美瑞健康国际产业集团
Meilleure Health International Industry Group

MEILLEURE HEALTH INTERNATIONAL INDUSTRY GROUP LIMITED
美瑞健康國際產業集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 2327)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

ANNUAL RESULTS

The Board is pleased to announce the results of the Group for the year ended 31 December 2023 together with the comparative figures for the year ended 31 December 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Revenue	4	**129,304**	119,894
Cost of goods sold and service rendered		**(51,214)**	(53,133)
Gross profit		**78,090**	66,761
Fair value gains on investment properties		**20,086**	13,581
Gain on disposals of investment properties	11	**481**	–
Gain on disposal of investment in a joint venture		**–**	3,746
Gain on deemed disposals of investments in associates		**–**	6,209
Gain/(loss) on disposal of investment at FVTPL		**3,419**	(520)
Other income and gains/(losses), net	5	**24,868**	(3,654)
Selling and distribution expenses		**(14,862)**	(6,007)
Administrative expenses		**(24,474)**	(29,682)
Impairment losses of assets		**(3,962)**	–
(Impairment losses)/reversal of impairment losses of receivables, net		**(14,902)**	1,172
Finance costs	6	**(11,408)**	(11,447)
Share of losses of associates		**(264)**	(2,723)
Share of losses of joint ventures		**(4,089)**	(12,051)
Profit before tax		**52,983**	25,385
Income tax expense	7	**(14,493)**	(7,605)
Profit for the year	8	**38,490**	17,780
Attributable to:			
Owners of the Company		**40,830**	17,822
Non-controlling interests		**(2,340)**	(42)
		38,490	17,780
Earnings per share	10		
Basic and diluted		**HK1.00 cents**	HK0.43 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Profit for the year	8	**38,490**	17,780
Other comprehensive (loss)/income for the year, after tax:			
Item that will not be reclassified to profit or loss:			
Fair value changes of equity investments at FVTOCI, net of tax		**(15,585)**	5,348
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations:			
— Subsidiaries		**(28,789)**	(83,021)
— Associates and joint ventures		**(1,720)**	(7,849)
Share of other comprehensive income of an associate		**–**	3
		(30,509)	(90,867)
Other comprehensive loss for the year, net of tax		**(46,094)**	(85,519)
Total comprehensive loss for the year		**(7,604)**	(67,739)
Attributable to:			
Owners of the Company		**(5,261)**	(67,645)
Non-controlling interests		**(2,343)**	(94)
		(7,604)	(67,739)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Non-current assets			
Property, plant and equipment		**3,894**	6,291
Right-of-use assets		**332**	5,154
Investment properties	*11*	**598,509**	560,149
Goodwill		**18,500**	18,500
Other intangible assets		**–**	44
Investments in associates		**5,706**	9,740
Investments in a joint venture		**53,449**	57,356
Investments at FVTPL		**28,099**	55,163
Equity investments at FVTOCI		**24,470**	46,213
Derivative financial assets		**877**	314
Prepayments, deposits and other receivables	*14*	**17,748**	10,141
Deferred tax assets		**26,845**	20,179
		778,429	789,244
Current assets			
Inventories		**4,354**	6,514
Properties held for sale under development	*12*	**262,485**	256,519
Trade receivables	*13*	**101,533**	101,354
Prepayments, deposits and other receivables	*14*	**432,026**	341,134
Restricted bank deposit		**12,073**	–
Bank and cash balances		**106,309**	210,987
		918,780	916,508
Investment properties held for sale	*11*	**–**	5,509
		918,780	922,017
Current liabilities			
Trade payables	*15*	**20**	43
Contract liabilities		**10,158**	5,518
Accruals and other payables		**26,577**	29,488
Amounts due to related parties		**12,245**	6,901
Bank borrowings		**159,298**	78,235
Lease liabilities		**450**	1,710
Current tax liabilities		**15,246**	15,043
		223,994	136,938
Net current assets		**694,786**	785,079
Total assets less current liabilities		**1,473,215**	1,574,323

	Notes	**2023** *HK$'000*	2022 *HK$'000*
Non-current liabilities			
Accruals and other payables		**229**	230
Bank borrowings		**137,315**	165,204
Lease liabilities		**–**	3,980
Deferred tax liabilities		**81,350**	77,824
		218,894	247,238
NET ASSETS		**1,254,321**	1,327,085
Capital and reserves			
Share capital	*16*	**40,938**	40,945
Treasury shares		**(335)**	(231)
Reserves		**1,213,552**	1,283,862
Equity attributable to owners of the Company		**1,254,155**	1,324,576
Non-controlling interests		**166**	2,509
TOTAL EQUITY		**1,254,321**	1,327,085

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL INFORMATION

The Company was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Unit 2906, Tower 1, Lippo Centre, 89 Queensway, Admiralty, Hong Kong. The Company's shares are listed on the Main Board of the Stock Exchange.

The principal activities of the Group are operations of healthcare-related business, trading of construction materials and renewable energy products, provision of real estate agency services, property investment and leasing, development of residential properties and provision of procurement service of renewable energy products.

In the opinion of the Directors, as at 31 December 2023, Shunda Investment Limited, a company incorporated in the British Virgin Islands, is the ultimate parent of the Company; and Mr. Zhou Xuzhou, a Co-Chairman and the Executive Director, is the ultimate controlling party of the Company.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not early applied any new or revised HKFRSs that is not yet effective for the current accounting year.

The application of the new or revised HKFRSs that have been issued but are not yet effective and have not been early adopted by the Group will not have material impacts on the consolidated financial statements of the Group.

3. SEGMENT INFORMATION

The Group has four (2022: four) reportable segments as follows:

(a) Healthcare-related business — Health management services, aesthetic medical services and sale of healthcare-related and CBD downstream products

(b) Trading business — Trading of construction materials and renewable energy products, provision of procurement service of renewable energy products and healthcare-related products sale agency services

(c) Property-related business — Real estate agency services, leasing of investment properties and development and selling of residential properties

(d) Equity investment business — Management of investment portfolio

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include interest income, reversal of equity-settled share options expenses, net, finance costs as well as other unallocated corporate income and expenses. Segment assets do not include deferred tax assets as well as other unallocated corporate assets. Segment liabilities do not include deferred tax liabilities, current tax liabilities as well as other unallocated corporate liabilities.

Segment revenues and results

The following is an analysis of the Group's revenues and results from reportable and operating segments:

	Healthcare-related business *HK$'000*	**Trading business** *HK$'000*	**Property-related business** *HK$'000*	**Equity investment business** *HK$'000*	**Total** *HK$'000*
For the year ended 31 December 2023					
Revenue from external customers	**48,148**	**62,568**	**18,588**	**–**	**129,304**
Segment profit/(loss)	**14,991**	**11,125**	**34,792**	**(4,411)**	**56,497**
Interest income					**18,824**
Reversal of equity-settled share options expenses, net					**1,016**
Finance costs					**(11,408)**
Unallocated income					**36**
Unallocated expenses					**(11,982)**
Profit before tax					**52,983**

	Healthcare-related business HK$'000	Trading business HK$'000	Property-related business HK$'000	Equity investment business HK$'000	Total HK$'000
For the year ended 31 December 2022					
Revenue from external customers	53,784	37,127	28,983	–	119,894
Segment profit/(loss)	25,774	859	31,464	(32,065)	26,032
Interest income					26,907
Reversal of equity-settled share options expenses, net					862
Finance costs					(11,447)
Unallocated income					185
Unallocated expenses					(17,154)
Profit before tax					25,385

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

	2023 **HK$'000**	2022 HK$'000
Healthcare-related business	**63,250**	69,630
Trading business	**411,093**	388,929
Property-related business	**1,068,344**	923,559
Equity investment business	**120,902**	187,595
Total assets of reportable segments	**1,663,589**	1,569,713
Deferred tax assets	**26,845**	20,179
Unallocated corporate assets	**6,775**	121,369
Consolidated total assets	**1,697,209**	1,711,261

Segment liabilities

	2023	2022
	HK$'000	*HK$'000*
Healthcare-related business	**32,465**	31,376
Trading business	**116,442**	126,759
Property-related business	**195,200**	130,914
Total liabilities of reportable segments	**344,107**	289,049
Deferred tax liabilities	**81,350**	77,824
Current tax liabilities	**15,246**	15,043
Unallocated corporate liabilities	**2,185**	2,260
Consolidated total liabilities	**442,888**	384,176

Other segment information

The following is an analysis of other segment information:

	Healthcare-related business	Trading business	Property-related business	Equity investment business	Reportable segment total	Unallocated	Consolidated total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 December 2023							
Depreciation and amortisation	(2,549)	–	(86)	–	(2,635)	(4)	(2,639)
Fair value gains on investment properties	–	–	20,086	–	20,086	–	20,086
Gain on lease termination	239	–	–	–	239	–	239
Loss on written off of property, plant and equipment	(1,544)	–	–	–	(1,544)	–	(1,544)
Loss on written off of inventories	(586)	–	–	–	(586)	–	(586)
Impairment losses of investment in an associate	–	–	–	(3,672)	(3,672)	–	(3,672)
Impairment losses of inventories	(290)	–	–	–	(290)	–	(290)
Impairment losses of trade receivables, net	(995)	(1,503)	–	–	(2,498)	–	(2,498)
Impairment losses of other receivables	(225)	(5,577)	–	(6,602)	(12,404)	–	(12,404)
Additions to segment non-current assets*	824	1	–	–	825	2	827
As at 31 December 2023							
Investments in associates	–	–	–	5,706	5,706	–	5,706
Investments in a joint venture	–	–	–	53,449	53,449	–	53,449

	Healthcare-related business HK$'000	Trading business HK$'000	Property-related business HK$'000	Equity investment business HK$'000	Reportable segment total HK$'000	Unallocated HK$'000	Consolidated total HK$'000
For the year ended 31 December 2022							
Depreciation and amortisation	(2,969)	–	(90)	–	(3,059)	(793)	(3,852)
Fair value gains on investment properties	–	–	13,581	–	13,581	–	13,581
Loss on written off of inventories	(2)	–	–	–	(2)	–	(2)
Impairment losses of trade receivables, net	(69)	(170)	–	–	(239)	–	(239)
Reversal of impairment losses of other receivables	–	–	–	1,411	1,411	–	1,411
Additions to segment non-current assets*	4,820	–	–	–	4,820	7	4,827
As at 31 December 2022							
Investments in associates	–	–	–	9,740	9,740	–	9,740
Investments in a joint venture	–	–	–	57,356	57,356	–	57,356

This segment information has been included in the measures of segment results or assets.

* Additions to segment non-current assets consist of additions to property, plant and equipment and intangible assets.

Geographical information

	Revenue		**Non-current assets**	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**110,370**	118,066	**680,348**	657,180
Hong Kong	**–**	–	**11**	13
Europe	**18,934**	286	**31**	41
Others	**–**	1,542	**–**	–
Consolidated total	**129,304**	119,894	**680,390**	657,234

In presenting the geographical information, revenue is based on the locations of the customers and non-current asset is based on the locations of the assets.

4. REVENUE

	2023	2022
	HK$'000	*HK$'000*
Sale of healthcare-related products	**37,791**	44,647
Healthcare management service income	**3,948**	4,934
Aesthetic medical service income	**6,368**	3,824
Sale of CBD downstream products	**41**	379
Sale of construction materials	**40,944**	33,518
Procurement service income of renewable energy products	**20,841**	–
Sale of renewable energy products	**783**	2,221
Healthcare-related products sale agency service income	**–**	1,388
Property sales and consultancy service income	**1,484**	7,274
Revenue from contracts with customers	**112,200**	98,185
Rental income	**17,104**	21,709
Total revenue	**129,304**	119,894

5. OTHER INCOME AND GAINS/(LOSSES), NET

	2023	2022
	HK$'000	*HK$'000*
Other income		
Interest income	**18,824**	26,907
Dividend income from investments at FVTPL	**1,048**	300
Government grants	**610**	2,611
COVID-19-related rent concessions	**–**	7
Others	**128**	517
	20,610	30,342
Gains/(Losses), net		
Fair value gains/(losses) on investments at FVTPL		
— Designated as such upon initial recognition	**6,024**	(28,670)
Gain on lease termination	**239**	–
Fair value gains on derivative financial instruments	**362**	239
Gain on disposal of property, plant and equipment	**–**	2
Loss on written off of inventories	**(586)**	(2)
Loss on written off of property, plant and equipment	**(1,544)**	–
Net foreign exchange losses	**(237)**	(5,565)
	4,258	(33,996)
	24,868	(3,654)

6. FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Interest on bank loans	**11,231**	11,113
Interest on lease liabilities	**177**	334
	11,408	11,447

7. INCOME TAX EXPENSE

	2023	2022
	HK$'000	*HK$'000*
Current tax — PRC		
Provision for the year	**10,058**	9,981
Over-provision in prior years	**(507)**	(294)
Withholding tax on interest income — Australia		
Provision for the year	**918**	1,136
Deferred tax	**4,024**	(3,218)
	14,493	7,605

Hong Kong Profits Tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising from Hong Kong for the year, except for one group entity operating in Hong Kong, which is a qualifying corporate under the two-tiered Profits Tax rate regime. For the qualifying group entity, the first HK$2 million of assessable profits are taxed at the rate of 8.25% (2022: 8.25%), and the remaining assessable profits are taxed at the rate of 16.5% (2022: 16.5%).

Enterprise Income Tax of the PRC has been provided at the rate of 25% (2022: 25%) on the estimated assessable profits arising from the PRC for the year, except for certain group entities operating in PRC, which are taxed at preferential tax rates. Group entities operating in PRC that are qualified as small and thin-profit enterprises with assessable profits of RMB1 million or less, the assessable profits are taxed at the effective rate of 2.5% (2022: 2.5%). Where the assessable profits exceed RMB1 million but do not exceed RMB3 million (inclusive), the RMB1 million portion will be taxed at the effective rate of 2.5% (2022: 2.5%), whereas the excess portion will be taxed at the effective rate of 10% (2022: 10%). In addition, group entities operating in the PRC that are qualified as high and new technology enterprises are subject to income tax at a preferential tax rate of 15% (2022: 15%).

Australia corporate income tax has been provided at the rate of 30% (2022: 30%) on the estimated assessable profits for arising from Australia for the year.

A group entity, which is a non-tax resident enterprise in Australia, is subject to Australia withholding tax at the tax rate of 10% (2022: 10%) on the gross interest income arising from its loans provided to another group entity, which is a tax resident enterprise in Australia.

Corporate income tax in other jurisdictions has been provided at the rates of taxation prevailing in the jurisdictions in which the group entities operate on the estimated assessable profits arising from those jurisdictions for the both years.

8. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2023	2022
	HK$'000	*HK$'000*
Amortisation of other intangible assets	**43**	58
Depreciation of property, plant and equipment	**1,546**	1,428
Depreciation of right-of-use assets	**1,050**	2,366
Gain on lease termination	**(239)**	–
Gain on disposal of property, plant and equipment	**–**	(2)
Loss on written off of property, plant and equipment	**1,544**	–
Loss on written off of inventories	**586**	2
Gain on disposals of investment properties	**(481)**	–
Gain on disposal of investment in a joint venture	**–**	(3,746)
Gain on deemed disposals of investments in associates	**–**	(6,209)
(Gain)/loss on disposal of investment at FVTPL	**(3,419)**	520
Fair value gains on investment properties	**(20,086)**	(13,581)
Auditor's remuneration:		
Audit services	**1,240**	1,200
Non-audit services	**190**	100
	1,430	1,300
Cost of inventories sold	**43,734**	33,279
Impairment losses of assets:		
Investment in an associate	**3,672**	–
Inventories	**290**	–
	3,962	–
Impairment losses/(reversal of impairment losses) of receivables, net:		
Trade receivables	**2,498**	239
Other receivables	**12,404**	(1,411)
	14,902	(1,172)
Staff costs, including directors' emoluments:		
Salaries, bonus and allowances	**14,496**	18,851
Reversal of equity-settled share options expenses, net	**(1,016)**	(862)
Retirement benefits scheme contributions	**666**	940
	14,146	18,929

9. DIVIDENDS

	2023	2022
	HK$'000	*HK$'000*
Proposed 2023 final dividend of HK0.4 cents (2022: HK1.6 cents) per share	**16,375**	65,513

The Board recommend the payment of a 2023 final dividend of HK0.4 cents (2022: HK1.6 cents) per share, totalling approximately HK$16,375,000 (2022: HK$65,513,000). Such dividend is subject to approval by the shareholders at the forthcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

	2023	2022
	HK$'000	*HK$'000*
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	**40,830**	17,822

	2023	2022
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**4,093,234,915**	4,109,387,935
Effect of dilutive potential ordinary shares arising from share options *(Note a)*	**–**	584,402
Weighted average number of ordinary shares used in diluted earnings per share calculation	**4,093,234,915**	4,109,972,337

Note:

(a) For the year ended 31 December 2023, as the average market share price of the Company's share was lower than assumed exercise price including the fair value of any services to be supplied to the Group in the future under the share option arrangement, accordingly, there would be no dilutive impact.

11. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR SALE

	Investment properties	Investment properties held for sale	Total
	HK$'000	*HK$'000*	*HK$'000*
As at 1 January 2022	593,647	5,978	599,625
Fair value gains	13,581	–	13,581
Exchange differences	(47,079)	(469)	(47,548)
As at 31 December 2022 and 1 January 2023	**560,149**	**5,509**	**565,658**
Additions	**39,750**	**–**	**39,750**
Disposals *(Note a)*	**(5,688)**	**(5,434)**	**(11,122)**
Fair value gains	**20,086**	**–**	**20,086**
Exchange differences	**(15,788)**	**(75)**	**(15,863)**
As at 31 December 2023	**598,509**	**–**	**598,509**

	2023	2022
	HK$'000	*HK$'000*
Analysed as:		
Current assets	**–**	5,509
Non-current assets	**598,509**	560,149
	598,509	565,658

Note:

(a) During the year ended 31 December 2023, the Group disposed of three of the investment properties and investment properties held for sale at a consideration (net of tax) of RMB10,404,000 (equivalent to HK$11,603,000), resulting in a gain on disposal of HK$481,000.

12. PROPERTIES HELD FOR SALE UNDER DEVELOPMENT

	2023	2022
	HK$'000	*HK$'000*
As at 1 January	**256,519**	259,064
Capitalised expenditure	**6,401**	13,626
Exchange differences	**(435)**	(16,171)
As at 31 December	**262,485**	256,519

13. TRADE RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables	**106,589**	103,992
Provision for loss allowance	**(5,056)**	(2,638)
	101,533	101,354

The Group generally allows a credit period of 0 to 180 days (2022: 0 to 180 days) to its customers in trading business and agency service business. Overdue balances are reviewed regularly by the management of the Group. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The ageing analysis of the trade receivables, based on the invoice date, and net of allowance, is as follows:

	2023	2022
	HK$'000	*HK$'000*
0 to 30 days	**25,945**	17,696
31 to 90 days	**24,456**	8,859
Over 90 days	**51,132**	74,799
	101,533	101,354

Reconciliation of loss allowance for trade receivables:

	2023	2022
	HK$'000	*HK$'000*
As at 1 January	**2,638**	2,534
Increase in loss allowance for the year	**2,498**	239
Exchange differences	**(80)**	(135)
As at 31 December	**5,056**	2,638

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Prepayments *(Note a)*	**224,582**	56,540
Loan receivables *(Note b)*	**203,556**	239,003
Consideration receivables in relation to:		
— Partial disposal of investment in an associate	**9,805**	13,971
— Partial disposal of investment in a joint venture	**6,267**	6,288
Other receivables	**6,443**	3,010
Loan interest income receivables *(Note b)*	**5,713**	17,610
Performance bond receivable	**5,501**	15,830
Other tax receivables	**1,641**	1,679
Deposits paid	**183**	188
	463,691	354,119
Provision for loss allowance *(Note c)*	**(13,917)**	(2,844)
	449,774	351,275
Analysed as:		
Current assets	**432,026**	341,134
Non-current assets	**17,748**	10,141
	449,774	351,275

Notes:

(a) The amounts mainly represented the advance payment to suppliers for renewable energy products and construction materials.

(b) As at 31 December 2023, loan receivables with carrying amounts of HK$203,556,000 are denominated in RMB, unsecured and bear fixed interest rates at 4% per annum (2022: loan receivables with carrying amounts of HK$199,003,000 are denominated in RMB, unsecured and bear fixed interest rates ranging from 3% to 8% per annum. The remaining loan receivables of HK$40,000,000 are denominated in HKD, unsecured and bear fixed interest rate of 12.5% per annum). The entire amount of principals and interests shall be received in full in or before the second half of 2024.

(c) The movements in the loss allowance for other receivables during the year are as follows:

	2023	2022
	HK$'000	*HK$'000*
As at 1 January	**2,844**	4,557
Amounts written off	**(1,106)**	–
Increase/(decrease) in loss allowance for the year	**12,404**	(1,411)
Exchange differences	**(225)**	(302)
As at 31 December	**13,917**	2,844

15. TRADE PAYABLES

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

	2023	2022
	HK$'000	*HK$'000*
0 to 90 days	**16**	16
Over 90 days	**4**	27
	20	43

16. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
As at 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
As at 1 January 2022	4,214,086,636	42,141
Cancellation of shares	(119,538,000)	(1,196)
As at 31 December 2022 and 1 January 2023	4,094,548,636	40,945
Cancellation of shares	(792,000)	(7)
As at 31 December 2023	4,093,756,636	40,938

17. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the Reporting Period are as follows:

	2023	2022
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Capital contribution to associates	**10,893**	10,176
Capital contribution to an unlisted long-term investment	**–**	187

EXTRACT FROM CO-CHAIRMAN'S STATEMENT

The following is extracted from the sections headed "Recent Development", "Overview of Operations" and "Prospects" of the co-chairman's statement as written by one of the co-chairmen of the Board:

RECENT DEVELOPMENT

Health is closely connected with every aspect of human life, including clothing, food, housing and transportation, and the natural cycle of life. It is a vital indicator of China's prosperity and revitalisation, as well as a common aspiration of all citizens. China has always placed a high priority on the health of its people. The Outline of Healthy China 2030 Plan released in 2016 states that "Promoting the development of a healthy China is an important foundation for fully building a moderately prosperous society and essentially realising the modernisation of socialism. It is a national strategy to comprehensively improve the health of the Chinese nation and achieve the coordinated development of public health and the socio-economic landscape. It is also a significant initiative for China to actively participate in global health governance and fulfil international commitments to the 2030 Agenda for Sustainable Development." At the plenary sessions of the National People's Congress and the National Committee of the Chinese People's Political Consultative Conference (the "**Two Sessions**") held in March 2024, the Government Work Report outlined top-level planning for the tasks of various segments of the healthcare industry in the coming year. In addition, several proposals regarding the development of the healthcare industry were presented.

The health industry, as an emerging sector, has tremendous potential for growth. Driven by the release of favourable policies, an ageing population and strengthened health awareness, the healthcare industry is entering a period of robust development and has become a new point of economic growth. Meanwhile, according to a representative of the Two Sessions, Lu Qingguo (盧慶國), there are still significant gaps between China's health industry and those of developed countries in Europe and the U.S. Issues of the healthcare industry such as a low GDP proportion, insufficient innovation and research capabilities, dispersed industrial chain resources, and small enterprise sizes suggest there is substantial room for improvement. According to "Healthy China 2030", the scale of China's health industry will significantly expand, and the market size will reach RMB16 trillion by 2030.

In 2024, China's long-term positive economic trend remains unchanged. The Group continues to believe in the substantial potential of the health industry and aspires to be an excellent "long-distance runner" in the health sector. During the Reporting Period, the Group adhered to the vision of "using technology and expertise to serve more people's health and beauty needs", integrated production and investment, and delved into the health management and skin management sectors. Focusing on consumer medicine, the Group has facilitated the development of health management sector through health applications of cell therapy. Meanwhile, the Group continued to conduct in-depth research on skin health and its related services and developed products and business model integrating skincare products with efficacy and cosmetic medicine for skin health management by making full use of its advantages in R&D, brand and channel in terms of skin health management.

OVERVIEW OF OPERATIONS

Healthcare-related Business Segment — Cell Treatment and Health Management Business

The Group made its deployment in the field of cell therapy through the strategic acquisition of equity interest in Wingor Bio in 2019, a state-level high-tech enterprise, and the establishment of Mei Ai Kang in 2020.

Cell therapy is one of the most promising areas within the health industry, and "cell therapy and clinical translation of research" is a significant issue for China's "14th Five-Year Plan" in terms of healthcare development. Thanks to several supportive policies on the cell industry released by the Chinese government at various levels during the Reporting Period, great efforts were made to support the large-scale and standardised development of cell therapy industry. In April 2023, the Center for Drug Evaluation of the National Medical Products Administration released the "Guiding Principles for Pharmacological Research and Evaluation of Human Stem Cell Products (Trial)", which provided advice on technical issues related to the pharmaceutical research of stem cell products developed as drugs. In June 2023, the Center for Drug Evaluation of the National Medical Products Administration released the "Guiding Principles for Clinical Trial of Human Stem Cells and Derived Cell Therapy Products (Trial)", which provided technical guidance and suggestions for clinical trials of human stem cells and derived cell therapy products. In June 2023, the Center for Drug Evaluation of the National Medical Products Administration also issued the "Questions and Answers on the Study of Pharmaceutical Changes of Autologous CAR-T Cell Therapy Products (Draft for Public Comment)" to further regulate and provide guidelines for the study and application for the changes of CAR-T products. In July 2023, the Center for Drug Evaluation of the National Medical Products Administration released the "Guiding Principles for Clinical Communications related to Cell and Gene Therapy Products (Draft for Public Comment)", which provided suggestions on the preparation of communication materials and considerations for major issues of clinical R&D of cell and gene therapy products, with an aim to improve communication efficiency and support the smooth advancement of clinical R&D of cell and gene therapy products. In September 2023, the Center for Drug Evaluation of the National Medical Products Administration released the "Guiding Principles for Clinical Trials of Mesenchymal Stem Cell Products for the Prevention and Treatment of Graft-versus-host Disease (Draft for Public Comment)", which is applicable to mesenchymal stem cell products from various sources such as bone marrow, umbilical cord, cord blood or adipose tissue, as well as mesenchymal-like cell products derived from embryonic stem cells or induced pluripotent stem cells. At the level of local government, in January 2023, the Standing Committee of the Shenzhen Municipal People's Congress issued the "Shenzhen Economic Zone Cell and Gene Industry Promotion Ordinance", which is the first specialised legislation for the cell and gene industry in the country. In August 2023, the Shenzhen Finance Bureau issued the "Announcement on the Public Selection of Shenzhen Cell and Gene Industry Fund Management Institutions", proposing the establishment of the Shenzhen Cell and Gene Industry Fund.

As the leading enterprise in Shenzhen's local cell treatment industry, Wingor Bio has powerful R&D innovation strength and leading professional technology in the industry after engagement in the cell therapy industry. It was accredited with the honour of "National High-Tech Enterprise", "Science and Technology based Small and Medium-Sized Enterprise" in China and "Professional, Specialised and New Small and Medium-sized Enterprise in Shenzhen". During the Reporting Period, in terms of R&D, Wingor Bio achieved significant breakthroughs in the Investigational New Drug (IND) application for new stem cell drugs, with the clinical trial applications for four cell drugs accepted by the National Medical Products Administration, including two cell drugs that received approval for clinical trials. In terms of technology, a number of patents, including blood preservation solutions and their preparation methods and uses, as well as the preparation methods for human umbilical cord mesenchymal stem cells, filed by Wingor Bio, were accepted and authorised by the China National Intellectual Property Administration. Up to now, the Company has applied for nearly 65 patents, including ten international patents. In terms of the formulation of enterprise-related policies, Wingor Bio, as a participating unit, made a positive contribution to the formulation of the "Regulations for the Preparation and Inspection of Human Mesenchymal Stem Cell Exosomes", which was approved for publication in February 2024 and came into effect on 6 March 2024. In addition, Wingor Bio has also carried out clinical collaborations with several medical institutions, including the Affiliated Hospital of Guilin Medical University, Zhongda Hospital Southeast University and Shenzhen University General Hospital, to accelerate the translation of scientific and technological findings into clinical applications.

Mei Ai Kang has also had several achievements since its inception. In 2022, it cooperated with the Fifth Medical Centre of the General Hospital of the Chinese People's Liberation Army, the Fourth People's Hospital of Nanning, Shanghai Public Health Clinical Centre and Yunnan Provincial Infectious Disease Hospital to conduct clinical studies, and it overcame the adverse effect brought forth by the COVID-19 epidemic. It enrolled 17 cases in the study, improved clinical proposals, and detailed the experimental process. At the same time, Mei Ai Kang is currently applying for a relevant patent cluster related to the project's core technology, and a patent for a self-transfusion injector has been approved. Meanwhile, the related patents for cell processing are currently in the process of application review.

In terms of downstream products and services as well as high-end health management, the Group ran the clinics in Shenzhen and Nanjing as the main operation centres and provided international high-end health management services based on functional medicine theories. Building upon years of successful and stable operation, the Group will further enhance its business model, optimize service standards and expand new customer base.

With the continuous introduction of relevant policies and regulations for the cell industry in China, a comprehensive regulatory system has been gradually established. Relevant government departments are constantly standardising the guiding principles and strengthening support for the development of the cell therapy industry, providing a favourable environment for the growth of China's cell industry. The Group will continue to deepen its planning in the field of cell therapy research and development and its application, and explore the commercialisation path of cell therapy products, so as to realise the coordinated development between the health management business and other segments.

Healthcare-related Business Segment — Skin Health Management Business

In recent years, with the improvement of residents' purchasing power and changes in consumption concepts, "becoming more beautiful" has gradually become a basic need for some consumers. The value chain of the beauty industry continues to expand while various new consumption scenarios are emerging. Against the backdrop of the blossoming beauty economy, light aesthetic medicine, characterised by its accessibility and safety, has been increasingly popular among consumers seeking beauty enhancements, leading to sustained growth in its market size. With that in mind, based on its advantages in product R&D, medical care team, operation management, brand and channel for skin health management, the Group has launched a brand of "Jixiaojian", a highlighted brand combining medical aesthetics and skincare in the second half of 2021.

Adhering to the philosophy of "Extremely Professional, Ultra Effective and Zero Routines", and pioneering the integration of the two fields: aesthetic medicine and effective skincare, Jixiaojian uses skincare technology innovation as its guiding principle, to create a new concept of smart skin care. With complementary integration between aesthetic medicine projects and products, Jixiaojian combined the "treatment" of cosmetic medicine and "prevention" of skincare products, and launched the combination of "60% light aesthetic medicine + 40% effective streamlined and effective skincare", providing a more cost-effective and streamlined integrated skincare solution for users. Meanwhile, the Group has established close cooperative relations with BAFS and Ashland, internationally renowned raw material companies, and successively launched multiple product lines under the brand of Jixiaojian — photoelectric repair series, skin repair series, revitalising series and more. Products under the brand of Jixiaojian were available for sale on WOW COLOUR, the offline trendy makeup collection store, with simultaneous launches on 120 stores nationwide. At the same time, they are also featured in BeauCare Clinics (聯合麗格), a well-known offline chain medical aesthetics group. Moreover, collaborations have been reached with some of the top broadcasters on Taobao and Kuaishou.

The flagship store of our light medical beauty brand "Jixiaojian" has been operating for years. Based on the photoelectric repair series from Jixiaojian, "Jixiaojian × Super Photon", the exclusive project launched by the flagship store, provides an integrated skincare solution for the whole process of super photon aesthetic medical beauty project before, during and after surgery, which was widely recognised and recommended by customers. In terms of aesthetic medical devices, the Group has reached a strategic cooperation relationship with Lumenis, a world-renowned laser beauty leader, and has become its clinical demonstration base. Furthermore, the Group has cooperated with Bandao (半島), a prominent brand in medical equipment, to create the Bandao Soothing Treatment Device Special Project (半島舒敏治療儀特色項目) called "Light Medical Beauty Golder Partner (輕醫美黃金搭檔)". In terms of R&D, the Group has established a close cooperation with Shenzhen Xuanjia (深圳萱嘉), a laboratory equipped with CNAS testing standards, to establish a supramolecular laboratory for the development of skincare product lines with supramolecular technology as the core. The Group has also successfully partnered with the world's largest producer of recombinant collagen, Jland Biotech, to establish a strategic partnership in the field of recombinant collagen. The Group has obtained more than 10 patents in respect of skincare products, and was honoured with the title of Professional, Specialised and New Small and Medium-sized Enterprise in Shenzhen during the Reporting Period.

The Group will continue to increase investment in the field of skin health management, adhere to the professional and efficient business philosophy, and promote the effective improvement of products and services with a customer-oriented mindset, striving to create a scientific skincare brand that combines online and offline integration, aesthetic medicine and effective skincare. Besides, it is committed to recalibrating the skincare habits of the new generation and reshaping the landscape of the skincare industry with the help of this skincare revolution arising from the iteration of people, cognition and technology.

Overseas Business

The Group proactively implemented its international business strategies, with localised operation teams established for its overseas operations. In terms of the European business, as early as 2019, the Group established its subsidiary in Switzerland and organised a local professional team to expand the markets in Europe. In 2021, the high-end CBD health consumption brand independently developed and produced in Switzerland, AlpReleaf, was formally launched into the markets in Europe. AlpReleaf products, based on high-quality CBD as the core technology, have been launched under a number of series such as soothing, sleep aid and muscle soreness, aiming to provide users with a better quality of life. The products have been officially certified by the European Union and the United Kingdom and are available for sale in 22 European countries. During the Reporting Period, AlpReleaf further extended its sales channels to expand its brand awareness and market influence. New product series were also launched to effectively boost sales growth. Leveraging its localised team and existing sales network in Europe, the Group also actively expanded its overseas trading business and enlarged its customer base during the Reporting Period, with the potential to create new growth points for performance.

For the business in Australia, the boutique townhouse project located in Yarrabend, Australia was developed and wholly-owned by the Group, in collaboration with Burbank, a renowned construction company in Australia and Rothelowman, a renowned design firm. It is located on the banks of the Yarra River in Melbourne with mature commercial facilities and convenient transportation. During the Reporting Period, the project achieved significant progress. Since its initial launch in 2022, it has gained market recognition, and the sales efforts have been steadily progressing.

As of the end of the Reporting Period, the Group's overseas business has steadily advanced with notable highlights in its performance. The Group will continue to strengthen its international business strategies, accelerate the expansion of its international business, deepen its brand building, and focus on channel expansion, so as to expand and optimise its overseas business, bringing sustained internal vitality to the Company's growth.

PROSPECTS

In 2023, China's economy continued to demonstrate resilience under sustained pressure, emerging with a recovery curve that points towards improvement. In 2024, despite facing numerous challenges, the continuation of the recovery trend is expected to remain the major focus of China's economy, which will further give rise to new opportunities.

For the Group, regarding assets, the Group had current assets of HK$918.8 million as at 31 December 2023, of which bank and cash balances amounted to HK$106.3 million. As for the business, the Group continues to focus on the healthcare field. The skin health management products and business models have been initially proven successful. Efforts will be made to actively expand sales channels, strengthen external collaborations and solidify business foundation. Meanwhile, the scale of the overseas business grows steadily with constant expansion of sales channels and continuous improvement in brand building. The overall trend of improving external conditions and the internal resources that the Group has accumulated over time, such as talent, brand and channels, are crucial for the Group in overcoming difficulties and achieving success. These favourable factors will give the Group confidence and capability to cope with new challenges and to seize new opportunities. The Group remains confident and optimistic about its future business development.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Below is a summary of the financial information of the Group:

	2023	2022
	HK$'000	*HK$'000*
Revenue	**129,304**	119,894
Gross profit	**78,090**	66,761
Gross profit margin	**60.4%**	55.7%
Other income and gains/(losses), net	**24,868**	(3,654)
Total operating expenses *(Note)*	**39,336**	35,689
Finance costs	**11,408**	11,447
Profit before tax	**52,983**	25,385
Profit after tax	**38,490**	17,780
Profit attributable to owners of the Company	**40,830**	17,822

Note: Total operating expenses included (i) selling and distribution expenses; and (ii) administrative expenses.

Revenue

Revenue for the year ended 31 December 2023 was HK$129.3 million (2022: HK$119.9 million), mainly generated by (i) sale of healthcare-related products; (ii) sale of construction materials; (iii) sale of renewable energy products; (iv) rental income; (v) property sales and consultancy service income; (vi) healthcare management service income; (vii) healthcare-related products sale agency service income; (viii) aesthetic medical service income; (ix) sale of CBD downstream products; and (x) procurement service income of renewable energy products.

Revenue increased by approximately 7.8% from HK$119.9 million for the year ended 31 December 2022 to HK$129.3 million for the year ended 31 December 2023. The increase in revenue of HK$9.4 million was mainly due to (i) an increase in procurement service income of renewable energy products of HK$20.8 million, resulting from the increase in orders from the PRC and overseas market; and (ii) an increase in sale of construction materials of HK$7.4 million, as a result of the reopening of mainland China. Such increases were partially offset by (i) a decrease in sale of healthcare-related products of HK$6.9 million; (ii) a decrease in property sales and consultancy service income of HK$5.8 million; (iii) a decrease in rental income of HK$4.6 million; and (iv) a decrease in healthcare-related products sale agency service income of HK$1.4 million.

Gross Profit and Gross Profit Margin

The Group's gross profit for the year ended 31 December 2023 was HK$78.1 million (2022: HK$66.8 million), representing an increase of 16.9% compared to 2022. The gross profit margin for the year ended 31 December 2023 increased to 60.4% from 55.7% for the year ended 31 December 2022.

The increase in gross profit of HK$11.3 million was mainly due to an increase in gross profit in the trading business of HK$21.1 million, mainly benefitting from an increase in income from procurement service of renewable energy products, which was attributable to the expansion of the Group's European international trading business. Such an increase was partially offset by (i) a decrease in gross profit in the property-related business of HK$6.1 million as a result of the discontinuation of property sales and consultancy services from the first half of 2023; and (ii) a decrease in gross profit in the healthcare-related business of HK$3.8 million, mainly resulting from a decrease in the sale of healthcare-related products.

In addition, the increase in gross profit margin was mainly due to an increase in the proportion of the revenue derived from procurement service income of renewable energy products, which has higher gross profit margin and is included in the trading business segment to the Group's total revenue for the year ended 31 December 2023 compared to 2022.

Other Income and Gains/(Losses), Net

Such an item changed from other income and net losses of HK$3.7 million for the year ended 31 December 2022 to other income and net gains of HK$24.9 million for the year ended 31 December 2023. Such change was primarily due to (i) a favourable financial impact arising from fair value changes on investments at FVTPL, which changed from a fair value loss of HK$28.7 million for the year ended 31 December 2022 to a fair value gain of HK$6.0 million for the year ended 31 December 2023 as a result of the increase in revenue and profit of an equity-invested entity; and (ii) a decrease in exchange losses of HK$5.3 million. Such increases were partially offset by (i) a decrease in interest income of HK$8.1 million; and (ii) a decrease in government grants of HK$2.0 million.

Total Operating Expenses

Total operating expenses for the year ended 31 December 2023 were HK$39.3 million (2022: HK$35.7 million), representing an increase of HK$3.6 million or 10.1% compared to 2022. Such increase was mainly due to increases in selling and distribution expenses of HK$8.9 million, mainly attributable to marketing and promotion expenses incurred for promotion of products under our self-owned brand "Jixiaojian" and transportation expenses incurred for procurement service of renewable energy products, which was partially offset by decrease in administrative expenses of HK$5.2 million which was attributable to the effective expenses control of the Group for the year ended 31 December 2023.

Finance Costs

Finance costs for the year ended 31 December 2023 was HK$11.4 million (2022: HK$11.4 million) and remained stable.

Profit After Tax

Profit after tax for the year ended 31 December 2023 was HK$38.5 million (2022: HK$17.8 million), representing an increase of HK$20.7 million or 116.3% compared to 2022. Such an increase was mainly due to:

(i) an increase in gross profit in the trading business of HK$21.1 million; and

(ii) a favourable financial impact arising from fair value changes on investments at FVTPL, which changed from a fair value loss of HK$28.7 million for the year ended 31 December 2022 to a fair value gain of HK$6.0 million for the year ended 31 December 2023 as a result of the increase in revenue and profit of an equity-invested entity.

Such increases were partially offset by (i) an unfavorable financial impact arising from movements of loss allowance for trade and other receivables, which changed from reversal of impairment loss of HK$1.2 million for the year ended 31 December 2022 to an impairment loss of HK$14.9 million as a result of the change in the operating environment; (ii) a decrease in interest income of HK$8.1 million as the Group has invested funds in business expansion and operations; and (iii) an increase in income tax expense of HK$7.0 million resulting from an increase in profit before tax.

BUSINESS REVIEW

Healthcare-related Business

The revenue derived from the healthcare-related business for the year ended 31 December 2023 was HK$48.1 million, representing a decrease of 10.6% compared to HK$53.8 million for the year ended 31 December 2022. The profit derived from this segment for the year ended 31 December 2023 was HK$15.0 million, representing a decrease of 41.9% compared to HK$25.8 million for the year ended 31 December 2022. Such a decrease was mainly due to (i) a decrease in gross profit of HK$3.8 million, primarily resulting from a decrease in the sale of healthcare-related products; and (ii) an increase in operating expenses of HK$4.3 million, resulting from an increase in marketing and promotion expenses incurred for promotion of products under our self-owned brand "Jixiaojian" during the year ended 31 December 2023.

Trading Business

The revenue derived from the trading business for the year ended 31 December 2023 was HK$62.6 million, representing an increase of 68.7% compared to HK$37.1 million for the year ended 31 December 2022. The profit derived from this segment for the year ended 31 December 2023 was HK$11.1 million, representing an increase of approximately 11.3 times compared to HK$0.9 million for the year ended 31 December 2022, which was mainly due to a rise in gross profit of HK$21.1 million, mainly resulting from an increase in income from procurement service of renewable energy products, which was attributable to the expansion of the Group's European international trading business. Such an increase was partially offset by (i) an increase in loss allowance for trade and other receivables of HK$6.9 million; and (ii) an increase in operating expenses of HK$3.9 million, resulting from increase in transportation expenses incurred for procurement service of renewable energy products during the year ended 31 December 2023.

Property-related Business

The revenue derived from the property-related business for the year ended 31 December 2023 was HK$18.6 million, representing a decrease of 35.9% compared to HK$29.0 million for the year ended 31 December 2022. The profit derived from this segment for the year ended 31 December 2023 was HK$34.8 million, representing an increase of approximately 10.8% compared to HK$31.4 million for the year ended 31 December 2022, which was mainly due to (i) an increase in fair value gains on investment properties of HK$6.5 million; and (ii) a decrease in operating expenses of HK$1.8 million, resulting from effective expenses control in this segment during the year ended 31 December 2023. Such increases were partially offset by a decrease in gross profit of HK$6.1 million resulting from the discontinuation of property sales and consultancy services from the first half of 2023.

The Group has a 100% interest in a residential development project located at Lot A & B, 626 Heidelberg Road, Alphington, VIC, 3078, Australia. The project covers a total site area of approximately 11,488 sq.m. Advantageously located just 6.5 kilometres from Melbourne's central business district, the site provides a gross floor area of approximately 18,752 sq.m. to be developed into 109 residential units of townhouses.

During the year ended 31 December 2023, the project was still in progress. Up to the date of this announcement, the project's civil works have already been completed. The pre-sale of the project commenced in November 2022, which will rapidly realise the value of the land reserve, deliver business growth for the Group and boost brand value.

Equity Investment Business

The loss derived from this segment for the year ended 31 December 2023 was HK$4.4 million, representing a decrease of approximately 86.3% compared to a loss of HK$32.1 million for the year ended 31 December 2022, which was mainly due to (i) a favourable financial impact arising from fair value changes on investments at FVTPL as a result of the increase in revenue and profit of an equity-invested entity, which changed from a fair value loss of HK$28.7 million for the year ended 31 December 2022 to a fair value gain of HK$6.0 million for the year ended 31 December 2023; and (ii) a decrease in share of loss of a joint venture of HK$8.0 million. Such increases were partially offset by (i) an unfavorable financial impact arising from movements of loss allowance for other receivables, which changed from reversal of impairment loss of HK$1.4 million for the year ended 31 December 2022 to an impairment loss of HK$6.6 million; and (ii) recognition of impairment of loss of assets of HK$3.7 million.

REVIEW OF FINANCIAL POSITION

	2023	2022
	HK$'000	*HK$'000*
Non-current Assets		
Investment properties	**598,509**	560,149
Investments at FVTPL	**28,099**	55,163
Investments in a joint venture	**53,449**	57,356
Investments in associates	**5,706**	9,740
Prepayments, deposits and other receivables	**17,748**	10,141
Goodwill	**18,500**	18,500
Equity investments at FVTOCI	**24,470**	46,213
Others	**31,948**	31,982
Total Non-current Assets	**778,429**	789,244
Current Assets		
Bank and cash balances	**106,309**	210,987
Properties held for sale under development	**262,485**	256,519
Prepayments, deposits and other receivables	**432,026**	341,134
Trade receivables	**101,533**	101,354
Restricted bank deposit	**12,073**	–
Others	**4,354**	12,023
Total Current Assets	**918,780**	922,017
Total Assets	**1,697,209**	1,711,261
Liabilities		
Bank borrowings	**296,613**	243,439
Deferred tax liabilities	**81,350**	77,824
Accruals and other payables	**26,806**	29,718
Contract liabilities	**10,158**	5,518
Others	**27,961**	27,677
Total Liabilities	**442,888**	384,176
Net Assets	**1,254,321**	1,327,085

Non-current assets of the Group as at 31 December 2023 were HK$778.4 million (2022: HK$789.2 million), representing a decrease of HK$10.8 million, which was mainly due to (i) a decrease in investments at FVTPL of HK$27.1 million; and (ii) a decrease in equity investments at FVTOCI of HK$21.7 million, which was partially offset by an increase in investment properties of HK$38.4 million. Current assets were HK$918.8 million (2022: HK$922.0 million), representing a decrease of HK$3.2 million, which was mainly due to a decrease in bank and cash balances of HK$104.7 million as compared to the year ended 31 December 2022. Such a decrease was partially offset by (i) an increase in prepayments, deposits and other receivables of HK$90.9 million; and (ii) an increase in restricted bank deposit of HK$12.1 million.

As at 31 December 2023, the Group's total liabilities were HK$442.9 million (2022: HK$384.2 million), representing an increase of HK$58.7 million mainly due to an increase in bank borrowings of HK$53.2 million as compared to the year ended 31 December 2022.

NET ASSET VALUE

As at 31 December 2023, the Group's total net assets amounted to HK$1,254.3 million (2022: HK$1,327.1 million), representing a decrease of HK$72.8 million, mainly due to (i) payment of dividend of HK$65.5 million during the year ended 31 December 2023; (ii) exchange losses arising from the translation of foreign operations of HK$30.5 million, and (iii) fair value losses of equity investments at FVTOCI, net of HK$15.6 million. Such decreases were partially offset by the profit for the year ended 31 December 2023 of HK$38.5 million.

LIQUIDITY AND FINANCIAL RESOURCES

	2023	2022
	HK$'000	*HK$'000*
Net cash (used in)/generated from operating activities	**(136,491)**	43,151
Net cash generated from/(used in) investing activities	**53,718**	(134,758)
Net cash (used in)/generated from financing activities	**(18,897)**	41,932
Net decrease in cash and cash equivalents	**(101,670)**	(49,675)
Effect of foreign exchange rate changes	**(3,008)**	(11,929)
Cash and cash equivalents as at 1 January	**210,987**	272,591
Cash and cash equivalents as at 31 December	**106,309**	210,987

As at 31 December 2023, the total cash and cash equivalents of the Group were HK$106.3 million (2022: HK$211.0 million), of which approximately 91.8% was denominated in RMB, 5.6% was in HKD, 1.3% was in EUR, 1.0% was in USD, 0.2% was in CHF and 0.1% was in AUD (2022: approximately 62.3% was denominated in RMB, 18.6% was in USD, 17.5% was in HKD, 1.0% was in AUD, 0.4% was in CHF and 0.2% was in EUR).

Net cash used in operating activities for the year ended 31 December 2023 was HK$136.5 million, which was mainly used to satisfy the Group's working capital required for daily operation during the year ended 31 December 2023.

Net cash generated from investing activities was HK$53.7 million, which was mainly attributable to (i) repayment of short-term interest-bearing loans advanced to certain independent third parties of HK$341.9 million; (ii) the net cash inflow generated from investments in financial products of HK$35.6 million; and (iii) receipt of loan interest of HK$28.8 million. Such increases were partially offset by (i) short-term interest-bearing loans advanced to certain independent third parties of HK$311.9 million; and (ii) acquisition of investment properties of HK$39.8 million.

Net cash used in financing activities was HK$18.9 million, which mainly represented a net amount of (i) proceeds received from new bank borrowings of HK$94.5 million; (ii) payment of dividend of HK$65.5 million; (iii) repayment of bank borrowings of HK$34.9 million; and (iv) payment of loan interest of HK$11.2 million.

As at 31 December 2023, the total bank borrowings of the Group were HK$296.6 million (2022: HK$243.4 million), which are mainly used as working capital of the Group. The Group has no unutilised banking facilities as at 31 December 2023 and 2022.

The following table illustrates the composition of the Group's bank borrowings:

	2023	2022
	HK$'000	*HK$'000*
Floating rate RMB bank loan	**90,224**	107,981
Floating rate AUD bank loan	**75,453**	–
Fixed rate RMB bank loan	**130,936**	135,458
	296,613	243,439

The following table illustrates the maturity profile of the Group's bank borrowings:

	2023	2022
	HK$'000	*HK$'000*
Within one year	**159,298**	78,235
In the second year	**30,175**	31,279
In the third to fifth years, inclusive	**76,495**	84,292
Beyond five years	**30,645**	49,633
	296,613	243,439

Based on the Group's steady cash flow, coupled with sufficient bank and cash balances, the Group has adequate liquidity and financial resources to meet its future capital expenditures, daily operations and working capital requirements in the next financial year.

CAPITAL STRUCTURE OF THE GROUP

The capital structure of the Group consists of equity attributable to owners of the Company (i.e. issued share capital and reserves).

TREASURE POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 December 2023. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 11 April 2019, a total of 360,000,000 new shares were successfully placed by the placing agent to not less than six placees, who and whose ultimate beneficial owners were independent third parties, at the placing price of HK$0.91 per placing share pursuant to the terms and conditions of the placing agreement under the general mandate and the placing of new shares raised net proceeds, after deducting related placing commission, professional fees and all related expenses, of HK$325.7 million (with a net price of approximately HK$0.905 per placing share) which was intended to be used for investing in the industrial hemp CBD extraction and application businesses and as general working capital of the Group.

As at 31 December 2023, the net proceeds have been used in the following manner:

Intended use of the net proceeds	Unutilised net proceeds as at 31 December 2022 *HK$ million*	Actual amount used during the Reporting Period *HK$ million*	Unutilised net proceeds as at 31 December 2023 *HK$ million*
To be used as general working capital of the Group	22.3	(22.3)	–
To be invested in the industrial hemp CBD extraction and application businesses	1.2	(1.2)	–
Total	23.5	(23.5)	–

As at 31 December 2023, the unutilised net proceeds have been fully utilised.

GEARING RATIO

The Group's gearing ratio, expressed as the percentage of net debt (includes bank borrowings, trade payables, contract liabilities, accruals and other payables and amounts due to related parties, less bank and cash balances and restricted bank deposit) over the sum of equity attributable to owners of the Company and net debt, was 15.3% (2022: 5.3%).

As at 31 December 2023, the Group had net debt of HK$227.4 million (2022: HK$74.6 million), while the equity attributable to owners of the Company amounted to HK$1,254.2 million (2022: HK$1,324.6 million).

CAPITAL EXPENDITURE

During the year ended 31 December 2023, the expenditure on purchasing property, plant and equipment amounted to HK$827,000 (2022: the expenditure on purchasing intangible assets, namely computer systems, was HK$40,000, while the expenditure on purchasing property, plant and equipment amounted to HK$4,787,000).

CAPITAL COMMITMENTS

As at 31 December 2023, the Group had capital commitments of HK$10.9 million (2022: HK$10.4 million) in respect of capital contribution payable to associates (2022: capital contribution payable to an associate and an unlisted long-term investment), which are contracted but not provided for in the consolidated financial statements.

CHARGES ON GROUP ASSETS

The following table sets forth the net book value of assets under pledges for certain banking facilities as at the dates indicated:

	2023	2022
	HK$'000	*HK$'000*
Investment properties	**441,079**	452,828
Properties held for sale under development	**201,169**	–
Restricted bank deposit	**12,073**	–
	654,321	452,828

CONTINGENT LIABILITIES

As at 31 December 2022 and 2023, the Group did not have any significant contingent liabilities.

GENERAL DESCRIPTION OF THE GROUP'S INVESTMENT STRATEGIES

With continued acceleration of the legalisation of industrial hemp in the overseas markets in recent years, cannabinoids, with CBD as their representative product, will have increasingly broad applications in the healthcare and consumer goods fields. In addition, the Group continues to believe in the substantial potential of the healthcare industry. The Group adheres to the corporate vision of "using technology and expertise to serve more people's health and beauty needs". Therefore, the Group manages its investment portfolio with a primary objective to capture market opportunities in the healthcare industry.

On the other hand, the Group had allocated certain resources to various investments in financial products as well as high potential investments in order to maximise the return.

MATERIAL ACQUISITIONS AND DISPOSALS

Saved as disclosed elsewhere in this announcement, there was no material acquisition or disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2023 and up to the date of this announcement.

MATERIAL LENDING TRANSACTIONS

Business model and credit risk assessment policy

In order to increase the rate of return of the Group's cash and cash equivalents which can improve the investment income and the profits of the Group, the Group provided short-term interest-bearing loans to its customers.

Through the business and social networks of the management of the Company, the Group identifies potential customers, which would be corporate customers and individual customers. The Group has established strict credit risk management and internal control procedures to regulate its lending transactions and only provides loans to customers with good credit standing and satisfactory results of operation as well as those in need of short-term financing. The credit risk management and internal control procedures mainly consist of the following stages, namely (i) credit risk assessment of customers; (ii) assessment and approval processes; and (iii) loan collection monitoring:

(i) Credit Risk Assessment of Customers

The Corporate Treasury Department assesses the background and reputation of any new customers by taking into account the new customer's financial condition, the purpose of borrowing, shareholders' background and business reputation, etc. The Corporate Treasury Department also conducts due diligence, credit verification and repayment ability assessment on new customers. The Corporate Treasury Department researches and analyses customers' background information, including but not limited to their operating history, shareholders, financial information, income proofs, bank statements, tax returns, independent professional credit reports, operational risks, legal risks, online media investigation reports, industry reports, etc.

(ii) Assessment and Approval Processes

The Corporate Treasury Department would perform credit assessment and review of the loan applications as well as determine the loan terms (having taken into consideration factors such as the credit risks of the customers, their recoverability, the cost of capital of the Group and the prevailing market interest rates, etc). The financial controller of the Group would review the relevant assessment reports and loan terms, and then report to Ms. Zhou Wen Chuan, our Chief Executive Officer and Executive Director. Ms. Zhou Wen Chuan will be responsible for the approval of loans in relatively small amounts.

If the potential loans are of larger amounts (i.e. by assessment of size tests under Chapter 14 of the Listing Rules, may constitute a disclosable transaction or above), in which case, such potential loans will be reported by Ms. Zhou Wen Chuan and she will elaborate to the Board such potential loans in contemplation and her recommendations therewith for discussion and approval, the Directors (including the Independent Non-Executive Directors) will then consider whether such loans are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole. The requirements of reporting, announcement, circular and shareholders' approval under Chapter 14 of the Listing Rules will then be fulfilled (if applicable).

Moreover, for any potential loans which may involve connected person(s) as defined under Chapter 14A of the Listing Rules, such loans will be reported to the Board immediately for assessment with respect to size tests and assessments by the Board as elaborated above. The requirements of reporting, announcement, circular, independent financial advice and independent shareholders' approval under Chapter 14A of the Listing Rules will then be fulfilled (if applicable).

(iii) Loan Collection Monitoring

The Corporate Treasury Department would conduct regular review and carry out follow-up actions (on a monthly and continuing basis) in respect of overdue amounts to minimise the Group's exposure to credit risk and follow up closely with its customers as to the deadlines for payment of interest on the loans. Ageing analysis of the debtors is prepared on a monthly basis and is closely monitored to minimise any credit risk associated with these debtors. The Corporate Treasury Department will report the status of the loan portfolio to Ms. Zhou Wen Chuan on a monthly basis, such that Ms. Zhou Wen Chuan may closely monitor the loan portfolio to oversight the credit risk. Ms. Zhou Wen Chuan would report to the Board and discuss actions to be taken in case of any abnormal situations.

The Corporate Treasury Department has standard procedures for dealing with default in payment. In case there are any minor defaults, the Corporate Treasury Department will send reminder and/or demand letters to its customers. In case the default on loans persists, the collection procedure will commence and the Corporate Treasury Department will engage lawyers in advising on the recovery of the loan, and take appropriate enforcement action.

Major terms of loan receivables

Details of loan receivables as at 31 December 2023 are as follows:

				As at 31 December 2023	
Customers	Maturity date	Security pledged	Interest rate per annum	Carrying amount *HK$'000*	% of total loan receivables
Borrower A	On or before 15 February 2024	Nil	4.0%	33,009	16.2%
Borrower B	On or before 11 January 2024	Nil	4.0%	16,505	8.1%
Borrower C	On or before 12 January 2024	Nil	4.0%	44,012	21.7%
Borrower D	On or before 21 February 2024	Nil	4.0%	55,015	27.0%
Borrower E	On or before 25 October 2024	Nil	4.0%	55,015	27.0%
				203,556	100%

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the above borrowers was independent of and not connected with each other when entering into the above transactions.

Impairment and write-off of loan receivables

Based on the result of the credit assessment on loan receivables, the Group has recorded no impairment loss and no write-off for loan receivables for the year ended 31 December 2023 (2022: Nil).

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2023, the investment portfolio of the Group amounted to HK$112.6 million (2022: HK$168.8 million) as recorded in the consolidated statement of financial position under various categories, including:

— investments in associates and a joint venture, which are accounted for by using the equity method;

— equity investments at FVTOCI;

— investments at FVTPL; and

— derivative financial assets.

There was no single investment in the Group's investment portfolio that was considered a significant investment, given that none of the investments has a carrying amount accounting for more than 5% of the Group's audited total assets as at 31 December 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed in the section "Capital Commitments" above, there were no other plans authorised by the Board for material investments or additions of capital assets as at 31 December 2023.

The Group will finance the future acquisitions through internally generated funds and other funding activities, including but not limited to bank borrowing.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGE

The revenue, expenses and monetary assets and liabilities of the Group are mainly denominated in RMB, HKD, EUR, CHF and AUD.

The Group did not enter into any foreign currency forward contract during the year ended 31 December 2023. As at 31 December 2023 and 2022, the Group did not have any unrealised gain or loss in respect of the foreign currency forward contracts.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had approximately 57 employees (2022: 97 employees). Staff costs (including Directors' emoluments) charged to profit or loss amounted to HK$14.1 million (2022: HK$18.9 million) for the year ended 31 December 2023.

The Group's remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees (including Directors). Apart from base salaries, other staff benefits included pension and medical schemes. The remuneration policies and remuneration packages of the Directors and members of the senior management of the Group are reviewed by the Remuneration Committee.

The Company adopted a share option scheme pursuant to which eligible persons may be granted options to subscribe for the shares of the Company.

EVENTS AFTER THE REPORTING PERIOD

On 27 November 2023, the Company and U-light Energy entered into the Facility Agreement, pursuant to which the Company agreed, by itself or through its designated lending subsidiary(ies), to grant to U-light Energy a revolving loan facility up to a maximum of RMB200,000,000 at an interest rate of one-year LPR plus 3.05% per annum for the Drawdown Period. On the same date, Mr. Zhou Xuzhou (as guarantor) executed a deed of guarantee to provide the Personal Guarantee in favour of the Company to secure U-light Energy's repayment obligations under the Facility Agreement. The transaction has been approved by the shareholders of the Company at SGM on 31 January 2024. Save as disclosed above, the Directors are not aware of any event having a significant effect on the Group after the end of the Reporting Period and up to the date of this announcement.

For further details, please refer to the announcement of the Company dated 27 November 2023 and the circular of the Company dated 17 January 2024.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK0.4 cents per share for the year ended 31 December 2023 (2022: HK1.6 cents).

Subject to the approval of shareholders at the forthcoming annual general meeting, the final dividend will be payable on Tuesday, 20 August 2024 to shareholders whose names appear on the register of members of the Company on Tuesday, 6 August 2024.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 20 June 2024, to Thursday, 27 June 2024, both days inclusive. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on Thursday, 27 June 2024, completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 19 June 2024.

Subject to the approval of shareholders at the annual general meeting, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Tuesday, 6 August 2024 and the register of members of the Company will be closed from Monday, 5 August 2024 to Tuesday, 6 August 2024, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be entitled to the proposed final dividend, completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 2 August 2024.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2023, the Company repurchased a total of 1,194,000 shares on the Stock Exchange at an aggregate consideration (before expenses) of HK$334,290. 792,000 shares repurchased by the Company during the year ended 31 December 2022 were subsequently cancelled during the year ended 31 December 2023. The Directors believe that the repurchases of shares would lead to an enhancement of the net assets value per share and/or earnings per share.

Particulars of the repurchases are as follows:

Month of repurchase	Total number of shares repurchased	Purchase price per share		Aggregate consideration (before expenses)
		Highest	Lowest	
		HK$	*HK$*	*HK$*
July	1,194,000	0.29	0.275	334,290
	1,194,000			334,290

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board considers that good corporate governance practices are crucial to the effective management of the Group. The Company is committed to the transparency, accountability and independence highlighted by the principles of the code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules to protect the rights of shareholders and stakeholders, enhance shareholder value and ensure proper management of corporate assets.

The Board is of the opinion that during the financial year ended 31 December 2023, the Company had adopted the principles and complied with all the applicable code provisions of Part 2 of the CG Code as set out in Appendix C1 of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code contained in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. After specific enquiries have been made by the Company, all the Directors have confirmed that, for the year ended 31 December 2023, they have complied with the required standard set out in the Model Code.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the management of the Group the consolidated financial statements of the Group for the year ended 31 December 2023, including the accounting principles and practices adopted by the Group.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and consequently, no assurance has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

ANNUAL GENERAL MEETING

Notice of the annual general meeting of the Company will be published and dispatched to the Company's shareholders in the manner required by the Listing Rules in due course.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.meilleure.com.cn). The annual report for the year ended 31 December 2023 containing all the information required by Appendix D2 of the Listing Rules will be dispatched to the shareholders of the Company and available on the same websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"14th Five-Year Plan"	the Outline of the 14th Five-Year Plan for the National Economic and Social Development of the PRC and the Long-Range Objectives Through the Year
"AlpReleaf"	the Group's brand"AlpReleaf", which launches a variety of high-end CBD health consumption goods in 22 European countries
"AUD"	Australian dollars, the lawful currency of Australia
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"CBD"	Cannabidiol
"CHF"	Swiss Franc, the lawful currency of Switzerland
"Chief Executive Officer"	the chief executive officer of the Company

"China", "PRC" or "mainland China"	the People's Republic of China and for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Co-Chairman"	the co-chairman of the Board
"Company"	Meilleure Health International Industry Group Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
"Corporate Treasury Department"	the corporate treasury department of the Group
"COVID-19"	2019 novel coronavirus (COVID-19) disease
"Director(s)"	the director(s) of the Company
"Drawdown Period"	the period commencing on 1 January 2024 (or a later date subject to the fulfilment of the conditions precedent as stipulated in the Facility Agreement) and ending on but excluding the earlier of (i) 31 December 2026; and (ii) the date on which the Revolving Facility is terminated upon the occurrence of an Event of Default under the provisions of the Facility Agreement
"EUR"	Euro, the lawful currency of 20 European Union countries
"Event(s) of Default"	event(s) of default as set out in the Facility Agreement
"Executive Director(s)"	the executive director(s) of the Company
"Facility Agreement"	the facility agreement dated 27 November 2023 and entered into between the Company and U-light Energy in relation to the provision of a revolving loan facility up to a maximum of RMB200,000,000
"FVTOCI"	fair value through other comprehensive income
"FVTPL"	fair value through profit or loss
"Group" or "our"	the Company and its subsidiaries

"Healthy China 2030"	the Outline of Healthy China 2030 Plan
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Non-Executive Director(s)"	the independent non-executive director(s) of the Company
"Jixiaojian"	the Group's brand "Jixiaojian* (肌小簡)", which launches a variety of light medical aesthetic services targeting the young consumer market with a range of skincare products complementing the treatments to achieve optimum results in the PRC
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Mei Ai Kang"	Beijing Mei Ai Kang Technology Co., Ltd.* (北京美艾康科技有限公司)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the year ended 31 December 2023
"Revolving Facility"	the unsecured revolving loan facility up to a maximum of RMB200,000,000 to be granted by the Company to U-light Energy pursuant to the Facility Agreement
"RMB"	Chinese Yuan Renminbi, the lawful currency of the PRC
"SGM(s)"	the special general meeting(s) of the Company
"sq.m."	square meter(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U-light Energy"	Jiangsu U-light Zhaoneng New Energy Technology Co., Ltd.* (江蘇光宇兆能新能源科技有限公司), a company established in the PRC with limited liability which is owned as to 4.8750% by Wuhu Ruima, an indirect wholly owned subsidiary of the Company
"USD"	United States dollars, the lawful currency of the United States of America
"Wingor Bio"	Shenzhen Wingor Biotechnology Co., Ltd.* (深圳市茵冠生物科技有限公司)
"Wuhu Ruima"	Wuhu Ruima Tianyu Investment Co., Ltd.* (蕪湖瑞麻天宇投資有限公司), a company established in the PRC with limited liability which is an indirect wholly-owned subsidiary of the Company
"%"	per cent

APPRECIATION

On behalf of the Board, I would like to express my deepest appreciation to all staff of the Group for their excellent contribution, thank our shareholders for their trust and acknowledge our business partners for their support.

By Order of the Board
Meilleure Health International Industry Group Limited
Zhou Wen Chuan
Executive Director and Chief Executive Officer

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprises Mr. Zhou Xuzhou, Dr. Zeng Wentao and Ms. Zhou Wen Chuan as executive Directors, Dr. Mao Zhenhua as non-executive Director and Professor Chau Chi Wai, Wilton, Dr. Yang Yu and Mr. Wu Peng as independent non-executive Directors.

* *For identification purposes only*