要會計政策(續)

金融工具(續)

金融資產減值(續)

已出現信貸減值之金融資產(續)

- (e) 因財務困難導致金融資產失去活躍市場。
- (f) 以大幅折扣購買或引入一項金融資產，該折扣反映已產生信貸虧損。

撇銷

當本集團無法合理預期收回金融資產全數或部分合約現金流量時，本集團撇銷金融資產。本集團擁有根據其追收類似資產的過往經驗而制定之撇銷總賬面值之政策。本集團預期不會就撇銷金額收回大量金額。然而，經考慮法律意見(如適用)後，已撇銷之金融資產仍可能根據本集團收回到期款項之程序實施強制執行。任何其後收回款項於損益中確認。

現金等價物

就綜合現金流量表而言，現金等價物指於可以隨時兌換成已知數額現金及並無重大價值變動(扣除銀行透支(如有))風險之短期高度流通投資。

存貨

存貨以成本值及可變現淨值兩者中之較低者呈列。成本包括所有採購成本及(如適用)兌換成本及將存貨運至現址和變成現狀所產生之其他成本，並以加權平均成本法計算。可變現淨值即於日常業務中之估計售價扣除銷售所需估計成本。

存貨出售時，該等存貨之賬面值於確認有關收益之期間確認為開支。存貨撇減至可變現淨值之減幅及所有存貨虧損一概在撇減或虧損產生期間確認為開支。任何存貨撇減撥回之金額，在作出撥回期間確認為減少已確認為開支之存貨金額。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is as follows:

- (a) sales of pharmaceutical products; and
- (b) rendering of genetic testing and molecular diagnostic services.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

2. 主要會計政策(續)

收益確認

香港財務報告準則第15號內來自客戶合約之收益

貨品或服務的性質

本集團提供的貨品或服務的性質如下：

- (a) 銷售醫藥產品；及
- (b) 提供基因檢測及分子生物診斷。

識別履約責任

於合約開始時，本集團會評估與客戶所訂合約中承諾的貨品或服務，並識別為各項承諾向客戶轉移以下兩者之一的履約責任。

- (a) 可區別的貨品或服務（或一套貨品或服務）；或
- (b) 一系列大致相同且以相同模式轉移予客戶的可區別貨品或服務。

倘承諾給客戶的貨品或服務同時符合以下準則，即為可區別：

- (a) 客戶可得益自貨品或服務本身或連同其他隨時可供客戶使用之資源（即貨品或服務視為可區別）；及
- (b) 本集團向客戶轉移貨品或服務之承諾可與合約內其他承諾（即轉移貨品或服務之承諾於合約之涵義內為可區別）分開識別。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) 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.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sales of pharmaceutical products are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered and title has been passed.

Rendering of genetic testing and molecular diagnostic services is recognised over time when the services are rendered. A receivable is recognised by the Group when the services are rendered to the customers at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

2. 主要會計政策(續)

收益確認(續)

香港財務報告準則第15號內來自客戶合約之收益(續)

收益確認的時間

收益於本集團透過向客戶轉移所承諾之貨品或服務(即資產)完成履約責任時(或就此)確認。一項資產在客戶取得該項資產的控制權時(或就此)獲轉移。

倘符合以下其中一項準則，本集團隨時間轉移貨品或服務之控制權，因而履行履約責任，而收益隨時間確認：

- (a) 客戶於本集團履約時同時接受及消耗本集團履約所提供的利益；
- (b) 本集團履約創造或增強客戶於資產被創造或增強時所控制的資產(如在建工程)；或
- (c) 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至今已履約部分的款項。

倘本集團並非於一段時間內履行責任，則本集團乃於客戶取得所承諾資產之控制權之某一時間點履行責任。於釐定控制權轉移發生之時間時，本集團考慮控制權之概念及法定所有權、實物管有權、收款權、資產所有權之重大風險及回報及客戶接納等指標。

銷售醫藥產品於客戶取得承諾資產控制權的時間點確認，該時間點一般與貨物交付及所有權轉移的時間一致。

提供基因檢測及分子生物診斷服務於提供服務時隨時間確認。當向客戶提供服務而對代價的權利變成無條件時，本集團確認應收款項，原因為付款僅需隨時間推移即可到期。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from other sources

Interest income

Interest income from financial assets is recognised 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 assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is Renminbi ("RMB") and majority of its subsidiaries used RMB as their functional currency, except for the subsidiaries operated in Hong Kong and adopted Hong Kong dollars ("HK\$") as their functional currency. The consolidated financial statements are presented in RMB.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. 主要會計政策(續)

收益確認(續)

其他來源之收益

利息收入

金融資產利息收入使用實際利率法確認。就按攤銷成本計量且並無信貸減值之金融資產而言，實際利率適用於資產之總賬面值，而就已信貸減值之金融資產而言，其適用於攤銷成本(即扣除虧損撥備之總賬面值)。

外幣換算

本集團各實體之財務報表所列項目乃按實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。本公司之功能貨幣為人民幣(「人民幣」)且大多旗下附屬公司以人民幣作為其功能貨幣，惟於香港經營之附屬公司採用港元(「港元」)作為其功能貨幣除外。綜合財務報表以人民幣呈列。

外幣交易均按交易當日之現行匯率換算為功能貨幣。因該等交易結算及按期末匯率換算以外幣計值之貨幣資產及負債而產生之匯兌損益，均於損益中確認。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented, are translated at the closing rate at the end of the reporting period.
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at the average exchange rates.
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.
- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.
- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.
- On all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

2. 主要會計政策(續)

外幣換算(續)

功能貨幣與呈列貨幣不同之所有本集團實體(「海外業務」)之業績及財務狀況按以下方法換算為呈列貨幣：

- 呈列每份財務狀況表的資產及負債以報告期末之收市匯率換算。
- 各損益及其他全面收益表的收入及開支按平均匯率換算。
- 所有因上述換算而產生的匯兌差額及構成本集團海外業務投資淨額一部分的貨幣項目而產生之匯兌差額於權益確認為獨立部分。
- 於出售海外業務(包括出售本集團於海外業務之全部權益、涉及失去對包含海外業務之附屬公司的控制權之出售、或部分出售於包含海外業務之合營安排或聯營公司之權益且保留權益不再以權益發入賬)時，有關該海外業務之累計匯兌差額(於其他全面收益確認並於權益單獨累計)於出售盈虧確認時由權益重新分類至損益。
- 於部分出售本集團於一間包括海外業務之附屬公司之權益(但本集團並無因此而失去對該附屬公司之控制權)時，於權益之個別部分中確認之累計匯兌差額所佔比例重新歸屬於該海外業務之非控股權益部分，而不會重新分類至損益。
- 所有其他部分出售(包括部分出售不會使本集團失去重大影響或共同控制權的聯營公司或合營公司)時，於權益之個別部分中確認之累計匯兌差額所佔比例會重新分類至損益。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of other assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment, right-of-use assets, intangible assets and the Company's investments in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment losses is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment losses is recognised as an income in profit or loss immediately.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2. 主要會計政策(續)

其他資產減值

於各報告期末，本集團審閱內部及外界資訊來源，評估是否有任何跡象顯示物業、廠房及設備、使用權資產、無形資產及本公司於附屬公司的投資可能已減值或以往確認之減值虧損是否不再存在或可能減少。倘存在任何該等跡象，則資產之可收回金額乃根據其公平值減銷售成本及可用價值兩者中之較高者估計。倘未能估計個別資產之可收回金額，本集團則估計可獨立產生現金流量之最小組別資產(即現金產生單位)之可收回金額。

倘資產或現金產生單位之估計可收回金額少於其賬面值，則將該資產或現金產生單位之賬面值撇減至其可收回金額。減值虧損乃即時於損益內確認為支出。

撥回減值虧損以該資產或現金產生單位按過往年度並無確認減值虧損而釐定之賬面值為限。撥回減值虧損乃即時於損益內確認為收入。

借貸成本

收購、建造或生產合資格資產(即需要一段頗長時間始能達致其擬定用途或出售之資產)之直接應佔借貸成本，在扣除特定借貸之暫時性投資收益後，均作資本化並作為該等資產成本之一部分。當資產大體上可作其擬定用途或出售時，該等借貸成本將會停止資本化。所有其他借貸成本均列作為發生期間之費用。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account/recognised as a deduction from the carrying amount of the relevant asset and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. 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.

2. 主要會計政策(續)

撥備

當本集團因已發生的事件須承擔現有法定或推定責任，而履行責任有可能導致包含經濟利益的資源流出，且可合理估計責任金額，須確認撥備。撥備已確認的支出，將在發生該項支出的年度從相關支出中扣除。撥備於各報告期末時進行檢討並作出調整，以反映當前的最佳估計。倘貨幣的時間價值重大，則撥備之金額乃按預期用於解除該責任之支出之現值列賬。倘本集團預期撥備將獲償付，則償付額於實際可確定將獲償付之時作為單獨資產確認。

政府補助

倘能合理保證將可收取補助及將符合所有附帶條件，則政府補助按其公平值確認。倘補助與開支項目有關，則按有系統基準將補助與其擬補償之成本配合之年度確認為收入。倘補助與資產有關，則公平值計入遞延收入賬／確認為相關資產賬面值之扣減，並於有關資產之預期可用年限中按等額年金撥往損益。

租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

2. 主要會計政策(續)

租賃(續)

作為承租人

本集團對短期租賃及低價值資產租賃應用確認豁免。該等租賃相關的租賃付款按直線法於租賃期內確認為開支。

本集團將租賃合約中各租賃部分分成一項租賃項目入賬。本集團將合約內的代價按相關租賃部分的單獨價格分配至各租賃部分。

本集團未產生單獨組成部分之應付款項被視作分配至合約單獨可識別組成部分之總代價的一部分。

在租賃期開始日期，本集團確認使用權資產及租賃負債。

使用權資產按照成本進行初始計量，包括：

- (a) 租賃負債的初始計量金額；
- (b) 於開始日期或之前所作的任何租賃付款，減已收取的任何租賃優惠；
- (c) 本集團產生的任何初始直接成本；及
- (d) 本集團拆除及移除相關資產、恢復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態將予產生的估計成本，除非該等成本乃因生產存貨而產生。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option — in which case depreciation is provided over the estimated useful life of the underlying asset) at the annual rate as follows:

Land use rights	2% to 10%
Leased properties	20% to 50%

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate;
- (c) amounts expected to be payable under residual value guarantees;
- (d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

2. 主要會計政策(續)

租賃(續)

作為承租人(續)

隨後，使用權資產按成本減任何累計折舊及任何累計減值虧損計量，並就租賃負債的任何重新計量作出調整。於租期及使用權資產之估計可使用年期(以較短者為準)按直線法計提折舊(除非租賃於租期結束前將相關資產的所有權轉移至本集團或倘使用權資產的成本反映本集團將行使購買選擇權 — 於該情況下，將於相關資產之估計可使用年期內計提折舊)使用的年率如下：

土地使用權	2%至10%
租賃物業	20%至50%

租賃負債乃按於合約開始日期尚未支付之租賃付款現值進行初始計量。

計入租賃負債計量的租賃付款包括下列於租期內使用相關資產的權利且於開始日期尚未支付之付款：

- (a) 固定付款(包括實質性固定付款)減任何應收租賃優惠；
- (b) 取決於一項指數或比率之可變租賃付款；
- (c) 根據剩餘價值擔保預期應付之款項；
- (d) 購買選擇權的行使價(倘本集團合理確定行使該選擇權)；及
- (e) 終止租賃的罰款付款(倘租期反映本集團行使終止權終止租賃)。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

2. 主要會計政策(續)

租賃(續)

作為承租人(續)

租賃付款使用租賃的隱含利率貼現，或倘該利率無法可靠地釐定，則採用承租人之增量借款利率。

隨後，租賃負債透過增加賬面值以反映租賃負債之利息及調減賬面值以反映已付的租賃付款進行計量。

當租期出現變動而產生租賃付款變動或重新評估本集團是否將合理確定行使購買選擇權時，租賃負債使用經修訂貼現率進行重新計量。

倘剩餘價值擔保、實質性固定租賃付款出現變動或一項指數或利率有變(浮動利率除外)而導致未來租賃付款出現變動，則使用原貼現率重新計量租賃負債。倘浮動利率有變而導致未來租賃付款出現變動，則本集團使用經修訂貼現率重新計量租賃負債。

本集團將租賃負債之重新計量金額確認為對使用權資產之調整。倘使用權資產賬面值減少至零且租賃負債計量有進一步調減，本集團將於損益中確認任何重新計量之剩餘金額。

倘出現以下情況，租賃修改則作為單獨租賃入賬：

- (a) 該修改透過增加一項或以上相關資產之使用權利而擴大租賃範圍；及
- (b) 租賃代價增加之金額相當於經擴大範圍對應之單獨價格及為反映特定合約之情況而對該單獨價格進行之任何適當調整。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above;
- (b) the Group determines the lease term of the modified contract;
- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term;
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss; and
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as an operating lease if the head lease is a short-term lease to which the Group has applied the recognition exemption. Otherwise, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Group accounts for each lease component within a lease contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on a relative stand-alone price basis.

2. 主要會計政策(續)

租賃(續)

作為承租人(續)

當租賃修改並未於租賃修改生效日期作為單獨租賃入賬，

- (a) 本集團根據上述相對單獨價格將代價分配至經修訂合約；
- (b) 本集團釐定經修訂合約之租賃期；
- (c) 本集團透過於經修訂租賃期使用經修訂貼現率對經修訂租賃付款進行貼現以重新計量租賃負債；
- (d) 就縮減租賃範圍之租賃修改而言，本集團透過減少使用權資產之賬面值將租賃負債之重新計量入賬，以反映部分或全面終止該租賃及於損益中確認任何與部分或全面終止該租賃相關之收益或虧損；及
- (e) 就所有其他租賃修改而言，本集團透過對使用權資產作出相應調整，對租賃負債進行重新計量。

作為出租人

本集團於租賃開始日期將每項租賃分類為融資租賃或經營租賃。倘租賃實際上將相關資產所有權附帶的所有風險及回報轉移，則獲分類為融資租賃。所有其他租賃獲分類為經營租賃。

如本集團為中間出租人，則將首租與分租記賬為兩項獨立合約。倘首租為本集團應用確認豁免之短期租賃，則分租獲分類為經營租賃。否則，分租經參考首租產生之使用權資產獲分類為融資租賃或經營租賃。

本集團將租賃合約中的各租賃部分與非租賃部分分拆，單獨入賬。本集團以相對獨立價格為基準將合約代價分配至各租賃部分。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessor – finance lease

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. The Group applies the derecognition and impairment requirements in HKFRS 9 to the net investment in the finance lease.

The Group accounts for a modification to a finance lease as a separate lease if both:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a modification to a finance lease that is not accounted for as a separate lease, the Group accounts for the modification as follows:

- (a) if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group:
 - (i) accounts for the lease modification as a new lease from the effective date of the modification; and
 - (ii) measures the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the lease modification.
- (b) otherwise, the Group applies the requirements of HKFRS 9.

2. 主要會計政策(續)

租賃(續)

作為出租人 – 融資租賃

根據融資租賃應收承租人之款項按本集團於有關租賃之投資淨額記賬為應收款項。融資租賃收入以反映本集團就租賃之投資淨額收取固定定期回報率分配至會計期間。本集團對融資租賃之投資淨額應用香港財務報告準則第9號之終止確認及減值規定。

在下列情況均出現時，本集團對融資租賃修訂記賬為獨立租賃：

- (a) 修訂透過增加一項或以上相關資產之使用權增加租賃範圍；及
- (b) 租賃代價以增加範圍單獨價格相等金額及為反映具體合約情況之任何適當單獨價格調整的幅度增加。

就並非記賬為獨立租賃之融資租賃修訂，本集團按以下方式將修訂記賬：

- (a) 倘修訂於開始日期已生效，租賃即會獲分類為經營租賃，則本集團：
 - (i) 自修訂生效日期將租賃修訂記賬為新訂租賃；及
 - (ii) 計量相關資產之賬面值，作為緊接租賃修訂生效日期前對租賃之投資淨額。
- (b) 否則，本集團應用香港財務報告準則第9號之規定。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service 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.

Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as expenses in profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Share-based payment transactions

Equity-settled transactions

The Group's employees, including the directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a reserve within equity. The fair value is determined using the binomial model, taking into account any market conditions and non-vesting conditions.

2. 主要會計政策(續)

僱員福利

短期僱員福利

薪金、年度花紅、有薪年假及非現金福利成本乃於僱員提供相關服務的期間累計。

僱員休假權利

僱員享有的年假及長期服務假期均在僱員有權享有有關假期時確認。截至報告期末，本集團就僱員因提供服務而產生的年假及長期服務假期的估計負債計提撥備。

僱員享有的病假及產假在休假時方會確認。

辭退福利

辭退福利於本集團不可再收回所提供之福利時或本集團確認重組成本(涉及支付解僱福利)時(以較早者為準)確認。

定額供款計劃

向定額供款退休計劃作出供款的責任在產生時於損益內確認為開支，僱員於可全數領取前退出計劃而被沒收的供款將會作扣減。計劃資產與本集團的資產分開，由獨立管理的基金持有。

以股份支付交易

以權益結算的交易

本集團的僱員(包括董事)按以股份為基礎的付款交易形式收取報酬，即僱員提供服務以換取股份或股份權利。與僱員進行此類交易的成本參照權益工具於授予日的公平值計量。授予僱員的購股權的公平值確認為僱員成本，並相應增加權益中的儲備。公平值採用二項式模型確定，當中已計及任何市況及非歸屬條件。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions (Continued) Equity-settled transactions (Continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are to be fulfilled, ending on the date on which the entitlement of relevant employees to the award is no longer conditional on the satisfaction of any non-market vesting conditions (“**vesting date**”). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior periods is charged/credited to profit or loss for the year of review, with a corresponding adjustment to the reserve within equity.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated profits/losses.

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arises from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on interest in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. 主要會計政策(續)

以股份支付交易(續) 以權益結算的交易(續)

以權益結算的交易成本連同權益的相應增加於歸屬條件獲達成期間內確認，直至相關僱員有權獲得獎勵的日期不再取決於須達成任何非市場歸屬條件為止(「**歸屬日期**」)。於歸屬期內，檢討預期最終歸屬的購股權數目。對過往期間確認的累計公平值的任何調整均於回顧年度的損益扣除／計入，並對權益內的儲備進行相應調整。

當購股權於歸屬日期後被沒收或於屆滿日期仍未獲行使，過往於購股權儲備中確認之金額將轉撥至累計盈利／虧損。

稅項

即期所得稅支出乃根據期內業績計算，並就毋須課稅或不可扣減項目作出調整。計算時所使用之稅率為於報告期末已頒行或實際上已頒行之稅率。

遞延稅項乃使用負債法，就於報告期末綜合財務報表中的資產及負債之稅基與賬面值之間之所有暫時差額作出撥備。但是，任何遞延稅項均來自商譽的初始確認；或業務合併以外的交易中的其他資產或負債，在交易發生時既不影響會計溢利也不影響應課稅溢利或虧損的，不予確認。

遞延稅項負債及資產乃根據於報告期末已頒佈或實質上已頒佈之稅率(及稅法)，按預期於收回資產或償還負債期間適用之稅率計量。

確認遞延稅項資產之前提是有可能有未來應課稅溢利可用於抵銷可扣減暫時差額、稅項虧損及抵免。

對附屬公司、聯營公司及合營企業的權益產生的暫時性差異計提遞延稅項，但暫時性差異轉回的時間由本集團控制且該暫時性差異在可預見的未來很可能不會轉回的除外。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the consolidated financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Related parties

A related party is a person or entity that is related to the Group:

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the holding company of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

2. 主要會計政策(續)

分部報告

財務報表所報告之經營分部及各分部項目之款項乃自定期向本集團最高行政管理層提供之綜合財務資料中確認，以分配資源予本集團不同業務以及評估該等業務之表現。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產過程的性質、客戶種類或類別、用作分銷產品或提供服務的方法以及監管環境性質方面相類似則除外。個別非重大之經營分部倘符合大部分上述準則，可予合併處理。

關連人士

關連人士指與本集團有關連的個人或實體：

- (a) 倘屬以下人士，即該人士或該人士關係密切的家庭成員與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團控股公司的主要管理層成員。
- (b) 倘符合下列任何條件，即該實體與本集團有關連：
 - (i) 該實體及本集團為同一集團的成員公司（即各控股公司、附屬公司及同系附屬公司為互相關連）。
 - (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies: (Continued)
- (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the holding company of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Group and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

2. 主要會計政策(續)

關連人士(續)

- (b) 倘符合下列任何條件，即該實體與本集團有關連：(續)
- (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 該實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身為有關計劃，提供資助的僱主亦與本集團有關連。
 - (vi) 該實體受(a)所指的人士控制或共同控制。
 - (vii) 於(a)(i)所指的人士對該實體有重大影響或屬該實體(或該實體的控股公司)主要管理層成員。
 - (viii) 該實體或該實體所屬集團的任何成員公司向本集團或本集團控股公司提供主要管理層成員服務。

某名人士關係密切的家庭成員指在與本集團進行交易的過程中預計會影響該名人士或受其影響的家庭成員，包括：

- (a) 該人士子女和配偶或同居伴侶；
- (b) 該人士的配偶或同居伴侶的子女；及
- (c) 該人士或其配偶或同居伴侶的受撫養人。

在關連人士的定義中，聯營公司包括聯營公司的附屬公司，合營企業包括合營企業的附屬公司。

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

3. FUTURE CHANGES IN HKFRSs

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> ¹
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> ¹
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i> ¹
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i> ¹
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³

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

² Effective for annual periods beginning on or after 1 January 2025

³ The effective date to be determined

The directors of the Company do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the consolidated financial statements of the Group.

3. 香港財務報告準則之未來變動

於綜合財務報表獲授權刊發日期，香港會計師公會已頒佈下列尚未於本年度生效之新訂／經修訂香港財務報告準則，而本集團並未提早採納該等準則。

香港會計準則第1號之修訂本	負債分類為流動或非流動 ¹
香港會計準則第1號之修訂本	附帶契諾的非流動負債 ¹
香港會計準則第7號及香港財務報告準則第7號之修訂本	供應商融資安排 ¹
香港財務報告準則第16號之修訂本	售後租回的租賃負債 ¹
香港會計準則第21號之修訂本	缺乏可兌換性 ²
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業之間的資產出售或注資 ³

¹ 於二零二四年一月一日或之後開始的年度期間生效

² 於二零二五年一月一日或之後開始的年度期間生效

³ 尚未釐定生效日期

本公司董事預計，於未來期間採納新訂／經修訂香港財務報告準則不會對本集團的綜合財務報表產生任何重大影響。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions concerning the future and judgements are made by the Group's management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment, right-of-use assets and intangible assets

The Group's management determines the estimated useful lives of its property, plant and equipment, right-of-use assets and intangible assets. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment, right-of-use assets and intangible assets of similar nature and functions. The Group's management will increase the depreciation and/or amortisation charges where useful lives are less than previously estimated lives. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore affect the related depreciation and/or amortisation charges in future periods.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets, including property, plant and equipment, right-of-use assets and intangible assets, at the end of each reporting period in accordance with the accounting policies as disclosed in Note 2 to the consolidated financial statements. In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to assess whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. If any such indication exists, the recoverable amounts of the asset would be determined as the greater of the fair value less costs of disposal and value in use, the calculations of which involve the use of estimates. Owing to inherent risk associated with estimations in the timing and amounts of the future cash flows and fair value less costs of disposal, the estimated recoverable amount of the asset may be different from the amount actually received and profit or loss could be affected by accuracy of the estimations.

4. 關鍵會計估計及判斷

於編製綜合財務報表時，本集團管理層作出有關未來之估計及假設以及判斷。其影響到本集團會計政策之應用、資產、負債、收入及開支之報告金額，以及所作出之披露。其會持續評估，並以經驗及有關因素為基礎，包括對相信於有關情況下屬合理之未來事項之預期。於適當情況下，會計估計之修訂會在修訂期間及未來期間（倘有關修訂亦影響未來期間）予以確認。

估計不確定性之主要來源

物業、廠房及設備、使用權資產以及無形資產的可使用年期

本集團管理層釐定其物業、廠房及設備、使用權資產以及無形資產的估計可使用年期。有關估計乃基於具類似性質及功能的物業、廠房及設備、使用權資產以及無形資產的實際可使用年期的過往經驗得出。在可使用年期少於先前估計年期下，本集團管理層將增加折舊及／或攤銷費用。其將對銷或撇減已被棄用或出售的技術陳舊或非策略性資產。實際經濟年期可能與估計可使用年期不同。定期檢討可能會導致可使用年期變動，因而影響未來期間的相關折舊及／或攤銷費用。

非金融資產減值

本集團根據綜合財務報表附註2披露之會計政策於各報告期末評估是否有任何跡象顯示所有非金融資產（包括物業、廠房及設備、使用權資產及無形資產）已出現減值。於釐定資產是否出現減值或過往導致減值之事件是否不再存在時，管理層須評估是否出現可影響資產價值之事件，或該影響資產價值之事件是否不再存在。倘有跡象存在，資產可收回金額按公平值減出售成本與使用價值之較高者釐定，而有關計算涉及作出估計。由於未來現金流量及公平值減出售成本之時間及數額估計涉及固有風險，故該資產之估計可收回金額或會與實際收回金額有所不同，而此估計之準確度可能對損益造成影響。

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty (Continued) *Allowance for impairment loss*

The Group's management estimates the loss allowance for financial assets at amortised costs including, trade and other receivables and finance lease receivables, by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and finance lease receivables.

Income taxes

The Group is mainly subject to income taxes in Hong Kong and the PRC. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 income tax and deferred income tax provisions in the period in which such determination is made.

Fair value measurement of convertible notes

The Group's convertible notes are measured at fair value for financial reporting purposes. The management of the Group determine the appropriate valuation techniques and inputs for fair value measurement.

In estimating the fair value of liabilities, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent professional valuer to perform the valuation. The management of the Group work closely with the independent professional valuer to establish the appropriate valuation techniques and inputs to the model.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Changes in subjective input assumptions can materially affect the fair value estimate.

4. 關鍵會計估計及判斷(續)

估計不確定性之主要來源(續) *減值虧損撥備*

本集團管理層使用不同輸入數據及假設(包括違約風險及預期虧損比率)估計按攤銷成本計量之金融資產(包括貿易應收款項及其他應收款項以及融資租賃應收款項)之虧損撥備。有關估計以本集團之過往資料、現行市況及於各報告期末之前瞻性估計為基準,並涉及高度不確定性。倘預期與原本估計不同,該等差異將影響貿易應收款項及其他應收款項及融資租賃應收款項的賬面值。

所得稅

本集團主要在香港及中國繳納所得稅。在釐定所得稅撥備時須作出重大判斷。在日常業務過程中,多項交易及計算的最終稅收並不確定。本集團根據對是否須繳納額外稅項所作估計,確認對預期稅務審核問題所承擔負債。倘有關事項的最終稅收結果與初步記錄金額不同,有關差額將影響作出有關決定的時期的所得稅及遞延所得稅撥備。

可換股票據的公平值計量

就財務報告而言,本集團之可換股票據以公平值計量。本集團管理層須就公平值計量釐定合適估值方法及輸入數據。

於估計負債之公平值時,本集團使用可得的可觀察市場數據。在並無第一級輸入數據之情況下,本集團委聘第三方合資格估值師進行估值。本集團管理層與獨立專業估值師緊密合作,以設立該模式適用之估值方法及輸入數據。

於估計若干類別金融工具之公平值時,本集團採用包括並非根據可觀察市場數據之估值方法。主觀輸入數據假設之變動可對公平值估值造成重大影響。

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

5. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise of financial assets at FVPL, cash and cash equivalents, interest-bearing borrowings, convertible notes designated as financial liabilities at FVPL and lease liabilities. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as trade and other receivables, finance lease receivables, and trade and other payables, which arise directly from its business activities.

The accounting policies for financial instruments have been applied to the line items below:

5. 財務風險管理

本集團的主要金融工具包括按公平值計入損益之金融資產、現金及現金等價物、計息借貸、指定為按公平值計入損益之金融負債的可換股票據及租賃負債。此等金融工具主要用於為本集團的經營籌集及維持資金。本集團的各種其他金融工具(如貿易應收款項及其他應收款項、融資租賃應收款項、貿易應付款項及其他應付款項)均直接由其業務活動產生。

金融工具的會計政策已應用於以下各項：

		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
Assets			
Financial assets at FVPL			
	資產 按公平值計入損益之 金融資產		
Listed equity securities in Hong Kong	香港上市股本證券	176	195
Financial assets at amortised cost			
	按攤銷成本計量之金融資產		
Finance lease receivables	融資租賃應收款項	9,689	332,045
Trade and other receivables	貿易應收款項及其他應收 款項	24,865	12,129
Cash and cash equivalents	現金及現金等價物	332,474	21,839
		367,028	366,013
Liabilities			
Financial liabilities at FVPL			
	負債 按公平值計入損益之 金融負債		
Convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之 金融負債的可換股票據	53,214	65,089
Financial liabilities at amortised cost			
	按攤銷成本計量之金融負債		
Trade and other payables	貿易應付款項及其他 應付款項	42,016	42,150
Interest-bearing borrowings	計息借貸	7,697	4,653
Lease liabilities	租賃負債	1,567	1,325
		51,280	48,128

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

5. FINANCIAL RISK MANAGEMENT (Continued)

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and price risk. The Group generally adopts conservative strategies on the Group's risk management and limits the Group's exposure to these risks to a minimum. The management of the Group reviews and agrees policies for managing each of these risks and they are summarised below. The Group also monitors the market price risk arising from all financial instruments.

Interest rate risk

Except for the convertible notes designated as financial liabilities at FVPL of which the relevant interest rate risk exposure had been included in the price risk analysis below, the Group is exposed to cash flow interest rate risk in relation to bank balances carried at prevailing market rate. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. The Group has not formulated a policy to manage the interest rate risk as the management do not expect the interest rate for bank deposits would be significantly changed in the next 12 months from 31 December 2023.

Foreign currency risk

Except for the convertible notes designated as financial liabilities at FVPL which are denominated in HK\$ of which the relevant foreign currency risk exposure had been included in the price risk analysis below, the Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

5. 財務風險管理(續)

本集團金融工具所產生的主要風險為外匯風險、信貸風險、流動資金風險、利率風險及價格風險。本集團於其風險管理方面一般採取保守策略，並將本集團承受的該等風險減至最低。本集團的管理層檢討並同意管理該等風險的各項政策，有關政策於下文概述。本集團亦會監察所有金融工具所產生之市場價格風險。

利率風險

除指定為按公平值計入損益的金融負債的可換股票據(其相關利率風險敞口已包含在下文的價格風險分析中)外，本集團須承受有關以當前市場利率計息之銀行結餘及計息借貸之現金流量利率風險。本集團並無運用任何衍生合約對沖其利率風險。本集團並無制定政策管理其利率風險，原因是管理層預期自二零二三年十二月三十一日起未來12個月內的銀行存款利率不會發生重大變動。

外匯風險

除以港元計值且相關外匯風險已計入下文價格風險分析的指定按公平值計入損益的金融負債的可換股票據外，本集團的大部分業務交易、資產及負債主要以本集團實體的功能貨幣計值，因此本集團面對的外匯風險不大。本集團目前並無關於外幣交易、資產及負債的外匯對沖政策。本集團將密切監測其外匯風險，並將在有需要時考慮對沖重大外匯風險。

5. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk

The carrying amount of the cash and cash equivalents, trade and other receivables and finance lease receivables 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 at amortised cost.

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

At 31 December 2023, the Group had a concentration of credit risk as approximately 36% (2022: 60%) of the total trade receivables was due from the Group's largest trade debtor and approximately 77% (2022: 86%) of the total trade receivables was due from the Group's five largest trade debtors.

At 31 December 2023, the Group had a concentration of credit risk as approximately 50% (2022: 14%) of the total finance lease receivables was due from the Group's largest finance lease debtor and approximately 100% (2022: 54%) of the total finance lease receivables was due from the Group's five largest finance lease debtors.

In order to minimise credit risk, the Group has delegated its finance team to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The finance team uses publicly available financial information and the Group's own historical repayment records to rate its major customers and debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

5. 財務風險管理(續)

信貸風險

計入綜合財務狀況表的現金及現金等價物、貿易應收款項及其他應收款項以及融資租賃應收款項的賬面值，即為本集團按攤銷成本計量之金融資產的最高信貸風險。

由於對手方為獲信貸評級機構授予高信貸等級的銀行，因此銀行結餘的信貸風險有限。

於二零二三年十二月三十一日，本集團面臨來自本集團最大債務人及五大債務人的貿易應收款項的集中信貸風險，有關金額分別佔本集團貿易應收款項總額約36% (二零二二年：60%) 及77% (二零二二年：86%)。

於二零二三年十二月三十一日，本集團融資租賃應收款項總額的約50% (二零二二年：14%) 及約100% (二零二二年：54%) 分別來自本集團最大融資租賃債務人及五大融資租賃債務人，故本集團面臨集中信貸風險。

為了將信貸風險減至最低，本集團已委託其財務團隊制定及維持本集團的信貸風險評級，以根據其違約風險程度對所面臨風險進行分類。財務團隊使用公開財務資料及本集團本身的過往還款記錄以對其主要客戶及債務人作出評級。本集團所面臨風險及對手方的信貸評級受持續監控，所達成的交易總值被分攤至經批准的對手方。

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

5. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit loss ("ECL")
類別	描述	確認預期信貸虧損(「預期信貸虧損」)的基準
Performing	The counterparty has a low risk of default and does not have any past-due amounts for other receivables and finance lease receivables	12 months ECL
良好	就於其他應收款項以及融資租賃應收款項而言，對手方的違約風險偏低及並無任何逾期款項	12個月預期信貸虧損
Doubtful	There has been a significant increase in credit risk since initial recognition for trade and other receivables and finance lease receivables	Lifetime ECL — not credit-impaired
可疑	就於貿易及其他應收款項以及融資租賃應收款項而言，自初次確認以來信貸風險顯著增加	全期預期信貸虧損 — 無信貸減值
In default	There is evidence indicating the asset is credit impaired for trade and other receivables and finance lease receivables	Lifetime ECL — credit impaired
違約	就於貿易及其他應收款項以及融資租賃應收款項而言，有證據表明資產已出現信貸減值	全期預期信貸虧損 — 已出現信貸減值
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery for trade and other receivables and finance lease receivables	Amount is written off
撇銷	就於貿易及其他應收款項以及融資租賃應收款項而言，有證據表明債務人陷入嚴重財務困難，且本集團收回款項的前景渺茫	撇銷有關款項

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. For finance lease receivables, the Group has applied the general approach in HKFRS 9 to measure ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. To measure the expected credit losses, trade receivables and finance lease receivables have been grouped based on shared credit risk characteristics.

5. 財務風險管理(續)

信貸風險(續)

本集團現行信貸風險評級框架包括以下各類：

就貿易應收款項而言，本集團已應用香港財務報告準則第9號之簡化法，採用全期預期信貸虧損計量虧損撥備。就融資租賃應收款項而言，本集團已應用香港財務報告準則第9號之一般方法計量預期信貸虧損。本集團採用撥備矩陣釐定此等項目的預期信貸虧損，並基於根據債務人的過往違約記錄、債務人營運所在行業的整體經濟狀況以及於報告日期對當前及預測狀況走向所作評估而得出的過往信貸虧損經驗估計。為計量預期信貸虧損，貿易應收款及融資租賃應收款項按共通信貸風險特徵分組。

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

5. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Other receivables

The Group considers that the other receivables have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. No impairment on the other receivables is recognised based on the measurement on 12-month ECL.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The Group finances its working capital requirements mainly by the funds generated from operations and external financing.

The Group's financial liabilities at the end of the reporting period based on contractual undiscounted payments are summarised below:

5. 財務風險管理(續)

信貸風險(續)

其他應收款項

本集團認為其他應收款項的信貸風險較低，因為借款人有能力於短期內履行其合約現金流量義務且違約風險較低。其他應收款項按12個月預期信貸虧損計量，不確認減值。

流動資金風險

本集團的政策為定期監測當前及預期流動資金需求，確保維持充足的現金儲備以應付短期及長期的流動資金需求。本集團主要以業務經營所產生及外部融資所得資金撥付其營運資金需求。

於報告期末本集團根據合約未貼現付款的金融負債概述如下：

		Total carrying amount	Total contractual undiscounted cash flow	Less than 1 year or on demand	1-2 years	2-5 years
		賬面總值	按合約未貼現金流量總額	少於一年或按	一至二年	二至五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2023	於二零二三年十二月三十一日					
Trade and other payables	貿易應付款項及其他應付款項	42,016	42,016	42,016	-	-
Interest-bearing borrowings	計息借貸	7,697	8,082	8,082	-	-
Lease liabilities	租賃負債	1,567	1,668	849	328	491
Convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之金融負債的可換股票據	53,214	57,763	1,630	1,630	54,503
		104,494	109,529	52,577	1,958	54,994
At 31 December 2022	於二零二二年十二月三十一日					
Trade and other payables	貿易應付款項及其他應付款項	42,150	42,150	42,150	-	-
Interest-bearing borrowings	計息借貸	4,653	4,778	4,778	-	-
Lease liabilities	租賃負債	1,325	1,475	328	328	819
Convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之金融負債的可換股票據	65,089	63,881	63,881	-	-
		113,217	112,284	111,137	328	819

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

5. FINANCIAL RISK MANAGEMENT (Continued)

Price risk

The Group was required to estimate the fair value of the convertible notes issued by the Company (Note 25) at the end of the reporting period with changes in fair value to be recognised in the profit or loss. The fair value adjustment of the convertible notes as measured in RMB would be affected either positively or negatively, amongst others, by the changes in the Company's share market price, the exchange rate between HK\$ and RMB and market interest rate.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to the price risk of convertible notes at the reporting date only. The stated changes represented the management's assessment of reasonable possible changes in fair value of the convertible notes in the next 12 months from 31 December 2023.

At 31 December 2023, if the fair value of the convertible notes has been 10% (2022: 10%) higher/lower due to the change in the Company's share price, the exchange rate between HK\$ and RMB and/or market interest rate, the Group's pre-tax results would decrease/increase by approximately RMB5,321,000 (2022: RMB6,509,000).

6. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following presents the assets and liabilities measured at fair value or required to disclose their fair value in these financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13, Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 (lowest level): unobservable inputs for the asset or liability.

5. 財務風險管理(續)

價格風險

本集團須於報告期末估計本公司發行的可換股票據的公平值(附註25)，有關公平值變動於損益中確認。以人民幣計量的可換股票據的公平值調整將受到(其中包括)本公司股價變動、港元兌人民幣匯率及市場利率變動的正面或負面影響。

敏感度分析

以下敏感度分析僅根據報告日期可換股票據的價格風險敞口釐定。所述變動代表管理層對自二零二三年十二月三十一日起未來12個月內可換股票據公平值合理可能變動的評估。

於二零二三年十二月三十一日，倘可換股票據的公平值因本公司股價、港元兌人民幣匯率及/或市場利率變動而上升/下跌10%(二零二二年：10%)，本集團的稅前業績將減少/增加約人民幣5,321,000元(二零二二年：人民幣6,509,000元)。

6. 公平值計量

公平值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付之價格。下文呈列按公平值計量或須於此等財務報表中按經常性基準根據香港財務報告準則第13號「公平值計量」所界定公平值等級三個層級披露公平值之資產及負債，當中會按對有關公平值計量有重大影響之最低輸入層級將整項公平值計量分類。輸入項目之層級界定如下：

- 第一層級輸入數據(最高級)：本集團於計量日可取得之相同資產或負債於活躍市場之報價(未經調整)。
- 第二層級輸入數據：就資產或負債直接或間接可觀察之輸入數據(第一層級包含之報價除外)。
- 第三層級輸入數據(最低級)：資產或負債之不可觀察輸入數據。

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

6. FAIR VALUE MEASUREMENTS (Continued)

Financial assets and liabilities measured at fair value

6. 公平值計量(續)

按公平值計量的金融資產及負債

		Fair value measurements At 31 December 2023 using 於二零二三年十二月三十一日 所用公平值層級：			
		Quoted prices Fair value at 31 December 2023	in active market for identified underlying items (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		於二零二三年 十二月三十一日 之公平值	已識別相關項目 於活躍市場 的報價 (第一級)	重大其他 可觀察 輸入數據 (第二級)	重大 不可觀察 輸入數據 (第三級)
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Recurring fair value measurement Assets	經常性公平值計量資產				
Listed equity securities in Hong Kong	香港上市股本證券	176	176	-	-
Liabilities	負債				
Convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之金融負債的可換股票據	53,214	-	-	53,214

		Fair value measurements At 31 December 2022 using 於二零二二年十二月三十一日 所用公平值層級：			
		Quoted prices Fair value at 31 December 2022	in active market for identified underlying items (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		於二零二二年 十二月三十一日 之公平值	已識別相關項目 於活躍市場 的報價 (第一級)	重大其他 可觀察 輸入數據 (第二級)	重大 不可觀察 輸入數據 (第三級)
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Recurring fair value measurement Assets	經常性公平值計量資產				
Listed equity securities in Hong Kong	香港上市股本證券	195	195	-	-
Liabilities	負債				
Convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之金融負債的可換股票據	65,089	-	-	65,089

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

6. FAIR VALUE MEASUREMENTS (Continued)

Financial assets and liabilities measured at fair value (Continued)

Details of valuation techniques and inputs used in fair value measurements of convertible notes designated as financial liabilities at FVPL are set out in Note 25 to the consolidated financial statements.

Reconciliation of Level 3 fair value measurements:

At beginning of the reporting period	於報告期初
Issue of convertible notes	發行可換股票據
Redeemed during the year	於年內贖回
Changes in fair value	公平值變動
Exchange difference	匯兌差額

At end of the reporting period 於報告期末

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Assets and liabilities with fair value disclosure, but not measured at fair value

All other financial assets and financial liabilities are carried at amounts not materially different from their fair values at 31 December 2023 and 2022.

6. 公平值計量(續)

按公平值計量的金融資產及負債(續)

指定為按公平值計入損益之金融負債的可換股票據的公平值計量所用估值方法及輸入數據的詳情載於綜合財務報表附註25。

第三級公平值計量之對賬：

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
65,089	-
-	63,677
(10,864)	-
(2,554)	1,412
1,543	-
53,214	65,089

截至二零二三年及二零二二年十二月三十一日止年度，第一層級與第二層級之間並無轉移，亦無轉入或轉出第三層級。本集團之政策為於報告期末公平值層級間發生轉移時予以確認。

須披露公平值但並非按公平值計量之資產及負債

於二零二三年及二零二二年十二月三十一日，所有其他金融資產及金融負債的賬面值與其公平值並無重大差別。

7. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the executive directors of the Company, being identified as the chief operating decision maker (the “CODM”), for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (i) Pharmaceutical products segment: development, manufacturing, marketing and sales of pharmaceutical products, sales of pharmaceutical related software and provision of consultancy services;
- (ii) Finance leasing segment: provision of finance leasing services; and
- (iii) Genetic testing and molecular diagnostic services segment: provision of genetic testing and molecular diagnostic services.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of financial assets at FVPL and other corporate assets. Segment liabilities include trade and certain other payables attributable to the activities of the individual segments. Convertible notes designated as financial liabilities at FVPL and other liabilities are not allocated to operating segments as these liabilities are managed on a corporate basis.

7. 分部資料

本集團以分部管理業務，而分部則以業務範圍劃分。按與本公司執行董事已識別為主要經營決策者（「主要經營決策者」）就資源分配和表現評估作內部報告資料一致的方式，本集團已呈列以下三個可呈報分部。本集團並無將營運分部合併以組成以下可呈報分部。

- (i) 醫藥產品分部：開發、製造、市場推廣及銷售醫藥產品，銷售醫療相關軟件以及提供顧問服務；
- (ii) 融資租賃分部：提供融資租賃服務；及
- (iii) 基因檢測及分子生物診斷服務分部：提供基因檢測及分子生物診斷服務。

分部業績、資產及負債

在評估分部表現及分配分部間資源時，主要經營決策者根據以下基準監控可歸屬各可呈報分部之業績、資產及負債：

分部資產包括所有有形、無形資產及流動資產，惟按公平值計入損益之金融資產及其他公司資產除外。分部負債包括個別分部活動應佔之貿易應付款項及若干其他應付款項。指定為按公平值計入損益之金融負債的可換股票據及其他負債並未分配至經營分部，乃由於該等負債按企業基準進行管理。

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

7. SEGMENT INFORMATION (Continued)

Segment results, assets and liabilities (Continued)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment results is adjusted earnings before interest, income tax, depreciation and amortisation (“**Adjusted EBITDA**”), where “interest” includes interest income from bank and finance costs and “depreciation and amortisation” includes depreciation/amortisation of property, plant and equipment, right-of-use assets and intangible assets. To arrive at adjusted earnings, the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as remuneration of the Company’s directors and auditor and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted profit or loss, the CODM is provided with segment information concerning revenue, interest income, depreciation, amortisation, write-off of inventories, impairment losses, finance costs and additions to non-current segment assets used by segments in their operations.

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in Note 2 to the consolidated financial statements.

7. 分部資料(續)

分部業績、資產及負債(續)

收益及開支乃經參考該等分部產生之銷售額及開支或該等分部應佔之資產折舊或攤銷另行產生之開支分配至可呈報分部。

用於呈報分部業績之方法為扣除利息、所得稅、折舊及攤銷前經調整盈利(「**經調整EBITDA**」)，其中「利息」包括銀行利息收入及財務成本，而「折舊及攤銷」包括物業、廠房及設備、使用權資產及無形資產折舊／攤銷。為計算經調整盈利，本集團之盈利對並非指定屬於個別分部之項目作出進一步調整，如本公司董事及核數師酬金以及其他總辦事處或公司行政成本。

除取得有關經調整溢利或虧損之分部資料外，主要經營決策者獲提供之分部資料涉及收益、利息收入、折舊、攤銷、存貨撇銷、減值虧損、財務成本及各分部經營時所用非流動資產分部添置。

呈報分類的會計政策與綜合財務報表附註2中所述的的本集團的會計政策相同。

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

7. SEGMENT INFORMATION (Continued)

Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2023 and 2022 is set out below.

2023

Reportable segment revenue from external customers	來自外部客戶之可呈報分部收益
Reportable segment profit (Adjusted EBITDA)	可呈報分部溢利 (經調整EBITDA)
Reportable segment assets	可呈報分部資產
Reportable segment liabilities	可呈報分部負債
Other segment information (Note):	其他分部資料(附註):
Bank interest income	銀行利息收入
Finance costs	財務成本
Depreciation and amortisation	折舊及攤銷
Write-off of inventories	存貨撇銷
Reversal of impairment loss on finance lease receivables, net	融資租賃應收款項減值虧損撥回淨額
Provision for impairment loss on trade receivables, net	貿易應收款項減值虧損撥備淨額
Provision for impairment loss on other receivables	其他應收款項減值虧損撥備淨額
Addition to non-current assets	添置非流動資產

7. 分部資料(續)

分部業績、資產及負債(續)

截至二零二三年及二零二二年十二月三十一日止年度，有關本集團可呈報分部之資料載列如下，該等資料乃提供予主要經營決策者以分配資源及評估分部表現。

二零二三年

Pharmaceutical products	Finance leasing	Genetic testing and molecular diagnostic services	Total
醫藥產品	融資租賃	基因檢測及分子生物診斷服務	總計
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
100,517	7,248	14,333	122,098
19,818	10,355	3,665	33,838
33,937	337,414	9,206	380,557
16,492	1,919	7,126	25,537
81	356	2	439
(57)	-	(24)	(81)
(3,143)	(3)	(661)	(3,807)
(52)	-	-	(52)
-	3,914	-	3,914
(478)	-	(1,036)	(1,514)
(37)	-	-	(37)
-	-	1,091	1,091

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

7. SEGMENT INFORMATION (Continued)

Segment results, assets and liabilities (Continued)

2022

		Pharmaceutical products	Finance leasing	Genetic testing and molecular diagnostic services 基因檢測及分子生物診斷服務	Total
		醫藥產品 RMB'000 人民幣千元	融資租賃 RMB'000 人民幣千元	RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Reportable segment revenue from external customers	來自外部客戶之可呈報分部收益	152,654	14,819	8,450	175,923
Reportable segment profit (Adjusted EBITDA)	可呈報分部溢利 (經調整 EBITDA)	70,896	9,631	3,191	83,718
Reportable segment assets	可呈報分部資產	39,454	336,855	5,616	381,925
Reportable segment liabilities	可呈報分部負債	19,269	11,199	4,678	35,146
Other segment information (Note):	其他分部資料 (附註):				
Bank interest income	銀行利息收入	52	13	-	65
Finance costs	財務成本	(28)	-	-	(28)
Depreciation and amortisation	折舊及攤銷	(3,249)	(3)	(249)	(3,501)
Write-off of inventories	存貨撇銷	(164)	-	-	(164)
Provision for impairment loss on finance lease receivables	融資租賃應收款項減值虧損撥備	-	(4,135)	-	(4,135)
Reversal of (Provision for) impairment loss on trade receivables, net	貿易應收款項減值虧損撥回 (撥備) 淨額	858	-	(51)	807
Reversal of impairment loss on other receivables	其他應收款項減值虧損撥回	1,753	-	-	1,753
Addition to non-current assets	添置非流動資產	-	-	27	27

Segment revenue reported above represents revenue generated from external customers. There were no significant inter-segment sales during the years ended 31 December 2023 and 2022.

Note:

Any difference between the total amounts set out in the above segment information and the amounts reported elsewhere in the consolidated financial statements represented the unallocated portion for the corporate office.

7. 分部資料 (續)

分部業績、資產及負債 (續)

二零二二年

		Pharmaceutical products	Finance leasing	Genetic testing and molecular diagnostic services 基因檢測及分子生物診斷服務	Total
		醫藥產品 RMB'000 人民幣千元	融資租賃 RMB'000 人民幣千元	RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Reportable segment revenue from external customers	來自外部客戶之可呈報分部收益	152,654	14,819	8,450	175,923
Reportable segment profit (Adjusted EBITDA)	可呈報分部溢利 (經調整 EBITDA)	70,896	9,631	3,191	83,718
Reportable segment assets	可呈報分部資產	39,454	336,855	5,616	381,925
Reportable segment liabilities	可呈報分部負債	19,269	11,199	4,678	35,146
Other segment information (Note):	其他分部資料 (附註):				
Bank interest income	銀行利息收入	52	13	-	65
Finance costs	財務成本	(28)	-	-	(28)
Depreciation and amortisation	折舊及攤銷	(3,249)	(3)	(249)	(3,501)
Write-off of inventories	存貨撇銷	(164)	-	-	(164)
Provision for impairment loss on finance lease receivables	融資租賃應收款項減值虧損撥備	-	(4,135)	-	(4,135)
Reversal of (Provision for) impairment loss on trade receivables, net	貿易應收款項減值虧損撥回 (撥備) 淨額	858	-	(51)	807
Reversal of impairment loss on other receivables	其他應收款項減值虧損撥回	1,753	-	-	1,753
Addition to non-current assets	添置非流動資產	-	-	27	27

上述呈報分部收益指外部客戶產生之收益。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重大分部間銷售。

附註:

上述分部資料中所列的總額與綜合財務報表其他地方所呈報的金額之間的任何差異為企業辦公室的尚未分配部分。

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

7. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenue, result, assets and liabilities

7. 分部資料(續)

可呈報分部收益、業績、資產及負債之對賬

		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
Revenue	收益		
Reportable segment revenue from external customers	來自外部客戶之可呈報分部收益	122,098	175,923
Total reportable segment profit (Adjusted EBITDA)	可呈報分部總溢利(經調整EBITDA)	33,838	83,718
Other income	其他收入	445	90
Depreciation and amortisation	折舊及攤銷	(4,062)	(3,524)
Loss on disposal of subsidiaries	出售附屬公司虧損	-	(2,484)
Finance costs	財務成本	(2,052)	(1,792)
Unallocated head office and corporate expenses	未分配總辦事處及公司開支		
— staff costs (including directors' emoluments but excluding equity-settled share-based payment expenses)	— 員工成本(包括董事酬金, 惟不包括以權益結算以股份為基礎之付款開支)	(3,769)	(2,508)
— equity-settled share-based payment expenses	— 以權益結算以股份為基礎的付款開支	-	(9,722)
— changes in fair value of convertible notes designated financial liabilities at FVPL	— 指定為按公平值計入損益之金融負債的可換股票據之公平值變動	2,554	(1,412)
— others	— 其他	(4,590)	(6,595)
Consolidated profit before income tax	除所得稅前綜合溢利	22,364	55,771

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

7. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenue, result, assets and liabilities (Continued)

Reportable segment assets	可呈報分部資產
Financial assets at FVPL	按公平值計入損益之 金融資產
Unallocated head office and corporate assets	未分配總辦事處及 公司資產
Consolidated total assets	綜合總資產

Reportable segment liabilities	可呈報分部負債
Convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之 金融負債的可換股票據
Deferred tax liabilities	遞延稅項負債
Unallocated head office and corporate liabilities	未分配總辦事處及 公司負債
Consolidated total liabilities	綜合總負債

Geographic Information

Revenue from external customers

The following sets out information about the geographical location of the Group's revenue from external customers, based on the location at which the services were provided or the goods delivered.

The PRC	中國
Hong Kong	香港

Non-current assets

No non-current assets information is presented for the Group's geographical location, as over 90% of the Group's non-current assets are located in the PRC.

7. 分部資料(續)

可呈報分部收益、業績、資產及負債之對賬(續)

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
380,557	381,925
176	195
2,707	2,699
383,440	384,819

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
25,537	35,146
53,214	65,089
611	1,101
34,407	27,406
113,769	128,742

地區資料

來自外部客戶之收益

下表載列有關本集團來自外部客戶之收益的所在地區之資料。客戶所在地區按提供服務或貨品付運地點劃分。

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
107,765	167,473
14,333	8,450
122,098	175,923

非流動資產

本集團並無呈列有關非流動資產的地區資料，因本集團超過90%的非流動資產位於中國。

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

7. SEGMENT INFORMATION (Continued)

Information about major customers

Details of the customers (including entities under common control) individually accounting for 10% or more of total revenue of the Group during the reporting periods are as follows:

From pharmaceutical products segment	來自銷售醫藥產品分部
Customer A	客戶A
Customer B	客戶B
Customer C	客戶C

From genetic testing and molecular diagnostic services segment	來自基因檢測及分子生物診斷服務分部
Customer D	客戶D

Note:

Customers B, C and D contributed less than 10% of revenue of the Group for the years ended 31 December 2023 and 2022, respectively.

7. 分部資料(續)

有關主要客戶之資料

於報告期內，個別佔本集團總收益10%或以上的客戶(包括共同控制下的實體)詳情如下：

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
40,604	37,741
Note 附註	19,091
13,358	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
13,806	Note 附註

附註：

截至二零二三年及二零二二年十二月三十一日止年度，客戶B、C及D分別貢獻本集團的收入少於10%。

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

9. OTHER INCOME

Bank interest income	銀行利息收入
Rent concession received	已獲得的租金寬減
Sales of raw materials	原材料銷售
Sundry income	雜項收入
Government subsidies (Note)	政府補助(附註)

Note:

In the opinion of the management of the Group, there were no unfulfilled conditions or contingencies relating to these grants.

10. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

Finance costs	財務成本
Interest on convertible notes	可換股票據利息
Interest on other borrowings	其他借貸利息
Finance charges on lease liabilities	租賃負債之融資費用

Staff costs	員工成本
Directors' emoluments (Note 11)	董事薪酬(附註11)
Other staff costs	其他員工成本
— Salaries, wages, allowances, bonus and benefits in kind	— 薪金、工資、津貼、花紅及實物福利
— Contributions to defined contribution retirement plan	— 定額供款退休計劃之供款
— Equity-settled share-based payment expenses	— 以權益結算以股份為基礎之付款開支

9. 其他收入

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
445	79
68	—
—	134
23	2
—	144
536	359

附註：

本集團管理層認為，該等補助並無任何未達成條件或或然事項。

10. 除所得稅前溢利

除所得稅前溢利已扣除以下項目：

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
1,683	1,660
287	104
82	28
2,052	1,792
1,881	5,572
8,834	6,594
724	642
—	5,644
11,439	18,452

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

10. PROFIT BEFORE INCOME TAX (Continued)

Other items	其他項目
Depreciation of property, plant and equipment	物業、廠房及設備折舊
Amortisation of intangible assets (included in "Cost of sales and services rendered")	無形資產攤銷(計入「銷售及提供服務之成本」)
Depreciation of right-of-use assets	使用權資產折舊
Changes in fair value of financial assets at FVPL, net	按公平值計入損益之金融資產的公平值變動淨額
Auditor's remuneration	核數師酬金
Expenses relating to short-term leases	有關短期租賃之開支
Write-off of property, plant and equipment	物業、廠房及設備撇銷
Cost of inventories	存貨成本

Note:

Cost of inventories includes approximately RMB6,310,000 (2022: RMB5,402,000) relating to staff costs, depreciation and amortisation which amount is also included in the respective total amounts disclosed separately above.

10. 除所得稅前溢利(續)

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
1,171	1,285
1,965	1,964
926	275
19	252
1,537	1,463
222	540
—	31
85,878	82,134

附註：

存貨成本包括與員工成本、折舊及攤銷有關的約人民幣6,310,000元(二零二二年：人民幣5,402,000元)，該金額亦計入上文單獨披露的各項費用總金額。

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

11. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL'S EMOLUMENTS

Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

Year ended 31 December 2023

11. 董事及五名最高薪人士之酬金

董事酬金

根據香港公司條例第383(1)條與公司(董事利益信息披露)法規第二部分披露之董事薪酬載列如下：

截至二零二三年十二月三十一日止年度

		Salaries, wages, allowances, bonus and benefits	Discretionary bonus	Contribution to defined contribution retirement plan	Equity-settled share-based payment	Total
	Fees	in kind				
	袍金	薪金、工資、 津貼、花紅 及實物福利	酌情花紅	向定額 供款退休 計劃供款	以權益結算 以股份為 基礎之付款	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事					
Chen Chengqing (Note)	陳成慶 (附註)	217	-	-	-	217
Zhang Rongqing	張榮慶	109	-	-	-	109
Gao Borui	高伯瑞	217	-	-	-	217
Yuan Chaoyang	袁朝陽	325	-	-	-	325
She Hao	佘昊	415	-	-	-	415
Non-executive director	非執行董事					
Xiu Yuan	修遠	217	-	-	-	217
Independent non-executive directors	獨立非執行董事					
Zhu Yi Zhun	朱依諄	109	-	-	-	109
Khor Khie Liem, Alex	許麟麟	163	-	-	-	163
Zhang Ruigen	張瑞根	109	-	-	-	109
		1,881	-	-	-	1,881

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

11. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL'S EMOLUMENTS (Continued)

Directors' emoluments (Continued)

Year ended 31 December 2022

11. 董事及五名最高薪人士之酬金 (續)

董事酬金 (續)

截至二零二二年十二月三十一日止年度

		Fees	Salaries, wages, allowances, bonus and benefits in kind	Discretionary bonus	Contribution to defined retirement plan	Equity-settled share-based payment	Total
		袍金	薪金、工資、津貼、花紅及實物福利	酌情花紅	向定額供款退休計劃供款	以權益結算以股份為基礎之付款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Chen Chengqing (Note)	陳成慶 (附註)	206	-	-	-	-	206
Zhang Rongqing	張榮慶	103	-	-	-	335	438
Gao Borui	高伯瑞	206	-	-	-	279	485
Yuan Chaoyang	袁朝陽	206	-	-	-	1,676	1,882
She Hao	余昊	206	-	-	-	1,229	1,435
Non-executive director	非執行董事						
Xiu Yuan	修遠	206	-	-	-	559	765
Independent non-executive directors	獨立非執行董事						
Zhu Yi Zhun	朱依諄	103	-	-	-	-	103
Khor Khie Liem, Alex	許麒麟	155	-	-	-	-	155
Zhang Ruigen	張瑞根	103	-	-	-	-	103
		1,494	-	-	-	4,078	5,572

There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company, or their connected entities that were entered into or subsisted during the years ended 31 December 2023 and 2022.

截至二零二三年及二零二二年十二月三十一日止年度，概無訂立或存續以本公司董事或其控股公司、或彼等關連實體為受益人的貸款、類似貸款或其他交易。

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

11. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL'S EMOLUMENTS (Continued)

Directors' emoluments (Continued)

After consideration, the directors of the Company are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2023 and 2022.

No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2023 and 2022. None of the directors waived or agreed to waive any emoluments for the years ended 31 December 2023 and 2022.

Note:

Mr. Chen Chengqing had resigned as chairman of the Board of Directors on 17 June 2022.

Five highest paid individuals

Of the five individuals with the highest emoluments, included one (2022: two) directors of the Company whose emoluments are disclosed above. The aggregate of the emoluments in respect of the remaining four (2022: three) individuals were as follows:

Salaries, wages, allowances, bonus and benefits in kind	薪金、工資、津貼、花紅及實物福利
Contribution to defined contribution retirement plan	向定額供款退休計劃供款
Equity-settled share-based payment expenses	以權益結算以股份為基礎之付款開支

11. 董事及五名最高薪人士之酬金 (續)

董事酬金 (續)

本公司董事經考慮後認為，於截至二零二三年及二零二二年十二月三十一日止年度年內任何時間，概無存續本公司就本公司業務所訂立，而本公司董事直接或間接於其中擁有重大權益之重大交易、安排及合約。

於截至二零二三年及二零二二年十二月三十一日止年度，本集團概無向任何董事支付任何酬金，作為其加入本集團或在其加入本集團時的獎勵或離職補償。於截至二零二三年及二零二二年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金。

附註：

陳成慶先生於二零二二年六月十七日辭任董事會主席。

五名最高薪人士

五名最高薪人士中，包括一名(二零二二年：兩名)本公司董事，彼等之酬金披露於上文。餘下四名(二零二二年：三名)人士的酬金總額如下：

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
2,619	—
40	—
—	3,352
2,659	3,352

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

11. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL'S EMOLUMENTS (Continued)

Five highest paid individuals (Continued)

The emoluments of the four (2022: three) individuals with the highest emoluments are within the following band:

Nil to HK\$1,000,000	零至1,000,000 港元
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元

No emoluments was paid by the Group to the above individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2023 and 2022. None of the above individuals waived or agree to waive any emoluments for the years ended 31 December 2023 and 2022.

12. INCOME TAX EXPENSES

Current tax	當期稅項
Hong Kong Profits Tax	香港利得稅
PRC Enterprise Income Tax ("EIT")	中國企業所得稅 (「企業所得稅」)
Deferred taxation (Note 26)	遞延稅項(附註26)

For the PRC subsidiaries of the Group, PRC EIT is calculated at 25% (2022: 25%) in accordance with the relevant laws and regulations in the PRC.

11. 董事及五名最高薪人士之酬金 (續)

五名最高薪人士(續)

四名(二零二二年:三名)最高薪人士之酬金介乎下列組別:

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	-
1	3

於截至二零二三年及二零二二年十二月三十一日止年度，本集團概無支付任何酬金予上述人士，作為其加入本集團或在其加入本集團時的獎勵或離職補償。於截至二零二三年及二零二二年十二月三十一日止年度，概無上述人士放棄或同意放棄任何酬金。

12. 所得稅開支

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
555	336
8,932	20,728
9,487	21,064
(490)	(490)
8,997	20,574

就本集團中國附屬公司而言，中國企業所得稅乃根據中國相關法律及法規按25%(二零二二年:25%)的稅率計算。

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

12. INCOME TAX EXPENSES (Continued)

Under the two-tiered profits tax regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be tax at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Reconciliation between income tax expense and profit before income tax at applicable tax rates:

12. 所得稅開支(續)

根據香港利得稅的兩級利得稅制度，合資格集團實體的首2百萬港元溢利將按8.25%的稅率徵稅，而超過2百萬港元的溢利將按16.5%的稅率徵稅。不符合該兩級利得稅率制度資格的集團實體之溢利將繼續按16.5%之劃一稅率徵稅。因此，合資格集團實體的香港利得稅首2百萬港元估計應課稅溢利按8.25%計算，而超過2百萬港元的估計應課稅溢利按16.5%計算。

根據開曼群島之規則及規例，本集團毋須繳付任何開曼群島所得稅。

按適用稅率計算的稅項開支與除所得稅前溢利對賬如下：

		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
Profit before income tax	除所得稅前溢利	22,364	55,771
Notional tax on profit before tax, calculated at the rates applicable in the countries concerned	按相關國家之適用稅率計算除稅前溢利的名義稅項	5,750	14,318
Tax effect of expenses not deductible for tax purpose	不可扣減費用之稅務影響	4,963	6,512
Tax effect of income not taxable for tax purpose	非應課稅收入之稅務影響	(1,400)	(249)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	9	95
Tax effect of temporary differences not recognised	未確認暫時差額之稅務影響	22	8
Tax effect of utilisation of tax losses not previously recognised	動用先前未確認稅項虧損之稅務影響	(234)	(161)
Others	其他	(113)	51
Income tax expenses	所得稅開支	8,997	20,574

13. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend for the years ended 31 December 2023 and 2022.

13. 股息

本公司董事不建議就截至二零二三年及二零二二年十二月三十一日止年度派付任何股息。

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

14. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company are based on the following data:

Profit for the year attributable to the owners of the Company for the purpose of basic earnings per share	就計算每股基本盈利所用本公司擁有人應佔年內溢利	18,633	29,217
Change in fair value of convertible notes designated as financial liabilities at FVPL	指定為按公平值計入損益之金融負債的可換股票據之公平值變動	(2,554)	1,412
Exchange difference on convertible notes designated as financial liabilities at FVPL	指定按公平值計入損益之金融負債的可換股票據匯兌差額	1,543	–
Interest on convertible notes	可換股票據利息	1,683	1,660
Profit for the year attributable to the owners of the Company for the purpose of diluted earnings per share	就計算每股攤薄盈利所用本公司擁有人應佔年內溢利	19,305	32,289
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利所用普通股加權平均數	3,208,305	3,068,636
Effect of conversion of convertible notes	轉換可換股票據之影響	584,183	540,394
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利所用普通股加權平均數	3,792,488	3,609,030

The computation of diluted earnings per share does not assume the exercise of the outstanding share options since the exercise price per share option was higher than the average share price of the Company for the years ended 31 December 2023 and 2022.

14. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

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
18,633	29,217
(2,554)	1,412
1,543	–
1,683	1,660
19,305	32,289
'000 千股	'000 千股
3,208,305	3,068,636
584,183	540,394
3,792,488	3,609,030

截至二零二三年及二零二二年十二月三十一日止年度，計算每股攤薄盈利時並無假設尚未行使之購股權被行使，原因為每份購股權的行使價高於本公司之平均股價。

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

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings	Leasehold improvements	Furniture, fixtures and office equipment 傢具、固定裝置及辦公室設備	Motor vehicles 汽車	Plant and machinery 廠房及機器	Total
		樓宇 RMB'000 人民幣千元	租賃物業裝修 RMB'000 人民幣千元	辦公設備 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	廠房及機器 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	6,175	1,273	475	9	4,788	12,720
Additions	添置	-	-	27	-	-	27
Written off	撇銷	-	-	(92)	-	-	(92)
Disposal of subsidiaries	出售附屬公司	-	-	(33)	-	-	(33)
Exchange realignments	匯兌調整	-	-	28	-	77	105
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	6,175	1,273	405	9	4,865	12,727
Additions	添置	-	-	9	-	73	82
Exchange realignments	匯兌調整	-	-	6	-	23	29
At 31 December 2023	於二零二三年十二月三十一日	6,175	1,273	420	9	4,961	12,838
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	累計折舊及減值虧損						
At 1 January 2022	於二零二二年一月一日	1,830	234	248	1	1,553	3,866
Charges	開支	499	80	84	-	622	1,285
Written off	撇銷	-	-	(61)	-	-	(61)
Disposal of subsidiaries	出售附屬公司	-	-	(17)	-	-	(17)
Exchange realignments	匯兌調整	-	-	18	-	46	64
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	2,329	314	272	1	2,221	5,137
Charges	開支	501	80	49	-	541	1,171
Exchange realignments	匯兌調整	-	-	5	-	17	22
At 31 December 2023	於二零二三年十二月三十一日	2,830	394	326	1	2,779	6,330
CARRYING AMOUNT	賬面值						
At 31 December 2023	於二零二三年十二月三十一日	3,345	879	94	8	2,182	6,508
At 31 December 2022	於二零二二年十二月三十一日	3,846	959	133	8	2,644	7,590

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

16. LEASES

Right-of-use assets	使用權資產
Leasehold lands	租賃土地
Lease properties	租賃物業
Lease liabilities	租賃負債
Current	即期
Non-current	非即期

16. 租賃

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
4,145	4,274
1,528	1,315
5,673	5,589
796	270
771	1,055
1,567	1,325

The Group leases various land use rights, warehouses and production sites in the PRC. Lease agreements are made for initial fixed periods of 5 to 50 years (2022: 5 to 50 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In addition, the Group leased an office for its operation during the year ended 31 December 2023. Lease of the office has initial lease term for 2 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

本集團在中國租賃多項土地使用權、倉庫及生產場所。租賃協議之初始固定年期為5至50年(二零二二年：5至50年)。租賃條款按個別基準磋商，並載有多項不同條款及條件。此外，本集團於截至二零二三年十二月三十一日止年度租賃一間辦公室作營運用途。辦公室租賃的初始年期為2年。一般而言，本集團不可將租賃資產轉讓及分租予本集團以外人士。

Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the years are as follows:

使用權資產

本集團使用權資產的賬面金額及年內變動如下：

		Leasehold lands 租賃土地 RMB'000 人民幣千元	Lease properties 租賃物業 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	4,403	-	4,403
Additions	添置	-	1,461	1,461
Depreciation charge	折舊支出	(129)	(146)	(275)
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	4,274	1,315	5,589
Additions	添置	-	1,009	1,009
Depreciation charge	折舊支出	(129)	(797)	(926)
Exchange realignment	匯兌調整	-	1	1
At 31 December 2023	於二零二三年十二月三十一日	4,145	1,528	5,673

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

16. LEASES (Continued)

Lease liabilities

The present value of lease liabilities is summarised as below:

		2023 二零二三年		2022 二零二二年	
		Present value of Lease payments 租賃付款 RMB'000 人民幣千元		Present value of Lease payments 租賃付款 RMB'000 人民幣千元	
Amounts payable:	應付款項：				
Within 1 year	1年內	849	796	328	270
More than 1 year but within 2 years	超過1年但於2年內	328	298	328	283
More than 2 years but within 5 years	超過2年但於5年內	491	473	819	772
		1,668	1,567	1,475	1,325
Less: future finance charges	減：未來財務支出	(101)	-	(150)	-
Total lease liabilities	租賃負債總額	1,567	1,567	1,325	1,325

The operating lease expenses on short-term leases recognised in profit or loss during the year ended 31 December 2023 amounted to approximately RMB222,000 (2022: RMB540,000).

The total cash outflow for leases (excluding short-term leases) for the year ended 31 December 2023 was approximately RMB780,000 (2022: RMB164,000).

16. 租賃(續)

租賃負債

租賃負債之現值概述如下：

於截至二零二三年十二月三十一日止年度於損益內確認的短期租賃的經營租賃開支約為人民幣222,000元(二零二二年：人民幣540,000元)。

於截至二零二三年十二月三十一日止年度租賃現金流出總額(不包括短期租賃)為約人民幣780,000元(二零二二年：人民幣164,000元)。

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

17. INTANGIBLE ASSETS

		Software	Customer relationship	Good Manufacturing Practice License	Total
		軟件	客戶關係 (Note a) (附註a)	良好生產 規範牌照 (Note b) (附註b)	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
COST	成本				
At 1 January 2022, 31 December 2022, 1 January 2023 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、二零二三年 一月一日及二零二三年 十二月三十一日	33	2,717	11,753	14,503
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	累計攤銷及減值虧損				
At 1 January 2022	於二零二二年一月一日	16	2,717	5,387	8,120
Charges	開支	5	-	1,959	1,964
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	21	2,717	7,346	10,084
Charges	開支	6	-	1,959	1,965
At 31 December 2023	於二零二三年 十二月三十一日	27	2,717	9,305	12,049
CARRYING AMOUNT	賬面值				
At 31 December 2023	於二零二三年 十二月三十一日	6	-	2,448	2,454
At 31 December 2022	於二零二二年 十二月三十一日	12	-	4,407	4,419

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

17. INTANGIBLE ASSETS (Continued)

Notes:

- (a) The customer relationship derived from acquisition of Zentogene Bioscience Laboratory Limited during the year ended 31 December 2019 and is allocated to genetic testing and molecular diagnostic services segment. The useful life of the customer relationship is 6 years.

Provision for impairment loss were made in previous years in reducing the carrying amount to be zero.

- (b) The license represents the Good Manufacturing Practice license derived from acquisition of 福建永春製藥有限公司 Fujian Yongchun Pharmaceutical Company Limited* (“**Fujian Yongchun**”) during the year ended 31 December 2019 and is allocated to pharmaceutical products segment. The useful life of the license is 6 years.

* *English name is translated for identification purpose only.*

17. 無形資產(續)

附註：

- (a) 該客戶關係來自於截至二零一九年十二月三十一日止年度收購 Zentogene Bioscience Laboratory Limited，並分配至基因檢測及分子生物診斷服務分部。客戶關係的可使用年期為6年。

減值虧損撥備已於過往年度計提以使賬面值下降至零。

- (b) 牌照指截至二零一九年十二月三十一日止年度收購福建永春製藥有限公司(「**福建永春**」)所得良好生產規範牌照，並分配至醫藥產品分部。牌照可使用年期為6年。

* 英文譯名僅供識別

18. INVENTORIES

Raw materials 原材料
Finished goods 製成品

18. 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	480	241
Finished goods	7	197
	487	438

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

19. TRADE AND OTHER RECEIVABLES

Trade receivables	貿易應收款項
Less: Provision for loss allowance (Note c)	減：計提虧損撥備(附註c)
Other receivables (Note d)	其他應收款項(附註d)
Amount due from a related company (Note e)	應收一間關聯公司款項 (附註e)
Deposits	按金
Prepayments	預付款項
Other PRC tax receivables	其他中國應收稅項

Notes:

- (a) At 31 December 2023 and 2022, all of the trade and other receivables are expected to be recovered or recognised as expense within one year.
- (b) The Group normally grants credit terms of 30 to 180 days (2022: 30 to 180 days) to its customers. Further details on the Group's credit policy are set out in Note 5 to the consolidated financial statements.

At the end of the reporting period, the ageing analysis of trade receivables presented based on the invoice date and net of loss allowance is as follows:

Within 30 days	30日內
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 120 days	91至120日
121 to 365 days	121至365日
Over 365 days	超過365日

19. 貿易應收款項及其他應收款項

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
24,613	6,149
(1,663)	(149)
22,950	6,000
1,727	5,944
3	2
185	183
841	419
241	126
25,947	12,674

附註：

- (a) 於二零二三年及二零二二年十二月三十一日，預期所有貿易應收款項及其他應收款項均會於一年內收回或確認為開支。
- (b) 本集團一般向其客戶授出30至180日(二零二二年：30至180日)的信貸期。有關本集團信貸政策的進一步詳情載於綜合財務報表附註5。

於報告期末，按發票日期及扣除虧損撥備後呈列的貿易應收款項賬齡分析如下：

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
10,503	1,647
10,896	979
523	911
508	203
520	552
-	1,708
22,950	6,000

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

19. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(c) Reconciliation of loss allowance for trade receivables:

At 1 January	於一月一日
Increase (Decrease) in loss allowance, net	虧損撥備增加(減少)淨額
At 31 December	於十二月三十一日

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing. The expected credit losses also incorporate forward looking information.

19. 貿易應收款項及其他應收款項 (續)

附註：(續)

(c) 貿易應收款項虧損撥備之對賬：

	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
At 1 January	149	956
Increase (Decrease) in loss allowance, net	1,514	(807)
At 31 December	1,663	149

本集團應用香港財務報告準則第9號之簡化法，採用全期預期虧損撥備就所有貿易應收款項的預期信貸虧損計提撥備。為計量預期信貸虧損，貿易應收款項按共享信貸風險特徵及賬齡分組。預期信貸虧損亦包含前瞻性資料。

		Within 30 days 30日內	31 to 60 days 31至 60日	61 to 365 days 61至 365日	Over 365 days 超過 365日	Total 總計
At 31 December 2023	於二零二三年 十二月三十一日					
Weighted average expected loss rate	加權平均預期虧損率	2.0%	2.0%	6.0%	100%	6.8%
Receivable amount (RMB'000)	應收款項(人民幣千元)	10,719	11,116	1,649	1,129	24,613
Loss allowance (RMB'000)	虧損撥備(人民幣千元)	216	220	98	1,129	1,663
At 31 December 2022	於二零二二年 十二月三十一日					
Weighted average expected loss rate	加權平均預期虧損率	-	-	-	8.0%	2.4%
Receivable amount (RMB'000)	應收款項(人民幣千元)	1,647	979	1,666	1,857	6,149
Loss allowance (RMB'000)	虧損撥備(人民幣千元)	-	-	-	149	149

The significant changes in the loss allowance were contributed by the deterioration of the business environment in the PRC during year ended 31 December 2023.

虧損撥備大幅變動乃由於截至二零二三年十二月三十一日止年度中國營商環境惡化。

(d) Included in the other receivables of approximately RMB19,000 (2022: approximately RMB2,535,000) represents interest receivables from finance lease receivables.

(d) 計入其他應收款項的約人民幣19,000元(二零二二年：約人民幣2,535,000元)為融資租賃應收款項的應收利息。

(e) The amount due from a related company is unsecured, interest-free and has no fixed repayment term.

(e) 應收一間關聯公司的款項為無抵押、免息及無固定還款期。

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

20. FINANCE LEASE RECEIVABLES

20. 融資租賃應收款項

		Gross amount 總額		Present value 現值	
		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
Less than 1 year	一年內	10,090	336,209	9,910	326,270
Between 1 and 2 years	一年至兩年	-	10,090	-	9,910
		10,090	346,299	9,910	336,180
Less: Unearned finance income	減：未實現財務收益	(180)	(10,119)	-	-
Present value of lease payments	租賃付款現值	9,910	336,180	9,910	336,180
Less: Loss allowances	減：虧損撥備			(221)	(4,135)
				9,689	332,045
Analysed as:	分析為：				
Current	流動			9,689	322,257
Non-current	非流動			-	9,788
				9,689	332,045

At 31 December 2023 and 2022, the finance lease receivables are secured over the leased assets represented mainly by machineries and equipment.

The Group is not permitted to sell or repledge the collateral of finance lease receivables in the absence of approval by the lessee. All the Group's finance lease receivables are denominated in RMB, the functional currency of the relevant group entities.

於二零二三年及二零二二年十二月三十一日，融資租賃應收款項所抵押之租賃資產主要為機器及設備。

在承租人沒有批准的情況下，本集團不可出售或再抵押融資租賃應收款項之抵押品。本集團之所有融資租賃應收款項均以人民幣計價，人民幣為相關集團實體之功能貨幣。

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

20. FINANCE LEASE RECEIVABLES (Continued)

The weighted average term of finance leases during the year ended 31 December 2023 is 1.6 years (2022: 1.4 years) and all the leases require repayment by installments. In the event the lessee breaches the lease contract, the Group has the right to use or sell the assets leased and to call for full or partial repayment of the outstanding balance of finance lease receivables. At the end of the finance lease term, the lessee will be able to purchase the leased assets at nominal price.

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate is approximately 5.4% (2022: 6.5%) per annum. The finance lease receivables at the end of the reporting period are neither past due nor impaired.

Reconciliation of loss allowance for finance lease receivables:

At 1 January	於一月一日
Amount recovered	已收回金額
(Decrease) Increase in loss allowance	虧損撥備(減少)增加
At 31 December	於十二月三十一日

The Group applies the general approach under HKFRS 9 to provide for expected credit losses for all finance lease receivables. The following table details the risk profile of finance lease receivables (as detailed in Note 5) at the end of the reporting period.

Total gross carrying amount	賬面總金額 — 良好
— performing	
Average loss rate	平均虧損率
12-month ECL	12個月預期信貸虧損

20. 融資租賃應收款項(續)

截至二零二三年十二月三十一日止年度，融資租賃之加權平均租期為1.6年(二零二二年：1.4年)，所有租賃須分期還款。若承租人違反租約，本集團有權佔用或出售已出租資產。同時本集團有權要求全部或部分償還融資租賃應收款項之未償清結餘。於融資租賃期末，承租人有權按名義價格購買租賃資產。

於整個租賃期內，租賃附帶的利率以合同日期所釐定者為準。平均實際年利率約為5.4%(二零二二年：6.5%)。於報告期末之融資租賃應收款項既未逾期亦無減值。

融資租賃應收款項虧損撥備之對賬：

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
4,135	-
(3,769)	-
(145)	4,135
221	4,135

本集團應用香港財務報告準則第9號之一般方法就所有融資租賃應收款項的預期信貸虧損計提撥備。下表詳列於報告期末融資租賃應收款項(詳見附註5)的風險概況：

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
9,910	336,180
2.23%	1.23%
221	4,135

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

20. FINANCE LEASE RECEIVABLES (Continued)

At 31 December 2023, finance lease receivables with gross carrying amount of approximately RMB9,910,000 (2022: RMB336,180,000) categorised into “performing” under the Group’s current credit risk grading framework and accordingly the loss allowance was measured at 12-month ECL.

The significant changes in loss allowance were contributed by significant changes in the gross carrying amounts of the balance because of finance lease receivables settled and originated during the years ended 31 December 2023 and 2022, respectively.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed equity securities in Hong Kong 香港上市股本證券

22. CASH AND CASH EQUIVALENTS

At 31 December 2023, the bank balances carry interest at average market rates ranging is 0.2% (2022: 0.01% to 0.3%) per annum. Conversion of approximately RMB328,150,000 (2022: RMB20,873,000) into foreign currencies is subject to the PRC’s Foreign Exchange Control Regulations.

23. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項	9,250	1,142
Payroll and welfare payables	應付薪金及福利	4,922	4,417
Accrued expenses	應計費用	2,877	2,993
Other payables	其他應付款項	22,626	31,175
Other PRC tax payables	其他中國應付稅項	935	2,980
Contract liabilities	合約負債	366	360
Interest payables (Note a)	應付利息(附註a)	1,751	1,814
Amount due to a director (Note b)	應付一名董事款項(附註b)	590	609
		43,317	45,490

20. 融資租賃應收款項(續)

於二零二三年十二月三十一日，總賬面值約為人民幣9,910,000元(二零二二年：人民幣336,180,000元)的融資租賃應收款項在本集團現有信貸風險評級框架下被歸類為「良好」，相應的虧損撥備按12個月預期信貸虧損計量。

虧損撥備的重大變化乃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結算及產生的融資租賃應收款項結餘總賬面值分別發生重大變化所致。

21. 按公平值計入損益之金融資產

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
176	195

22. 現金及現金等價物

於二零二三年十二月三十一日，銀行結餘乃按平均市場利率0.2%(二零二二年：0.01%至0.3%)計息。約人民幣328,150,000元(二零二二年：人民幣20,873,000元)兌換為外幣須遵守中國外匯管理條例。

23. 貿易應付款項及其他應付款項

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
9,250	1,142
4,922	4,417
2,877	2,993
22,626	31,175
935	2,980
366	360
1,751	1,814
590	609
43,317	45,490

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

23. TRADE AND OTHER PAYABLES (Continued)

The ageing analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

Within 30 days	30日內
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 120 days	91至120日
121 to 365 days	121至365日
Over 365 days	超過365日

Notes:

- (a) Interest payables at 31 December 2023 included approximately RMB1,353,000 (2022: approximately RMB1,706,000) related to convertible notes and approximately RMB398,000 (2022: approximately RMB108,000) related to interest-bearing borrowings.
- (b) The amount due to a director is non-trade in nature, unsecured, interest-free and repayable on demand.

24. INTEREST-BEARING BORROWINGS

Unsecured — current portion
Other borrowings

無抵押 — 即期部分
其他借貸

Denominated in:
HK\$

按以下貨幣計值：
港元

The other borrowings of approximately RMB7,697,000 (2022: RMB4,653,000) are unsecured, carry fixed interest rate of 5% per annum and are repayable after 1 year from drawdown date.

23. 貿易應付款項及其他應付款項 (續)

於報告期末，按發票日期呈列的貿易應付款項賬齡分析如下：

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
7,518	833
1,577	5
3	5
—	40
—	107
152	152
9,250	1,142

附註：

- (a) 於二零二三年十二月三十一日的應付利息包括與可換股票據有關的約人民幣1,353,000元(二零二二年：約人民幣1,706,000元)及與計息借貸有關的約人民幣398,000元(二零二二年：約人民幣108,000元)。
- (b) 應付一名董事款項為非貿易性質、無抵押、免息及須於要求時償還。

24. 計息借貸

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
7,697	4,653
7,697	4,653

其他借貸約人民幣7,697,000元(二零二二年：人民幣4,653,000元)為無抵押，按固定年利率5%計息且自提取日期起一年內償還。

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

25. CONVERTIBLE NOTES

On 13 January 2022, the Company, Fujian Sanai Biotechnology Limited* (福建三愛生物科技有限公司) (“Fujian Sanai”) and Fujian Zhixin Medicine Co., Limited* (福建至信醫藥有限公司) (“Fujian Zhixin”), both being indirect wholly-owned subsidiaries of the Company (collectively as “Obligors”) and two independent third parties being Mr. Zhi Shao Huan (支紹環) (“Subscriber 1”) and Mr. Jiang Heng Guang (蔣恒光) (“Subscriber 2”) (collectively as “Subscribers”) entered into the subscription agreement, pursuant to which, on the terms and subject to the condition therein, the Company has agreed to issue, and the subscribers have agreed to subscribe for, the convertible notes in the aggregate principal amount of HK\$72,000,000 (equivalent to approximately RMB63,677,000) which are convertible into the Company’s ordinary shares at the conversion price of HK\$0.119 per share (subject to adjustment).

As security for the due and punctual payment of the convertible notes and performance by the Company of its obligations under or arising out of the subscription agreement, the Company will execute the charges (the “Share Charges”) in respect of 57% and 43% of the entire issued share capital of Sanai International Investment Company Limited, a direct wholly-owned subsidiary of the Company, to be executed by the Company in favour of the Subscriber 1 and Subscriber 2 respectively as security of the convertible notes. In addition, each of Obligors will execute the charge (the “Account Charges”) to be executed by the Obligors in favour of the Subscribers over the bank accounts in the name of the Obligors as a continuing security for payment and discharge of the outstanding principal amount of the convertible notes and performance by the Company pursuant to the subscription agreement.

Convertible notes with coupon interest rate of 3% per annum payable semi-annually in arrears will mature on the first anniversary of the issue date.

On 9 February 2022, convertible notes with an aggregate principal amount of HK\$72,000,000 (equivalent to approximately RMB63,677,000) was successfully issued with maturity date of 8 February 2023.

The convertible notes were recognised as financial liabilities designated upon initial recognition at FVPL.

* *The English translation of the name is for references only.*

25. 可換股票據

於二零二二年一月十三日，本公司、本公司間接全資附屬公司福建三愛生物科技有限公司（「福建三愛」）及福建至信醫藥有限公司（「福建至信」）（統稱「該等債務人」）及兩名獨立第三方支紹環先生（「認購人1」）及蔣恒光先生（「認購人2」）（統稱「該等認購人」）訂立認購協議，據此，根據當中條款及受其條件所限，本公司同意發行而該等認購人同意認購本金總額為72,000,000港元（相當於約人民幣63,677,000元）的可換股票據（可轉換為本公司普通股），換股價為每股股份0.119港元（可予調整）。

作為可換股票據到期及如期支付以及本公司履行其於認購協議項下所承擔或產生的責任的擔保，本公司將就本公司的直接全資附屬公司三愛國際投資有限公司全部已發行股本的57%及43%質押（「股份質押」），而本公司以認購人1及認購人2分別作為可換股票據的抵押品。此外，該等債務人各自將簽立銀行賬戶抵押（「賬戶抵押」）（該抵押由該等債務人以認購人為受益人、以該等債務人名義簽立），作為支付及抵銷可換股票據尚未償還本金額以及本公司根據認購協議履約的持續擔保。

可換股票據將於發行日期起計第一個週年到期，票面年利率為3%，須每半年支付一次。

於二零二二年二月九日，本金總額為72,000,000港元（相當於約人民幣63,677,000元）的可換股票據已成功發行，到期日為二零二三年二月八日。

可換股票據於初始確認時確認為指定為按公平值計入損益之金融負債。

* 英文譯名僅供參考

25. CONVERTIBLE NOTES (Continued)

On 3 March 2023, the Company entered into the supplemental deed (the “**Supplemental Deed**”) with the Obligors and the Subscribers, pursuant to which, on the terms and subject to the conditions therein, the Company, the Obligors and the Subscribers conditionally agreed, among others, to amend the conversion price at HK\$0.098 per share and extend the maturity date for 3 years to 9 February 2026 and make certain related changes under the convertible notes (the “**Proposed Amendments**”). The Subscribers have agreed to execute the deed of release in respect of the Account Charge upon satisfaction of the conditions precedent under the Supplemental Deed by the Subscribers as charges in favour of the Obligors as chargors to terminate the Account Charge and release the Obligors from their obligations under the Account Charge. The Share Charges remain fully effective and are not released or diminished by any provision of the Supplemental Deed.

On 20 March 2023, the Company has redeemed part of the convertible notes with principal amount of HK\$12,000,000 (equivalent to approximately RMB10,864,000). The Proposed Amendments have become effective on 20 March 2023.

Details of above have been disclosed in the Company’s announcements dated 13 January 2022, 26 January 2022, 31 January 2022, 9 February 2022, 9 February 2023, 3 March 2023 and 20 March 2023.

In the opinion of the Group’s management, the Proposed Amendments were not substantial modification as defined in HKFRS 9 since the discounted present value of the cash flows after the Proposed Amendments using the original effective interest rate is not more than 10% different from the discounted present value of the remaining cash flows under the original terms before the Proposed Amendments.

25. 可換股票據(續)

於二零二三年三月三日，本公司與債務人及認購人訂立補充契據(「**補充契據**」)，據此，根據當中條款及受其條件所限，本公司、債務人及認購人有條件同意(其中包括)修訂換股價為每股0.098港元且將到期日延長3年至二零二六年二月九日，並根據可換股票據作出若干有關變更(「**建議修訂**」)。認購人已同意在認購人(作為承押人)達成補充契據的先決條件後，就賬戶抵押簽立以該等債務人(作為質押人)為受益人的解除契據，終止賬戶抵押並免除債務人於賬戶抵押項下的債務。股份質押仍然全面有效，並無被補充契據任何條款解除或減少。

於二零二三年三月二十日，本公司已贖回部分本金額為12,000,000港元(相當於約人民幣10,864,000元)的可換股票據。建議修訂已於二零二三年三月二十日生效。

上述有關詳情已披露於本公司日期為二零二二年一月十三日、二零二二年一月二十六日、二零二二年一月三十一日、二零二二年二月九日、二零二三年二月九日、二零二三年三月三日及二零二三年三月二十日之公告。

本集團管理層認為，建議修訂並非香港財務報告準則第9號所界定的重大修訂，乃由於建議修訂後採用原實際利率計算的現金流量貼現現值與建議修訂前按原有條款計算的剩餘現金流量的貼現現值相差不超過10%。

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

25. CONVERTIBLE NOTES (Continued)

At beginning of the reporting period	於報告期初
Issue of convertible notes	發行可換股票據
Partial redemption	部分贖回
Changes in fair value (credited) charged to profit or loss	於損益(計入)扣除的公平值變動
Exchange difference charged to profit or loss	於損益扣除的匯兌差額
At end of the reporting period	於報告期末

The fair value of the convertible notes is equal to the summation of the fair value of the liability component and conversion option component, calculated by using discounted cash flows and Binomial Option Pricing Model, respectively.

The fair value of the convertible notes at issue date and at 31 December 2023 and 2022 were determined with reference to a professional valuation conducted by an independent professional valuer and were categorised into the level 3 fair value hierarchy as defined in HKFRS 13.

Major parameters adopted in the calculation of the fair values of the convertible notes are summarised below:

Share price	股價
Share price volatility	股價波幅
Risk-free interest rate	無風險利率
Dividend yield	股息率
Discount rate	貼現率
Period	期間

25. 可換股票據(續)

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
65,089	–
–	63,677
(10,864)	–
(2,554)	1,412
1,543	–
53,214	65,089

可換股票據之公平值等於負債部分與轉換期權部分分別按貼現現金流量及二項式購股權定價模型計算之公平值總和。

可換股票據於發行日期及於二零二三年及二零二二年十二月三十一日之公平值乃經參考獨立專業估值師進行的專業估值而釐定，並分類為香港財務報告準則13號所界定的公平值層級第三層級。

計算可換股票據公平值所採納之主要參數概列如下：

2023 二零二三年	2022 二零二二年
HK\$0.064 港元	HK\$0.080 港元
94.88%	116.60%
3.39%	4.32%
0.00%	0.00%
7.40%	7.88%
2.11 years 年	0.11 year 年

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

25. CONVERTIBLE NOTES (Continued)

The significant unobservable input used in the fair value measurement of the convertible notes is expected share price volatility. The fair value measurement is positively correlated to the expected share price volatility. An increase in the expected share price volatility, with all other variables held constant, would result in increase in fair value of the convertible notes at the reporting period and decrease in the Group's profit for the reporting period. If the expected stock price volatility has been 5% (2022: 5%) higher with all other variables held constant, the Group's pre-tax profit for the year ended 31 December 2023 would be decreased by approximately RMB363,000 (2022: approximately RMB12,000).

26. DEFERRED TAXATION

The followings are the deferred tax liabilities recognised and movements thereon during the reporting periods:

25. 可換股票據(續)

可換股票據之公平值計量中所用之重大不可觀察輸入數據為預期股價波幅。公平值計量與預期股價波幅呈正比關係。倘所有其他變數維持不變，預期股價波幅調高將導致可換股票據於報告期內之公平值增加，並使本集團於報告期內的溢利減少。倘預期股價波幅調高5%(二零二二年：5%)，而所有其他變數維持不變，則本集團於截至二零二三年十二月三十一日止年度之年內除稅前溢利將減少約人民幣363,000元(二零二二年：約人民幣12,000元)。

26. 遞延稅項

於報告期間的已確認遞延稅項負債及其變動如下：

		Revaluation of assets upon acquisition of a subsidiary 收購一間附屬 公司時重估資產 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	1,591
Credit to profit or loss	計入損益	(490)
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	1,101
Credit to profit or loss	計入損益	(490)
At 31 December 2023	於二零二三年十二月三十一日	611

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

26. DEFERRED TAXATION (Continued)

The Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately RMB38,120,000 (2022: RMB38,998,000) as at 31 December 2023 as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation except for tax losses of RMB46,000 (2022: RMB947,000) in PRC which is available for carry forward to set-off future assessable income for a period of five years, as follows:

Tax losses will expired in:

2024	二零二四年
2025	二零二五年
2026	二零二六年
2027	二零二七年
2028	二零二八年

At 31 December 2023, there were undistributed profits of the Group's subsidiaries in the PRC amounted to approximately RMB75,304,000 (2022: approximately RMB59,695,000).

Deferred tax liabilities of approximately RMB7,530,000 (2022: approximately RMB5,970,000) have not been recognised in respect of the withholding tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and the directors of the Company have determined that these profits are not likely to be distributed in the foreseeable future.

26. 遞延稅項(續)

本集團於二零二三年十二月三十一日並無就累計稅項虧損約人民幣38,120,000元(二零二二年:人民幣38,998,000元)確認遞延稅項資產,原因為於相關稅務司法權區及實體不大可能有可動用稅項虧損以抵銷未來應課稅溢利。除中國的稅項虧損人民幣46,000元(二零二二年:人民幣947,000元)可結轉以抵銷為期五年的未來應課稅收入外,根據現行稅法,稅項虧損不會逾期,具體如下:

稅項虧損將在以下時間到期:

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
-	-
-	-
-	566
10	381
36	-
46	947

於二零二三年十二月三十一日,本集團中國附屬公司的未分派溢利為約人民幣75,304,000元(二零二二年:約人民幣59,695,000元)。

並無就分派該等保留溢利之應付預扣稅確認遞延稅項負債約人民幣7,530,000元(二零二二年:約人民幣5,970,000元),乃因本公司控制該等附屬公司之股息政策,而董事已判定該等溢利不大可能於可見將來予以分派。

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

27. SHARE CAPITAL

27. 股本

		Number of ordinary shares 普通股數目 (^{'000}) (千股)	Amount 金額 HK\$ ^{'000} 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	每股面值0.01港元的普通股 於二零二二年一月一日、 二零二二年十二月三十一日、 二零二三年一月一日及 二零二三年十二月三十一日	10,000,000	100,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.01 each At 1 January 2022	每股面值0.01港元的普通股 於二零二二年一月一日	3,067,223	30,672
Issue of shares upon exercise of share options (Note)	行使購股權而發行股份 (附註)	129,000	1,290
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	3,196,223	31,962
Issue of shares upon exercise of share options (Note)	行使購股權而發行股份 (附註)	14,000	140
At 31 December 2023	於二零二三年十二月三十一日	3,210,223	32,102
		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
Shown in the consolidated and Company's statement of financial position at 31 December	於十二月三十一日之綜合及 本公司的財務狀況表所列	29,865	29,742

Note:

During the year ended 31 December 2023, a total of 14,000,000 (2022: 129,000,000) ordinary shares of HK\$0.01 (2022: HK\$0.01) each were issued upon exercise of 14,000,000 (2022: 129,000,000) share options at exercise price of HK\$0.084 (2022: HK\$0.084) per share option. The difference of approximately RMB907,000 (2022: RMB8,443,000) between the proceeds from exercise of share options of approximately RMB1,030,000 (2022: RMB9,584,000) (equivalent to approximately HK\$1,176,000 (2022: HK\$10,836,000)) and the nominal value of share capital of the Company issued of approximately RMB123,000 (2022: RMB1,141,000) (equivalent to approximately HK\$140,000 (2022: HK\$1,290,000)) was recognised in share premium reserve.

附註：

截至二零二三年十二月三十一日止年度，以每份購股權0.084港元(二零二二年：0.084港元)的行使價行使14,000,000份(二零二二年：129,000,000份)購股權後已發行合共14,000,000股(二零二二年：129,000,000股)每股面值0.01港元(二零二二年：0.01港元)的普通股。行使購股權所得款項約人民幣1,030,000元(二零二二年：人民幣9,584,000元)(相等於約1,176,000港元(二零二二年：10,836,000港元))與本公司已發行股本面值約人民幣123,000元(二零二二年：人民幣1,141,000元)(相等於約140,000港元(二零二二年：1,290,000港元))之間的差額約人民幣907,000元(二零二二年：人民幣8,443,000元)已於股份溢價儲備中確認。

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

28. RESERVES

(a) Share premium

Under the Cayman Companies Law, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(b) Share option reserve

This comprises the portion of fair value of unexercised share options granted to eligible participants of the Company that has been recognised in accordance with the accounting policy adopted for equity-settled share-based payments in Note 2 to the consolidated financial statements.

(c) Special reserve

Special reserve represents the aggregate of the difference between the nominal amount of the shares issued by the Company and the amount of share capital of Sanai BVI acquired pursuant to the group reorganisation in preparation for the listing of the Company's shares in 2007.

(d) Statutory surplus reserve

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to appropriate 10% of their profit after tax to the reserve until such reserve reaches 50% of the registered capital and thereafter any further appropriation is optional. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of a capitalisation issue.

(e) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 2 to the consolidated financial statements.

28. 儲備

(a) 股份溢價

根據開曼群島公司法，本公司股份溢價賬可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

(b) 購股權儲備

該等儲備包括授予本公司合資格參與者且根據綜合財務報表附註2內以權益結算以股份支付款項所採納之會計政策確認之尚未行使購股權之公平值的一部分。

(c) 特別儲備

特別儲備指以下各項的總額，根據為籌備本公司股份於二零零七年上市所進行集團重組的本公司已發行股份面值與三愛BVI收購股本金額的差額。

(d) 法定盈餘儲備

根據中國海外投資企業的相關法律及法規，本公司中國附屬公司需從其除稅後溢利中撥出10%以列入儲備金，直至該儲備金達至其註冊資本之50%，而其後之撥款則可隨意作出。法定盈餘儲備可用於填補過往年度虧損（如有），並可透過資本化發行應用以轉換為資本。

(e) 匯兌儲備

匯兌儲備包括所有因匯兌海外業務財務報表而產生之外匯差額。該儲備根據綜合財務報表附註2所載列之會計政策處理。

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

28. RESERVES (Continued)

Movement of the Company's reserves is as follows:

28. 儲備(續)

本公司儲備變動如下：

		Share premium 股份溢價 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	1,254,954	1,647	(1,091,521)	165,080
Issue of shares upon exercise of share options (Note 27)	行使購股權而發行股份(附註27)	8,443	-	-	8,443
Recognition of equity-settled share-based payment (Note 31)	確認以權益結算以股份為基礎之付款(附註31)	-	9,722	-	9,722
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	(2,592)	(2,592)
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	1,263,397	11,369	(1,094,113)	180,653
Issue of shares upon exercise of share options (Note 27)	行使購股權而發行股份(附註27)	907	-	-	907
Share option forfeited (Note 27)	已沒收購股權(附註27)	-	(1,647)	1,647	-
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	(4,314)	(4,314)
At 31 December 2023	於二零二三年十二月三十一日	1,264,304	9,722	(1,096,780)	177,246

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

29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

29. 本公司財務狀況表

		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 ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司之投資	76	76
Property, plant and equipment	物業、廠房及設備	5	14
		81	90
CURRENT ASSETS	流動資產		
Other receivables	其他應收款項	388	78
Amount due from subsidiaries	應收附屬公司款項	277,858	289,560
Financial assets at FVPL	按公平值計入損益之 金融資產	176	195
Cash and cash equivalents	現金及現金等價物	220	161
		278,642	289,994
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	10,701	9,947
Interest-bearing borrowings	計息借貸	7,697	4,653
Convertible notes designated as financial liabilities at FVPL	指定按公平值計入 損益之金融負債的 可換股票據	-	65,089
		18,398	79,689
NET CURRENT ASSETS	流動資產淨額	260,244	210,305
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債	260,325	210,395
NON-CURRENT LIABILITIES	非流動負債		
Convertible notes designated as financial liabilities at FVPL	指定按公平值計入 損益之金融負債的 可換股票據	53,214	-
NET ASSETS	資產淨值	207,111	210,395
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	29,865	29,742
Reserves	儲備	177,246	180,653
TOTAL EQUITY	總權益	207,111	210,395

The statement of financial position was approved and authorised for issue by the Board of Directors on 27 March 2024 and signed on its behalf by:

本公司財務狀況表已於二零二四年三月二十七日經董事會批准及授權刊發，並由以下人士代表簽署：

Yuan Chaoyang
袁朝陽
DIRECTOR
董事

She Hao
佘昊
DIRECTOR
董事

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which mainly includes convertible notes designated as financial liabilities at FVPL, interest-bearing borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a semi-annual basis. During the year ended 31 December 2023, the Group's strategy was unchanged from 2022. The directors of the Company review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.

31. SHARE OPTION SCHEME

Pursuant to the ordinary resolution passed on 16 June 2017, the Company adopted a new share option scheme (the "New Share Option Scheme") for, amongst others, the senior management and employees, which serves as incentives or rewards to attract, retain and motivate staff. The New Share Option Scheme will remain valid for a period of 10 years commencing on 21 June 2017 (save that the Company, by ordinary resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme). Under the New Share Option Scheme, the Board may grant options to all full-time employees, directors of the Company (including independent non-executive directors) and part-time employees with weekly working hours of 10 hours and above, of the Group, substantial shareholders of each member of the Group, associates of the directors and substantial shareholders of any member of the Group, trustee of any trust pre-approved by the Board, and any advisor (professional or otherwise) or consultant, distributor, supplier, agent, customer, joint venture partner, service provider of the Group whom the Board considers, at its sole discretion, has contributed or contributes to the Group.

30. 資金風險管理

本集團管理其資金，以確保本集團內的實體將能夠以持續經營方式營運，同時亦透過達致債務與股本之間最佳的平衡而為股東爭取最大回報。

本集團之資本結構包括債務，其中主要包括指定為按公平值計入損益之金融負債的可換股票據、計息借款及本公司擁有人應佔權益，包括已發行股本及儲備。

本公司董事會每半年一次檢討資本結構。於截至二零二三年十二月三十一日止年度，本集團之策略與二零二二年相比並無變動。本公司董事透過考慮資本之成本及與各類別資本相關之風險檢討資本結構。根據本公司董事建議，本集團將透過發行新股份及股份回購以及發行新債券或贖回現有債券以平衡其資本結構。

31. 購股權計劃

根據於二零一七年六月十六日通過之普通決議案，本公司為(其中包括)高級管理層及僱員採納新購股權計劃(「新購股權計劃」)，作為吸引、挽留及激勵員工的獎勵或回報。新購股權計劃將自二零一七年六月二十一日起十年期間維持有效，惟本公司於股東大會上藉普通決議案或董事會可隨時終止新購股權計劃的運作。根據新購股權計劃，董事會可全權酌情將購股權授予其認為對本集團有貢獻之本集團全職僱員、本公司董事(包括獨立非執行董事)及每週工作小時為10小時及以上之兼職僱員、本集團各成員公司之主要股東、本集團任何成員公司董事及主要股東之聯繫人、董事會預先批准任何信託之信託人，以及任何本集團之顧問(專業或其他)或專家顧問、分銷商、供應商、代理人、客戶、合營企業合夥人、服務供應商。

31. SHARE OPTION SCHEME (Continued)

The total number of shares in respect of which options may be granted under the New Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue on the date of adoption of the New Share Option Scheme (namely, 132,722,250 shares (2022: 233,877,250 shares), representing approximately 4.33% (2022: 7.32%) of the Company's issued shares at 31 December 2023), without prior approval from the Company's shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme or any other share option scheme of the Company shall not in aggregate exceed 30% of the shares of the Company in issue from time to time. No option may be granted under the New Share Option Scheme if such limit is exceeded. The number of shares issued and to be issued in respect of which options granted and to be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at the date of grant, without prior approval from the Company's shareholders. The grant of share options to a director, chief executive or substantial shareholder of the Company or any of their respective associates requires the approval of the independent non-executive directors (excluding an independent non-executive director who is the grantee of the share options). Options granted in any 12-month period to a substantial shareholder of the Company or an independent non-executive director or any of their respective associates representing in aggregate more than 0.1% of the Company's shares in issue at the date of grant or with an aggregate value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Upon acceptance of the share option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. A share option may be exercised in accordance with the terms of the New Share Option Scheme at any time during the period to be determined and notified by the Board to each grantee, provided that such period of time shall not be more than ten years from the date of grant. The New Share Option Scheme does not specify a minimum period for which a share option must be held nor a performance target which must be achieved before a share option can be exercised. However, the Board may, at its sole discretion, determine such terms and impose such other restrictions on the grant of a share option. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the offer date which must be a business day, (ii) the average closing price of the Company's shares for the five business days immediately preceding the offer date; and (iii) the nominal value of the Company's shares.

31. 購股權計劃(續)

在未經本公司股東事先批准前，根據新購股權計劃可授出之購股權所涉及之股份總數，不得允許超過本公司採納新購股權計劃之日已發行股份10%（即132,722,250股（二零二二年：233,877,250股），於二零二三年十二月三十一日約佔本公司已發行股份的4.33%（二零二二年：7.32%））。行使根據新購股權計劃及本公司任何其他購股權計劃已授出但有待行使的所有尚未行使購股權時可予發行的股份數目上限總數合共不得超過本公司不時已發行股份30%。倘超出該限額者，將不會按新購股權計劃授出購股權。在未經本公司股東事先批准前，於任何12個月期間內向任何個別人士授出或將予授出之購股權所涉及之已發行及將發行股份數目，不得超過本公司於授出日期已發行股份1%。向董事、本公司最高行政人員或主要股東或彼等各自的任何聯繫人授出購股權必須獲獨立非執行董事（不包括身為購股權承授人的獨立非執行董事）批准。倘於任何12個月期間內授予本公司主要股東或獨立非執行董事或彼等各自的任何聯繫人之購股權所涉及之股份數目合共超過本公司於授出日期已發行股份0.1%或總值超過5,000,000港元，必須獲本公司股東事先批准。

在接納購股權後，承授人將須支付1.00港元予本公司作為授出代價。購股權可於由董事會釐定並通知各承授人之有關期限內根據新購股權計劃的條款隨時行使，惟該等期限不得遲於授出日期後十年。新購股權計劃並無規定於購股權可獲行使前必須持有購股權的最低期限或必須達成之業績目標。然而，董事會可能會全權酌情釐定有關條款，並為授出購股權設定其他限制。行使價由本公司董事釐定，惟不得低於以下三者之最高者：(i)於要約日期（須為營業日）本公司股份之收市價；(ii)緊接要約日期前五個營業日之本公司股份平均收市價；及(iii)本公司股份面值。

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

31. SHARE OPTION SCHEME (Continued)

On 29 April 2022, the Company granted a total of 174,000,000 share options at an exercise price of HK\$0.084 per share of the Company to certain eligible participants, of which 73,000,000 share options were granted to the executive and non-executive directors of the Company, pursuant to the share option scheme of the Company adopted on 16 June 2017.

In May 2023, there were 36,800,000 share options forfeited at the end of the option's life.

Save as disclosed above, no share options had been granted, exercised or forfeited during the years ended 31 December 2023 and 2022.

No vesting period or vesting condition on the share options and the share options may be exercised at any time from the date of grant and within a period of ten years from the date of grant. The weighted average remaining contractual life is 8.3 years (2022: 4.9 years).

The following table discloses movements of the Company's share options during the year ended 31 December 2023:

Category of the grantee	Exercise price per share option HK\$	Date of grant	Exercisable period	Number of share options at 1 January 2023 於二零二三年一月一日之購股權數目	Number of share options granted during the year 年內授出之購股權數目	Cancelled or forfeited during the year 期內註銷或沒收	Number of share options exercised during the year (Note) 年內行使之購股權數目 (附註)	Number of share options at 31 December 2023 於二零二三年十二月三十一日之購股權數目
承授人類別	每份行使價 港元	授出日期	行使期					
DIRECTORS								
董事								
Zhang Rongqing 張榮慶	0.32	24 May 2018 二零一八年五月二十四日	24 May 2018 to 23 May 2023 二零一八年五月二十四日至二零二三年五月二十三日	22,000,000	-	(22,000,000)	-	-
Chen Chengqing 陳成慶	0.335	30 May 2018 二零一八年五月三十日	30 May 2018 to 29 May 2023 二零一八年五月三十日至二零二三年五月二十九日	2,800,000	-	(2,800,000)	-	-
Gao Borui 高伯瑞	0.084	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零二二年四月二十八日	5,000,000	-	-	-	5,000,000
Zhang Rongqing 張榮慶	0.084	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零二二年四月二十八日	6,000,000	-	-	-	6,000,000
Xiu Yuan 修遠	0.084	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零二二年四月二十八日	10,000,000	-	-	-	10,000,000
Sub-total 小計				45,800,000	-	(24,800,000)	-	21,000,000
				45,800,000	-	(24,800,000)	-	21,000,000

31. 購股權計劃(續)

於二零二二年四月二十九日，本公司根據本公司於二零一七年六月十六日採納之購股權計劃，按行使價每股本公司股份0.084港元向若干合資格參與者授出合共174,000,000份購股權，其中73,000,000份購股權授予本公司執行及非執行董事。

於二零二三年五月，36,800,000份購股權於購股權期限結束時沒收。

除上文所披露者外，於截至二零二三年及二零二二年十二月三十一日止年度，概無購股權獲授出、行使或沒收。

購股權概無任何歸屬期限或歸屬條件，自授出日期起至授出日期後十年期間內之任何時間可予行使。加權平均餘下合約年期為8.3年(二零二二年：4.9年)。

下表披露截至二零二三年十二月三十一日止年度內本公司購股權之變動：

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

31. SHARE OPTION SCHEME (Continued)

The following table discloses movements of the Company's share options during the year ended 31 December 2023: (Continued)

Category of the grantee	Exercise price per share option HK\$	Date of grant	Exercisable period	Number of share options at 1 January 2023 於二零二三年一月一日之購股權數目	Number of share options granted during the year 年內授出之購股權數目	Cancelled or forfeited during the year 期內註銷或沒收	Number of share options exercised during the year (Note) 年內行使之購股權數目 (附註)	Number of share options at 31 December 2023 於二零二三年十二月三十一日之購股權數目
承授人類別	每份行使價 港元	授出日期	行使期					
OTHER GRANTEEES								
其他承授人								
Employees in aggregate 僱員總數	0.335	30 May 2018	30 May 2018 to 29 May 2023	10,000,000	-	(10,000,000)	-	-
	0.335	二零一八年五月三十日	二零一八年五月三十日至二零二三年五月二十九日	10,000,000	-	(10,000,000)	-	-
Non-employees in aggregate 非僱員總數	0.335	30 May 2018	30 May 2018 to 29 May 2023	2,000,000	-	(2,000,000)	-	-
	0.335	二零一八年五月三十日	二零一八年五月三十日至二零二三年五月二十九日	2,000,000	-	(2,000,000)	-	-
Employees in aggregate 僱員總數	0.084	29 April 2022	29 April 2022 to 28 April 2032	24,000,000	-	-	(14,000,000)	10,000,000
	0.084	二零二二年四月二十九日	二零二二年四月二十九日至二零三二年四月二十八日	24,000,000	-	-	(14,000,000)	10,000,000
				36,000,000	-	(12,000,000)	(14,000,000)	10,000,000
Total 總計				81,800,000	-	(36,800,000)	(14,000,000)	31,000,000
Exercisable at the end of the reporting period 於報告期末可予行使								31,000,000
Weighted average exercise price 加權平均行使價				HK\$0.19 0.19 港元	-	HK\$0.33 0.33 港元	HK\$0.084 0.084 港元	HK\$0.084 0.084 港元

31. 購股權計劃(續)

下表披露截至二零二三年十二月三十一日止年度內本公司購股權之變動：(續)

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

31. SHARE OPTION SCHEME (Continued)

The following table discloses movements of the Company's share options during the year ended 31 December 2022:

Category of the grantee	Exercise price per share option HK\$	Date of grant	Exercisable period	Number of share options at 1 January 2021, 31 December 2021 and 1 January 2022 於二零二一年一月一日、二零二一年十二月三十一日及二零二二年一月一日之購股權數目	Number of share options granted during the year	Number of share options exercised during the year (Note)	Number of share options at 31 December 2022
承授人類別	每份購股權行使價 港元	授出日期	行使期	購股權數目	年內授出之購股權數目	年內行使之購股權數目 (附註)	於二零二二年十二月三十一日之購股權數目
DIRECTORS							
董事							
Zhang Rongqing 張榮慶	0.32 0.32	24 May 2018 二零一八年五月二十四日	24 May 2018 to 23 May 2023 二零一八年五月二十四日至二零二三年五月二十三日	22,000,000 22,000,000	- -	- -	22,000,000 22,000,000
Chen Chengqing 陳成慶	0.335 0.335	30 May 2018 二零一八年五月三十日	30 May 2018 to 29 May 2023 二零一八年五月三十日至二零二三年五月二十九日	2,800,000 2,800,000	- -	- -	2,800,000 2,800,000
Gao Borui 高伯瑞	0.084 0.084	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零三二年四月二十八日	- -	5,000,000 5,000,000	- -	5,000,000 5,000,000
Yuan Chaoyang 袁朝陽	0.084 0.084	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零三二年四月二十八日	- -	30,000,000 30,000,000	(30,000,000) (30,000,000)	- -
She Hao 佘昊	0.084 0.084	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零三二年四月二十八日	- -	22,000,000 22,000,000	(22,000,000) (22,000,000)	- -
Zhang Rongqing 張榮慶	0.084 0.084	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零三二年四月二十八日	- -	6,000,000 6,000,000	- -	6,000,000 6,000,000
Xiu Yuan 修遠	0.084 0.084	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零三二年四月二十八日	- -	10,000,000 10,000,000	- -	10,000,000 10,000,000
Sub-total 小計				24,800,000 24,800,000	73,000,000 73,000,000	(52,000,000) (52,000,000)	45,800,000 45,800,000

31. 購股權計劃(續)

下表披露截至二零二二年十二月三十一日止年度內本公司購股權之變動：

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

31. SHARE OPTION SCHEME (Continued)

The following table discloses movements of the Company's share options during the year ended 31 December 2022: (Continued)

Category of the grantee	Exercise price per share option HK\$	Date of grant	Exercisable period	Number of share options at 1 January 2021, 31 December 2021 and 1 January 2022 於二零二一年一月一日、二零二一年十二月三十一日及二零二二年一月一日之購股權數目	Number of share options granted during the year	Number of share options exercised during the year (Note)	Number of share options at 31 December 2022
承授人類別	每份購股權行使價 港元	授出日期	行使期		年內授出之購股權數目	年內行使之購股權數目 (附註)	於二零二二年十二月三十一日之購股權數目
OTHER GRANTEEES							
其他承授人							
Employees in aggregate 僱員總數	0.335 0.335	30 May 2018 二零一八年五月三十日	30 May 2018 to 29 May 2023 二零一八年五月三十日至二零二三年五月二十九日	10,000,000 10,000,000	- -	- -	10,000,000 10,000,000
Non-employees in aggregate 非僱員總數	0.335 0.335	30 May 2018 二零一八年五月三十日	30 May 2018 to 29 May 2023 二零一八年五月三十日至二零二三年五月二十九日	2,000,000 2,000,000	- -	- -	2,000,000 2,000,000
Employees in aggregate 僱員總數	0.084 0.084	29 April 2022 二零二二年四月二十九日	29 April 2022 to 28 April 2032 二零二二年四月二十九日至二零三二年四月二十八日	- -	101,000,000 101,000,000	(77,000,000) (77,000,000)	24,000,000 24,000,000
				12,000,000	101,000,000	(77,000,000)	36,000,000
Total 總計				36,800,000	174,000,000	(129,000,000)	81,800,000
Exercisable at the end of the reporting period 於報告期末可予行使							81,800,000
Weighted average exercise price 加權平均行使價				HK\$0.33	HK\$0.084	HK\$0.084	HK\$0.19

Note:

The weighted average share price at the date of share options exercised during the year ended 31 December 2023 is HK\$0.090 (2022: HK\$0.075).

31. 購股權計劃(續)

下表披露截至二零二二年十二月三十一日止年度內本公司購股權之變動：(續)

附註：

截至二零二三年十二月三十一日止年度，於購股權行使日的加權平均股價為0.090港元(二零二二年：0.075港元)。

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

31. SHARE OPTION SCHEME (Continued)

The fair value of share options granted on 29 April 2022 are approximately HK\$0.065 per option, which are calculated using a Binomial Option Pricing Model by an independent professional valuer with the following key inputs:

Fair value at grant date	授出日期之公平值	港元 HK\$0.065
Share price	股價	港元 HK\$0.078
Exercise price	行使價	港元 HK\$0.084
Expected volatility	預期波幅	83.7%
Option life	購股權期限	10 years
Expected dividend	預期股息	無 Nil
Risk-free interest rate	無風險利率	2.82%

During the year ended 31 December 2022, with reference to the fair value of the share options granted, the Group recognised approximately RMB9,722,000 as equity-settled share-based payment expenses. No share options had been granted during the year ended 31 December 2023.

32. CAPITAL COMMITMENTS

The Group has no capital commitments at 31 December 2023 and 2022.

33. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The Group also participates in a state-managed scheme. The employees of the Group’s subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the government of the PRC. The PRC subsidiaries are required to contribute a specified percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

31. 購股權計劃(續)

於二零二二年四月二十九日授出的購股權的公平值約為每份購股權0.065港元，其由獨立專業估值師採用二項式期權定價模型計算，主要輸入數據如下：

At 29 April 2022
於二零二二年四
月二十九日

於截至二零二二年十二月三十一日止年度，本集團參考已授出購股權的公平值確認以權益結算以股份為基礎之付款開支約人民幣9,722,000元。截至二零二三年十二月三十一日止年度，概無購股權獲授出。

32. 資本承擔

二零二三年及二零二二年十二月三十一日本集團概無資本承擔。

33. 退休福利計劃

本集團根據香港強制性公積金計劃條例為受香港僱傭條例保障的僱員設立一項強制性公積金計劃（「強積金計劃」）。強積金計劃是一項由獨立信託人管理的定額供款退休計劃。根據強積金計劃，僱主和僱員均須按僱員的有關收入（每月上限為30,000港元）的5%向計劃作出供款。所有供款即時歸屬僱員。

本集團亦參與國家管理的計劃。本集團的中國附屬公司之僱員是中國政府設立之國家管理退休福利計劃之成員。中國附屬公司須按僱員工資之特定百分比向退休福利計劃供款以提供退休福利。本集團就退休福利計劃須履行之責任僅為作出特定之供款。

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

34. MATERIAL RELATED PARTY TRANSACTIONS

Except for the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group has no other transactions with its related parties.

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of principal subsidiaries at 31 December 2023 and 2022 are as follows:

34. 重大關連人士交易

除綜合財務報表其他地方披露之交易及結餘外，本集團與關連人士概無進行其他交易。

35. 本公司主要附屬公司詳情

於二零二三年及二零二二年十二月三十一日主要附屬公司詳情如下：

Name of subsidiaries 附屬公司名稱	Place of incorporation and operation 註冊成立及經營地點	Particulars of issued and fully paid-up capital 已發行及繳足股本詳情	Proportion ownership interest and voting power held by the Company 本公司所有權及表決權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Sanai International Investment Company Limited ("Sanai BVI") 三愛國際投資有限公司(「三愛 BVI」)	The BVI 英屬處女群島	10,000 ordinary shares of US\$1 each 10,000股每股面值1美元的普通股	100%	–	Investment holding 投資控股
聯合發展融資租賃(深圳)有限公司 Union Development Financial Leasing (Shenzhen) Company Limited * (Note)	The PRC	Registered capital of RMB120,000,000	–	100%	Provision of finance leasing service
聯合發展融資租賃(深圳)有限公司 (附註)	中國	註冊資本人民幣120,000,000元	–	100%	提供融資租賃服務
Fujian Yongchun 福建永春	The PRC 中國	Registered capital of RMB15,000,000 註冊資本人民幣15,000,000元	–	51%	Development, manufacture, marketing and sales of pharmaceutical products 開發、製造、營銷及銷售醫藥產品
Fujian Zhixin 福建至信	The PRC 中國	Registered capital of RMB10,000,000 註冊資本人民幣10,000,000元	–	100%	Marketing and sales of pharmaceutical products 推廣及銷售醫藥產品
Zentrogene Bioscience Laboratory Limited	Hong Kong	2,000,000 ordinary shares of HK\$2,000,000	–	100%	Provision of genetic testing and molecular diagnostic services
Zentrogene Bioscience Laboratory Limited	香港	2,000,000港元的2,000,000股普通股	–	100%	提供基因檢測及分子生物診斷服務

* The English translation of the name is for reference only.

* 英文譯名僅供識別

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

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of principal subsidiaries at 31 December 2023 and 2022 are as follows: (Continued)

Name of subsidiaries 附屬公司名稱	Place of incorporation and operation 註冊成立及經營地點	Particulars of issued and fully paid-up capital 已發行及繳足股本詳情	Proportion ownership interest and voting power held by the Company 本公司所有權及表決權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
中匯鑫融資租賃(深圳)有限公司 Zhonghuixin Financial Leasing (Shenzhen) Co., Ltd. * (Note)	The PRC	Registered capital of US\$200,000,000	-	100%	Provision of finance leasing service
中匯鑫融資租賃(深圳)有限公司 (附註)	中國	註冊資本 200,000,000美元	-	100%	提供融資租賃服務
福建瑞創健康產業有限公司 Fujian RuiChuang Health Industry Co., Ltd. *	The PRC	Registered capital of RMB10,000,000	-	100%	Marketing and sales of pharmaceutical products
福建瑞創健康產業有限公司	中國	註冊資本人民幣 10,000,000元	-	100%	推廣及銷售醫藥產品

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding during the years ended 31 December 2023 and 2022 or at 31 December 2023 and 2022.

Note:

These entities are wholly foreign owned enterprises established in the PRC with limited liability.

* The English translation of the name is for reference only.

35. 本公司主要附屬公司詳情(續)

於二零二三年及二零二二年十二月三十一日主要附屬公司詳情如下:(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation and operation 註冊成立及經營地點	Particulars of issued and fully paid-up capital 已發行及繳足股本詳情	Proportion ownership interest and voting power held by the Company 本公司所有權及表決權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
中匯鑫融資租賃(深圳)有限公司 Zhonghuixin Financial Leasing (Shenzhen) Co., Ltd. * (Note)	The PRC	Registered capital of US\$200,000,000	-	100%	Provision of finance leasing service
中匯鑫融資租賃(深圳)有限公司 (附註)	中國	註冊資本 200,000,000美元	-	100%	提供融資租賃服務
福建瑞創健康產業有限公司 Fujian RuiChuang Health Industry Co., Ltd. *	The PRC	Registered capital of RMB10,000,000	-	100%	Marketing and sales of pharmaceutical products
福建瑞創健康產業有限公司	中國	註冊資本人民幣 10,000,000元	-	100%	推廣及銷售醫藥產品

本公司董事認為上表所列本公司附屬公司對本集團業績有重大影響或佔本集團淨資產之重大部分。本公司董事認為倘列出其他附屬公司之詳情，將使篇幅過於冗長。

概無附屬公司於截至二零二三年及二零二二年十二月三十一日止年度或於二零二三年及二零二二年十二月三十一日擁有任何發行在外債務證券。

附註：

該等實體為在中國成立的外商獨資有限責任企業。

* 英文譯名僅供識別

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

36. NON-CONTROLLING INTERESTS

The following table shows the information relating to the non-wholly owned subsidiary, Fujian Yongchun that has material non-controlling interests ("NCI") during the reporting period. The recognised financial information represents amounts before inter-company eliminations.

		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
Proportion of NCI's ownership interests	非控股權益擁有權比例	49%	49%
At 31 December	於十二月三十一日		
Non-current assets	非流動資產	10,904	15,954
Current assets	流動資產	5,081	12,863
Current liabilities	流動負債	(4,716)	(6,310)
Non-current liabilities	非流動負債	(612)	(1,102)
Net assets	資產淨值	10,657	21,405
Accumulated NCI	累計非控股權益	5,222	10,488
Year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	-	36,868
Other income	其他收入	2,436	1,770
(Loss) Profit and total comprehensive (expense) income	(虧損)溢利及全面(開支)收入總額	(10,748)	12,204
(Loss) Profit and total comprehensive (expense) income attributable to NCI	非控股權益應佔(虧損)溢利及全面(開支)收入總額	(5,266)	5,980
Dividends paid to NCI	已付非控股權益之股息	-	15,972
Net cash (used in) from operating activities	經營活動(所用)所得現金淨額	(296)	16,071
Net cash from investing activities	投資活動所得現金淨額	202	-
Net cash used in financing activities	融資活動所用現金淨額	-	(15,972)

36. 非控股權益

下表列示擁有重大非控股權益(「非控股權益」)的非全資附屬公司福建永春的相關資料。經確認的財務資料指公司間對銷前金額。

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

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group has following major non-cash transactions:

During the year ended 31 December 2023, the Group recognised right-of-use assets by incurring lease liabilities of approximately RMB1,009,000 (2022: approximately RMB1,461,000).

(b) Changes in liabilities arising from financing activities

37. 綜合現金流量表附註

(a) 重大非現金交易

除綜合財務報表其他地方所披露者外，本集團擁有下列重大非現金交易：

截至二零二三年十二月三十一日止年度，本集團通過產生租賃負債約人民幣1,009,000元(二零二二年：約人民幣1,461,000元)而確認使用權資產。

(b) 融資活動所得負債變動

		Convertible notes designated as financial liabilities at FVPL 指定為按公平值計入損益之金融負債的可換股票據 RMB'000 人民幣千元	Interest-bearing borrowings 計息借貸 RMB'000 人民幣千元	Interest payables (included in "Trade and other payables") 應付利息(計入「貿易應付款項及其他應付款項」) RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	-	-	-	-	-
Changes from financing cash flows	融資現金流量變動	63,677	4,653	-	(164)	68,166
Changes in fair value of convertible notes designated as financial liabilities at FVPL (Note 25)	指定為按公平值計入損益之金融負債的可換股票據公平值變動(附註25)	1,412	-	-	-	1,412
New leases	新租賃	-	-	-	1,461	1,461
Interest expenses	利息開支	-	-	1,814	28	1,842
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	65,089	4,653	1,814	1,325	72,881
Changes from financing cash flows	融資現金流量變動	(10,864)	3,044	(2,033)	(780)	(10,633)
Changes in fair value of convertible notes designated as financial liabilities at FVPL (Note 25)	指定為按公平值計入損益之金融負債的可換股票據公平值變動(附註25)	(2,554)	-	-	-	(2,554)
New leases	新租賃	-	-	-	1,009	1,009
Interest expenses	利息開支	-	-	1,970	82	2,052
Rent concession received	已收租金優惠	-	-	-	(68)	(68)
Exchange difference	匯兌差額	1,543	-	-	(1)	1,542
At 31 December 2023	於二零二三年十二月三十一日	53,214	7,697	1,751	1,567	64,229

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

38. LITIGATIONS

As referred to the announcement of the Company dated 18 January 2021, the Company has received a civil judgement (the “**Judgement**”) dated 22 December 2020 issued by 北京市第四中級人民法院 (the No. 4 Intermediate People’s Court of Beijing*) (the “**Intermediate People’s Court**”) in relation to a litigation (the “**Litigation**”) brought by 北京市文化科技融資租賃股份有限公司 (Beijing Cultural Technology Finance Lease Company Limited*) (the “**Plaintiff**”) against, among others, (a) the Company; (b) then subsidiary, Fujian Sanai Pharmaceutical Company Limited (“**Fujian Sanai**”) which was disposed of in April 2019; (c) Lin Ouwen, a former executive director; and (d) Lin Min, a former executive director.

The Plaintiff first filed a statement of claim (the “**Statement of Claim**”) with the Intermediate Court on 30 August 2018, whereby, among others, the Plaintiff alleged that (i) Fujian Sanai had entered into a finance lease agreement (the “**Finance Lease Agreement**”) with the Plaintiff on 21 March 2016, pursuant to which the Plaintiff agreed to lease certain assets to Fujian Sanai for a term of 36 months with a total leasing cost of RMB134,954,600 and an interest rate of 8.3%; (ii) each of the Company, Lin Ouwen and Lin Min, entered into a guarantee agreement with the Plaintiff respectively to provide joint guarantee (the “**Guarantee**”) for the debts owed by Fujian Sanai under the Finance Lease Agreement; and (iii) Fujian Sanai had failed to pay the rent payable under the Finance Lease Agreement since 20 August 2017, and the Company, Lin Ouwen and Lin Min had failed to fulfill their obligations as guarantors. The Statement of Claim was received by the Company in July 2019.

As such, the Plaintiff demanded, among others, that (i) Fujian Sanai immediately pay to the Plaintiff the unpaid due rent in the amount of RMB33,855,032.69 with the default interest accrued thereon, undue rent in the amount of RMB47,592,982.21, default payment in the amount of RMB4,759,298.22 (being 10% of the undue rent), the legal fees in the amount of RMB800,000, the retention purchase price of RMB100 and the cost incurred in relation to the Litigation; and (ii) the Company, Lin Ouwen and Lin Min be jointly liable for the debts owed by Fujian Sanai under the Finance Lease Agreement.

* The English translation of the name is for reference only.

38. 訴訟

茲提述本公司日期為二零二一年一月十八日之公告，本公司已接獲北京市第四中級人民法院（「中級人民法院」）所發出日期為二零二零年十二月二十二日的民事判決（「判決」），內容有關北京市文化科技融資租賃股份有限公司（「原告」）針對（其中包括）(a)本公司；(b)當時的附屬公司福建三愛藥業有限公司（「福建三愛」）（已於二零一九年四月出售）；(c)前執行董事林歐文；及(d)前執行董事林敏提出之訴訟（「訴訟」）。

原告最初於二零一八年八月三十日向中級人民法院提交申索書（「申索書」），當中（其中包括），原告指稱(i)福建三愛已於二零一六年三月二十一日與原告訂立融資租賃協議（「融資租賃協議」），據此，原告同意向福建三愛出租若干資產，為期36個月，總租賃成本為人民幣134,954,600元，利率為8.3%；(ii)本公司、林歐文及林敏各自分別與原告訂立擔保協議，為福建三愛於融資租賃協議下所欠債務提供共同擔保（「擔保」）；及(iii)福建三愛自二零一七年八月二十日起未有支付融資租賃協議項下的應付租金，及本公司、林歐文及林敏未有履行擔保人義務。本公司已於二零一九年七月收到申索書。

因此，原告要求（其中包括）(i)福建三愛立即向原告支付未付到期租金人民幣33,855,032.69元及就此應計的違約利息、未到期租金人民幣47,592,982.21元、違約金人民幣4,759,298.22元（即未到期租金的10%）、法律費用人民幣800,000元、留購價款人民幣100元及因訴訟產生的費用；及(ii)本公司、林歐文及林敏對福建三愛於融資租賃協議項下所欠債務共同承擔責任。

* 英文譯名僅供識別

38. LITIGATIONS (Continued)

The Plaintiff also submitted to the Intermediate People's Court a copy of the alleged minutes of the Board meeting (the **"Board Meeting"**) held on 22 March 2016 on which resolutions (the **"Resolutions"**) were passed to approve, inter alia, the provision of the Guarantee by the Company. However, only two of the then Directors, Lin Ouwen and Lin Qingping, were shown to have attended and voted on the Resolutions.

Pursuant to the Judgement, among other things, Fujian Sanai shall, within ten days of the Judgement, pay to the Plaintiff the unpaid due rent under the Finance Lease Agreement in the amount of RMB33,855,032.69 with the default interest accrued thereon, the accelerated due rent under the Finance Lease Agreement in the amount of RMB47,592,982.21, the default payment in the amount of RMB4,759,298.22, the retention purchase price of RMB100, the legal fees in the amount of RMB800,000, the announcement fees in the amount of RMB2,650, the preservation insurance fees in the amount of RMB175,636.06 and the preservation fees in the amount of RMB5,000 (collectively the **"Litigation Amount"**); and the Company, Lin Ouwen and Lin Min shall be jointly liable for the Litigation Amount, and they are entitled to claim against Fujian Sanai after discharging of such joint liabilities.

As referred to the announcement of the Company dated 4 February 2021, the Company has lodged an appeal (the **"Appeal"**) against the Judgement to 北京市高級人民法院 (the Higher People's Court of Beijing*) (the **"Higher People's Court"**) on 22 January 2021.

Pursuant to the Appeal, the Company has pleaded to the Higher People's Court to rule that the Finance Lease Agreement and the Guarantee were invalid, and to reject all of the Plaintiff's claims.

The Company has received a civil judgement dated 18 December 2023 (the **"Civil Judgement"**) on the Appeal from the Higher People's Court. Pursuant to the Civil Judgement, among other things, (i) the judgement of the Intermediate Court was dismissed; and (ii) the case was returned to the Intermediate People's Court for retrial (the **"Retrial"**).

* The English translation of the name is for reference only.

38. 訴訟(續)

原告亦向中級人民法院提交一份據稱於二零一六年三月二十二日舉行的董事會會議(「**董事會會議**」)的會議記錄，該會議通過了批准(其中包括)本公司提供擔保的決議案(「**決議案**」)。然而，據顯示，當時的董事中只有林歐文及林慶平出席會議並對決議案進行表決。

根據判決，其中包括：福建三愛應在判決十日內，向原告支付融資租賃協議項下的未付到期租金人民幣33,855,032.69元及就此應計的違約利息、融資租賃協議項下剩餘的到期租金人民幣47,592,982.21元、違約金人民幣4,759,298.22元、留購價款人民幣100元、法律費用人民幣800,000元、公告費用人民幣2,650元、保全保險費人民幣175,636.06元及保全費用人民幣5,000元(統稱為「**訴訟金額**」)；及本公司、林歐文及林敏應共同承擔訴訟金額，彼等在解除共同承擔的有關責任後有權向福建三愛申索賠償。

茲提述本公司日期為二零二一年二月四日之公告，本公司已於二零二一年一月二十二日就判決向北京市高級人民法院(「**高級人民法院**」)上訴(「**上訴**」)。

根據上訴，本公司已向高級人民法院提出抗辯，以裁定融資租賃協議及擔保無效，並駁回原告的所有申索。

本公司收到高級人民法院就上訴所發出的日期為二零二三年十二月十八日的民事裁定書(「**民事裁定書**」)。根據民事裁定書(其中包括)，(i)中級人民法院的判決被駁回；及(ii)案件發還中級人民法院重審(「**重審**」)。

* 英文譯名僅供識別

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

38. LITIGATIONS (Continued)

Up to the date of approving the consolidated financial statements, the date of hearing from the Intermediate People's Court has yet to be fixed.

Details of the litigation were disclosed in the Company's announcements dated 18 January 2021, 4 February 2021, 1 June 2023 and 19 December 2023.

The directors of the Company are of the view that no provision should be provided concerning the Litigation as at 31 December 2023 and 2022 in light of the basis as stated in the Appeal. However, the result of the Retrial was not yet available up to the date of approving the consolidated financial statements, which led to the uncertainties on the extent and financial impact arising from the Litigation on the consolidated financial statements of the Group.

39. EVENT AFTER THE END OF THE REPORTING PERIOD

On 1 March 2024, Beijing Bafuluo Technology Co., Ltd.* (北京巴夫羅科技有限公司) ("Beijing Bafuluo"), a wholly-owned subsidiary of the Company, as the purchaser, entered into a sales and purchase agreement with an independent third party named Mr. Xie Haijing, as the vendor, to acquire 51% of equity interests in Beijing Hangyang Health Technology Co., Ltd.* (北京航洋健康科技有限公司) ("Beijing Hangyang") at a consideration of RMB33.15 million which shall be settled by cash (the "Beijing Hangyang Acquisition"). The principal activities of Beijing Hangyang are research, production and sales of health products, functional foods and skincare products in the field of soft capsule dosage form. The Group's management considers that the Beijing Hangyang Acquisition will enable the Group to diversify the product portfolio, widen the geographical coverage of products and lower the concentration risk in the procurement of raw materials of the pharmaceutical and healthcare products business. The Beijing Hangyang Acquisition was not yet completed up to the date of approving the consolidated financial statements.

For further details, please refer to the announcements of the Company dated 1 March and 18 March 2024.

* The English translation of the name is for reference only.

38. 訴訟(續)

直至批准綜合財務報表日期，中級人民法院的聆訊日期尚未確定。

有關訴訟之詳情於本公司日期為二零二一年一月十八日、二零二一年二月四日、二零二三年六月一日及二零二三年十二月十九日的公告中披露。

鑒於上訴所載基準，本公司董事認為無須就二零二三年及二零二二年十二月三十一日的訴訟計提撥備。然而，直至批准綜合財務報表日期，仍未取得重審結果，導致訴訟對本集團綜合財務報表帶來的經濟影響程度具不確定性。

39. 報告期後事項

於二零二四年三月一日，本公司全資附屬公司北京巴夫羅科技有限公司(「北京巴夫羅」)(作為買方)與一名獨立第三方謝海京先生(作為賣方)訂立買賣協議，以收購北京航洋健康科技有限公司(「北京航洋」)51%股權，代價為人民幣33.15百萬元，以現金結付(「北京航洋收購事項」)。北京航洋的主要業務為研究、製造及銷售軟膠囊保健產品、功能食品及護膚品。本集團管理層認為，北京航洋收購事項有助本集團多元化產品組合、擴展產品地域覆蓋及降低醫藥及保健產品業務原料採購集中風險。直至批准綜合財務報表日期，北京航洋收購事項尚未完成。

更多詳情，請參閱本公司日期為二零二四年三月一日及二零二四年三月十八日的公告。

* 英文譯名僅供識別

Five-Year Financial Summary

五年財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2019	2020	2021	2022	2023
		二零一九年	二零二零年	二零二一年	二零二二年	二零二三年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Continuing operations	持續經營業務					
Revenue	收益	81,854	121,404	67,608	175,923	122,098
Cost of sales	銷售成本	(79,742)	(90,483)	(27,053)	(84,248)	(86,913)
Gross profit	毛利	2,112	30,921	40,555	91,675	35,185
Other income and other gain, net	其他收入及其他收益淨額	2,678	799	777	2,919	7,004
Distribution costs	分銷成本	(248)	(2,909)	(638)	(1,602)	(780)
Administrative expenses	行政費用	(25,602)	(11,933)	(15,085)	(35,265)	(16,941)
Other loss on assets	資產其他虧損	(18,970)	(225)	(109)	(164)	(52)
Finance costs	財務成本	(27)	-	-	(1,792)	(2,052)
(Loss)/profit before tax	除稅前(虧損)/溢利	(40,057)	16,653	25,500	55,771	22,364
Income tax credit/(expense)	所得稅抵免/(開支)	444	(5,161)	(8,625)	(20,574)	(8,997)
(Loss)/profit for the year from continuing operations	持續經營業務年內(虧損)/溢利	(39,613)	11,492	16,875	35,197	13,367
Discontinued operation	已終止業務					
Profit for the year from discontinued operation	已終止業務年內溢利	148,093	-	-	-	-
Profit for the year	年內溢利	108,480	11,492	16,875	35,197	13,367
Attributable to:	下列人士應佔:					
Owners of the Company	本公司擁有人					
— (Loss)/profit from continuing operations	— 持續經營業務(虧損)/溢利	(39,141)	6,422	9,025	29,217	18,633
— Profit from discontinued operation	— 已終止業務溢利	148,093	-	-	-	-
Profit attributable to owners of the Company	本公司擁有人應佔溢利	108,952	6,422	9,025	29,217	18,633
Non-controlling interests	非控股權益					
— (Loss)/profit from continuing operations	— 持續經營業務(虧損)/溢利	(472)	5,070	7,850	5,980	(5,266)
(Loss)/profit attributable to non-controlling interests	非控股權益應佔(虧損)/溢利	(472)	5,070	7,850	5,980	(5,266)
Profit attributable to owners of the Company	本公司擁有人應佔溢利	108,480	11,492	16,875	35,197	13,367
Dividend paid	已付股息	-	-	-	-	-

Five-Year Financial Summary

五年財務概要

		Year ended 31 December 截至十二月三十一日止年度				2023
		2019	2020	2021	2022	2023
		二零一九年	二零二零年	二零二一年	二零二二年	二零二三年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
(Loss)/earnings per share	每股(虧損)/盈利					
Basic	基本					
– from continuing and discontinued operations	– 持續經營及已終止業務	RMB3.5 cent 人民幣3.5分	RMB0.2 cent 人民幣0.2分	RMB0.3 cent 人民幣0.3分	RMB0.95 cent 人民幣0.95分	RMB0.58 cent 人民幣0.58分
– from continuing operations	– 持續經營業務	RMB(1.3) cent 人民幣(1.3)分	RMB0.2 cent 人民幣0.2分	RMB0.3 cent 人民幣0.3分	RMB0.95 cent 人民幣0.95分	RMB0.58 cent 人民幣0.58分
– from discontinued operation	– 已終止業務	RMB4.8 cent 人民幣4.8分	-	-	-	-
Diluted	攤銷					
– from continuing and discontinued operations	– 持續經營及已終止業務	RMB3.5 cent 人民幣3.5分	RMB0.2 cent 人民幣0.2分	RMB0.3 cent 人民幣0.3分	RMB0.89 cent 人民幣0.89分	RMB0.51 cent 人民幣0.51分
– from continuing operations	– 持續經營	RMB(1.3) cent 人民幣(1.3)分	RMB0.2 cent 人民幣0.2分	RMB0.3 cent 人民幣0.3分	RMB0.89 cent 人民幣0.89分	RMB0.51 cent 人民幣0.51分
– from discontinued operation	– 已終止經營	RMB4.8 cent 人民幣4.8分	-	-	-	-

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				2023
		2019	2020	2021	2022	2023
		二零一九年	二零二零年	二零二一年	二零二二年	二零二三年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	253,370	290,650	311,237	384,819	383,440
Total liabilities	總負債	(65,804)	(89,125)	(91,686)	(128,742)	(113,769)
Net assets	資產淨值	187,566	201,525	219,551	256,077	269,671



Sanai Health Industry Group Company Limited
三愛健康產業集團有限公司