



Tong Ren Tang Technologies Co. Ltd.
北京同仁堂科技發展股份有限公司

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

(於中華人民共和國註冊成立的股份有限公司)

(Stock Code 股份代號:1666)

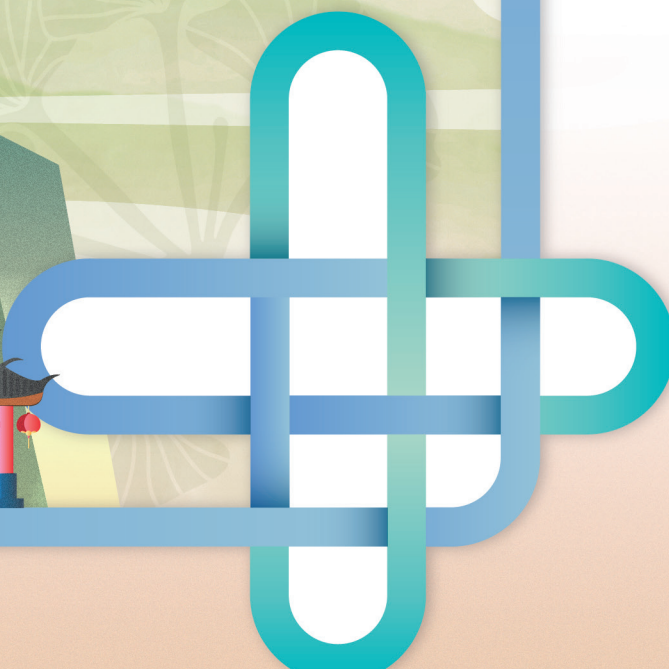


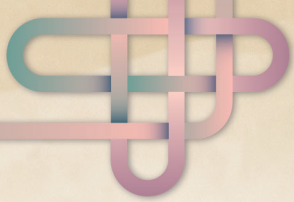
2023

ANNUAL REPORT 年報

CONTENTS 目錄

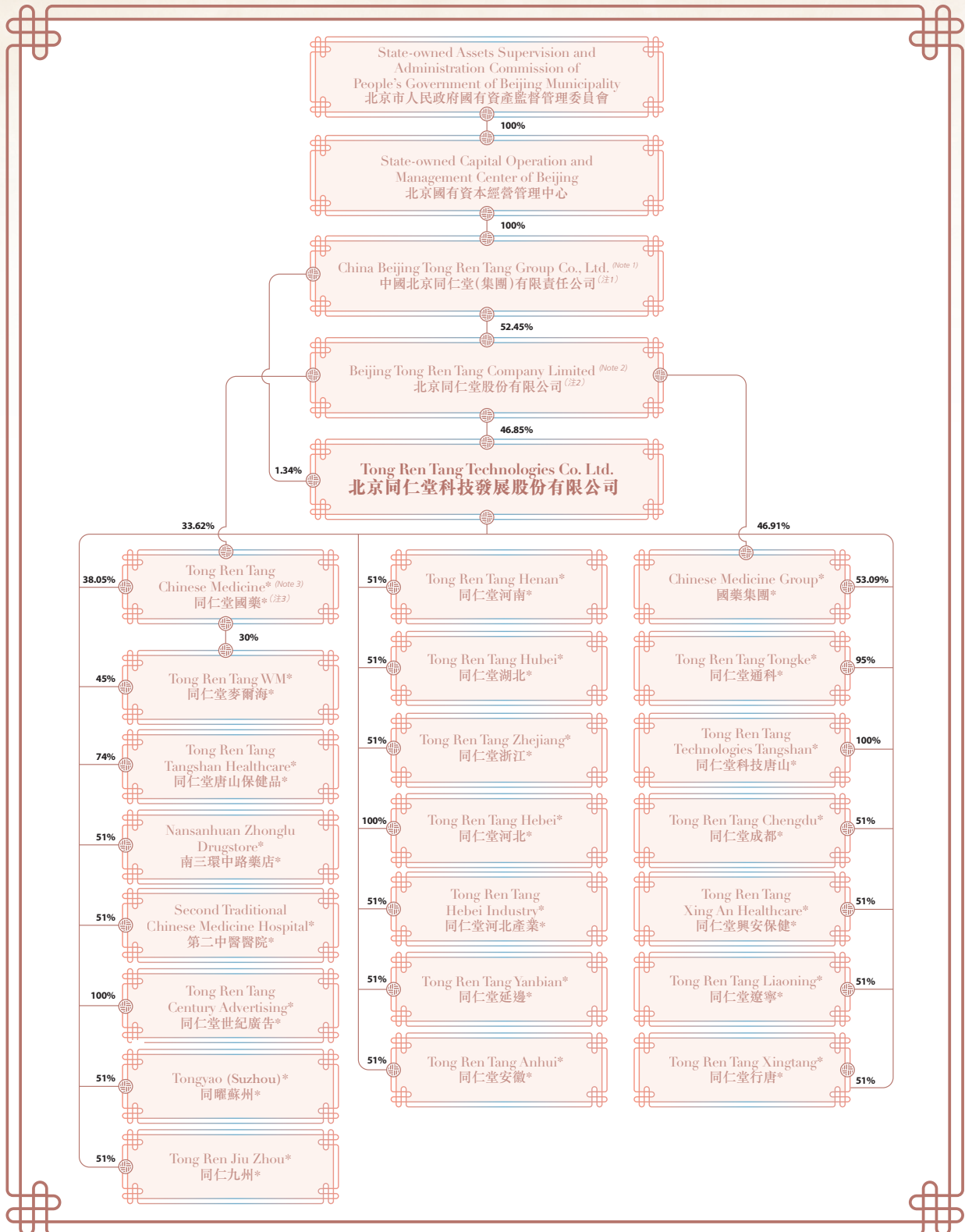
- | | | | |
|----|--|-----|--|
| 2 | Corporate Structure
公司架構 | 124 | Directors, Supervisors and Senior Management
董事、監事及高級管理人員 |
| 4 | Corporate Information
公司資料 | 134 | Independent Auditor's Report
獨立核數師報告 |
| 8 | Financial Highlights
財務概要 | 144 | Consolidated Balance Sheet
合併資產負債表 |
| 10 | Chairman's Statement
董事長報告 | 146 | Consolidated Income Statement
合併利潤表 |
| 14 | Management Discussion and Analysis
管理層討論與分析 | 147 | Consolidated Statement of Comprehensive Income
合併綜合收益表 |
| 30 | Report of the Board of Directors
董事會報告 | 148 | Consolidated Statement of Changes in Equity
合併權益變動表 |
| 82 | Report of the Supervisory Committee
監事會報告 | 150 | Consolidated Statement of Cash Flows
合併現金流量表 |
| 84 | Corporate Governance Report
企業管治報告 | 152 | Notes to the Consolidated Financial Statements
合併財務報表附注 |

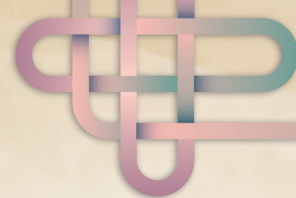




Corporate Structure 公司架構

截至二零二三年十二月三十一日
As at 31 December 2023





Corporate Structure (Continued) 公司架構(續)

Note 1: China Beijing Tong Ren Tang Group Co., Ltd. (中國北京同仁堂(集團)有限責任公司) (“**Tong Ren Tang Holdings**”) is the ultimate holding company of Tong Ren Tang Technologies Co. Ltd. (北京同仁堂科技發展股份有限公司) (“**Tong Ren Tang Technologies**” or the “**Company**”).

注1：中國北京同仁堂(集團)有限責任公司(「**集團公司**」)是北京同仁堂科技發展股份有限公司(「**同仁堂科技**」或「**本公司**」)的最終控股公司。

Note 2: Beijing Tong Ren Tang Company Limited (北京同仁堂股份有限公司) (“**Tong Ren Tang Ltd.**”) (stock code: 600085.SH) was incorporated in the People’s Republic of China (the “**PRC**”) in 1997 and listed on the Shanghai Stock Exchange in June of the same year. Tong Ren Tang Ltd. is the direct holding company of Tong Ren Tang Technologies.

注2：北京同仁堂股份有限公司(「**同仁堂股份**」)(股票代碼：600085.SH)於一九九七年在中華人民共和國(「**中國**」)註冊成立，同年六月在上海證券交易所掛牌上市，是同仁堂科技的直接控股公司。

Note 3: Beijing Tong Ren Tang Chinese Medicine Company Limited (北京同仁堂國藥有限公司) (“**Tong Ren Tang Chinese Medicine**”) (stock code: 3613.HK) was incorporated in Hong Kong Special Administrative Region of the PRC (“**Hong Kong, China**”) in 2004, listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) in May 2013, and transferred to the Main Board of the Hong Kong Stock Exchange in May 2018. Tong Ren Tang Chinese Medicine is a subsidiary of the Company.

注3：北京同仁堂國藥有限公司(「**同仁堂國藥**」)(股票代碼：3613.HK)於二零零四年在中國香港特別行政區(「**中國香港**」)註冊成立，於二零一三年五月在香港聯合交易所有限公司(「**香港聯交所**」)創業板掛牌上市，並於二零一八年五月轉至香港聯交所主板上市，是本公司之子公司。

* For full names of the subsidiaries, please refer to Note 9 to the Consolidated Financial Statements.
子公司的全稱詳見合併財務報表附注9。





Corporate Information 公司資料

BOARD OF DIRECTORS

As at 31 December 2023 and as at the date of this report, the directors of the Company (each the “**Director**”) of the board (the “**Board**”) are as follows:

EXECUTIVE DIRECTORS^(Note)

Gu Hai Ou (*Chairman*) (*Resigned on 22 January 2024*)

Di Shu Bing (*Chairman*) (*Appointed on 22 January 2024*)

Wang Yu Wei (*Resigned on 25 August 2023*)

Chen Jia Fu (*Appointed on 25 August 2023*)

Feng Zhi Mei

NON-EXECUTIVE DIRECTORS^(Note)

Jin Tao

Guo Ya Qing (*Resigned on 16 February 2023*)

Wang Chun Rui (*Appointed on 16 February 2023*)

Feng Li

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ting Leung Huel, Stephen

Chan Ching Har, Eliza

Zhan Yuan Jing

SUPERVISORS

Su Li (*Chairman*)

Wu Yi Gang

Li Yuan Hong

董事會

於二零二三年十二月三十一日及本報告日期，本公司董事會（「**董事會**」）之董事（「**董事**」）如下：

執行董事^(注)

顧海鷗（**董事長**）

（於二零二四年一月二十二日退任）

邱淑兵（**董事長**）

（於二零二四年一月二十二日獲委任）

王煜煒（於二零二三年八月二十五日退任）

陳加富（於二零二三年八月二十五日獲委任）

馮智梅

非執行董事^(注)

金 濤

郭雅卿（於二零二三年二月十六日退任）

王春蕊（於二零二三年二月十六日獲委任）

馮 莉

獨立非執行董事

丁良輝

陳清霞

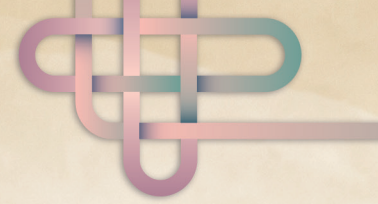
詹原競

監事

蘇 莉（**監事長**）

吳以鋼

李元紅



Corporate Information (Continued) 公司資料(續)

SENIOR MANAGEMENT^(Note)

Chen Jia Fu (*General Manager*)
Guan Jun Wei
Zhang Feng
Feng Zhi Mei
Dong Ling Yun
Han Guan Zhao
Zhao Shu Wu
Li Yijun

AUTHORIZED PERSON TO ACCEPT SERVICE OF PROCESS AND NOTICE

Yung Mei Yee

JOINT COMPANY SECRETARIES

Li Yijun
Yung Mei Yee

AUDIT COMMITTEE

Ting Leung Huel, Stephen (*Chairman*)
Chan Ching Har, Eliza
Zhan Yuan Jing

REMUNERATION COMMITTEE

Zhan Yuan Jing (*Chairman*)
Ting Leung Huel, Stephen
Chan Ching Har, Eliza

高級管理人員^(注)

陳加富(總經理)
關俊威
張 鋒
馮智梅
董凌雲
韓貫召
趙書武
李一俊

接受傳票及通告之授權代表

翁美儀

聯席公司秘書

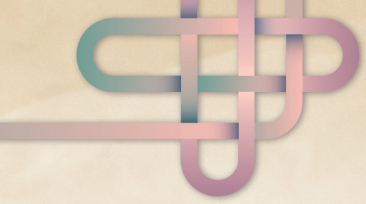
李一俊
翁美儀

審核委員會

丁良輝(*主席*)
陳清霞
詹原競

薪酬委員會

詹原競(*主席*)
丁良輝
陳清霞



Corporate Information (Continued) 公司資料(續)

NOMINATION COMMITTEE^(Note)

Gu Hai Ou (Chairman) (Resigned on 22 January 2024)

Di Shu Bing (Chairman) (Appointed on 22 January 2024)

Chan Ching Har, Eliza
Zhan Yuan Jing

STRATEGY AND PLANNING COMMITTEE^(Note)

Gu Hai Ou (Chairman) (Resigned on 22 January 2024)

Di Shu Bing (Chairman) (Appointed on 22 January 2024)

Wang Yu Wei (Resigned on 25 August 2023)
Chen Jia Fu (Appointed on 25 August 2023)
Ting Leung Huel, Stephen
Chan Ching Har, Eliza
Zhan Yuan Jing

AUTHORIZED REPRESENTATIVES^(Note)

Gu Hai Ou (Resigned on 22 January 2024)
Di Shu Bing (Appointed on 22 January 2024)
Li Yijun

提名委員會^(注)

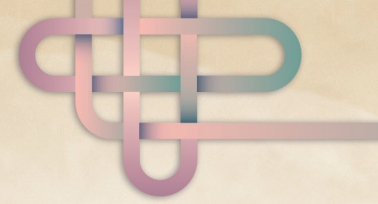
顧海鷗(主席)
(於二零二四年一月二十二日退任)
邱淑兵(主席)
(於二零二四年一月二十二日獲委任)
陳清霞
詹原競

戰略與規劃委員會^(注)

顧海鷗(主席)
(於二零二四年一月二十二日退任)
邱淑兵(主席)
(於二零二四年一月二十二日獲委任)
王煜煒(於二零二三年八月二十五日退任)
陳加富(於二零二三年八月二十五日獲委任)
丁良輝
陳清霞
詹原競

授權代表^(注)

顧海鷗(於二零二四年一月二十二日退任)
邱淑兵(於二零二四年一月二十二日獲委任)
李一俊



Corporate Information (Continued) 公司資料(續)

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor
22nd Floor, Prince's Building, Central, Hong Kong

H SHARE REGISTRAR

Hong Kong Registrars Limited
Shops 1712–1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Note: For details of the above-mentioned changes, please refer to the section "Changes of Directors, Supervisors, Joint company secretaries and Senior management" in the "Report of the Board of Directors" section of the report.

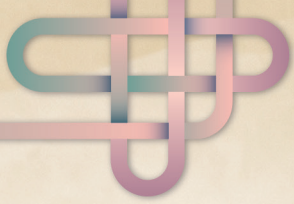
獨立核數師

羅兵咸永道會計師事務所
執業會計師及
註冊公眾利益實體核數師
香港中環太子大廈廿二樓

H股股份過戶登記處

香港證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓1712–1716號鋪

注：上述變更詳情請參見本報告「董事會報告」章節「董事、監事、聯繫公司秘書及高級管理人員變更」的部分。



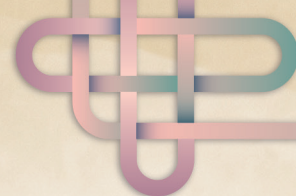
Financial Highlights 財務概要

A summary of the consolidated results and financial position of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for each of five years ended 31 December 2023, as extracted from the audited financial statements of the Group, is set out below:

Revenue 收入
Gross profit 毛利
Profit for the year 年度利潤
Profit attributable to owners of the Company 利潤歸屬於本公司所有者
Earnings per share (RMB) 每股收益(人民幣元)
Dividend per share (RMB) 每股股息(人民幣元)

Gross margin 毛利率
Net profit margin 淨利率
Current ratio 流動比率
Quick ratio 速動比率
Debt to asset ratio 資產負債率
Return on equity 股本回報率
Return on assets 資產回報率

Total assets 資產總計
Total liabilities 負債合計
Equity attributable to owners of the Company 權益歸屬於本公司所有者



Financial Highlights (Continued) 財務概要(續)

以下為本公司及其子公司(以下合稱「本集團」)截至二零二三年十二月三十一日止五個年度之合併業績概要及財務狀況概要(摘錄自本集團經審核賬目)：

	2023	2022	2021	2020	2019
	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
	6,773,463	5,991,841	5,400,487	4,607,369	4,476,449
	2,847,557	2,591,826	2,291,295	2,067,710	2,054,495
	992,313	1,001,620	866,844	786,507	741,390
	590,188	582,888	507,249	467,553	417,650
	0.46	0.46	0.40	0.37	0.33
	0.18	0.16	0.16	0.16	0.16

	2023	2022	2021	2020	2019
	42.04%	43.26%	42.43%	44.88%	45.90%
	14.65%	16.72%	16.05%	17.07%	16.56%
	4.49	4.42	3.31	3.04	4.49
	2.29	2.77	2.07	1.85	3.04
	28.55%	27.78%	29.63%	29.15%	29.18%
	10.28%	11.11%	10.63%	10.15%	10.00%
	7.35%	8.02%	7.48%	7.19%	7.08%

	2023	2022	2021	2020	2019
	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
	13,507,742	12,484,768	11,593,866	10,940,798	10,469,970
	3,855,857	3,467,830	3,435,464	3,189,293	3,055,396
	6,889,417	6,482,751	5,979,479	5,731,549	5,527,255



Chairman's Statement 董事長報告

I am pleased to present the annual report of the Group for the year ended 31 December 2023 (the **"Reporting Period"**) for shareholders' review.

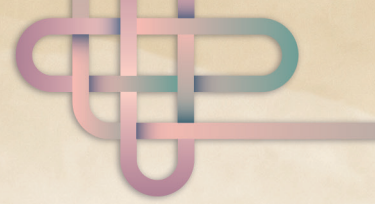
RESULTS OF THE YEAR

For the year ended 31 December 2023, the Group's revenue amounted to RMB6,773,463,000, representing an increase of 13.04% from RMB5,991,841,000 for the corresponding period of last year; net profit amounted to RMB992,313,000, representing a decrease of 0.93% from RMB1,001,620,000 for the corresponding period of last year; profit attributable to owners of the Company amounted to RMB590,188,000, representing an increase of 1.25% from RMB582,888,000 for the corresponding period of last year; earnings per share was RMB0.46 (2022: RMB0.46); and dividend per share was RMB0.18 (2022: RMB0.16).

REVIEW OF THE YEAR

In 2023, China's traditional Chinese medicine industry continued to show stable development against the backdrop of steady growth in the domestic economy. 2023 was a crucial year for the Group's implementation of the "14th Five-Year Plan" to inherit the past and make progress for the future, focus on the core competitive advantages and intensify reform efforts. Throughout the year, China maintained a positive attitude and made strenuous efforts to mitigate potential risks despite the adverse internal and external economic environment. During the year, benefiting from the favorable factors such as industrial policy support and increasing health awareness of the public, the traditional Chinese medicine industry maintained steady growth in terms of market size. The Group also effectively addressed the risks and challenges brought about by the pressure of economic downturn and rising raw material prices and delivered positive results for the year.

Throughout the year, the Group was committed to the new normal of the traditional Chinese medicine industry, focusing on the core competitive advantages, taking forward the strategy for major varieties and building a diversified marketing development model while concentrating on the enhancement of overall collaborative efficiency. During the Reporting Period, in line with the objective established at the beginning of the year, the Group continued to focus on the core competitive advantages of "Branding, Variety, and Quality", leveraged market trends, actively coped with changing market demand for products, adhered to the principle of "intensifying, coordinating, linking and developing", made concerted efforts and move forward with determination, pressed ahead with innovative operation and achieved the objectives of the year, which was a firm step towards the completion of the "14th Five-Year Plan".



Chairman's Statement (Continued) 董事長報告(續)

本人欣然提呈本集團截至二零二三年十二月三十一日止年度(「報告期」)報告，敬請各位股東省覽。

全年業績

截至二零二三年十二月三十一日止年度，本集團收入為人民幣677,346.3萬元，較上年同期人民幣599,184.1萬元增長13.04%；實現淨利潤為人民幣99,231.3萬元，較上年同期人民幣100,162.0萬元下降0.93%；歸屬於本公司所有者淨利潤為人民幣59,018.8萬元，較上年同期人民幣58,288.8萬元增長1.25%；每股收益為人民幣0.46元(二零二二年：人民幣0.46元)；每股股息為人民幣0.18元(二零二二年：人民幣0.16元)。

全年回顧

二零二三年，中國中醫藥行業在國內經濟平穩增長的大背景下，繼續呈現出穩定發展的態勢。二零二三年，是本集團「十四五規劃」承上啟下、聚焦核心競爭優勢、加大改革力度的攻堅之年。縱觀全年，儘管內外部經濟環境不容樂觀，但我國始終保持積極應對的態勢，努力化解各種潛在風險。年內，在行業政策扶持及人民健康意識不斷增強等利好因素的支持下，中醫藥行業的市場規模繼續呈現穩定增長的趨勢。本集團亦在年內有效應對了經濟下行、原材料價格上漲等多重壓力帶來的風險與挑戰，取得了較好的業績表現。

縱觀全年，本集團在致力於適應中醫藥行業新常態，持續聚焦核心競爭優勢，推進大品種戰略，構建多元化營銷發展模式的同時，專注於整體協同效率的提升。於報告期內，本集團以年初既定任務目標為主線，持續聚焦同仁堂「品牌、品種、品質」核心競爭優勢，把握市場趨勢，積極應對市場對產品需求的不斷變化，堅持「深化、協調、聯動、發展」的工作方針，凝心聚力、勇毅前行，全面推動創新經營，努力完成了全年各項任務指標，為本集團完成「十四五規劃」邁出了堅定的一步。



Chairman's Statement (Continued) 董事長報告(續)

OUTLOOK AND PROSPECTS

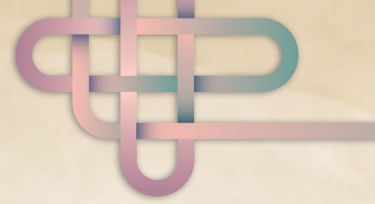
Traditional Chinese medicine, as a unique medical resource of China, still has enormous untapped potential for future development. In 2024, it is expected that the government will continue to attach great importance to the development of traditional Chinese medicine, encourage domestic traditional Chinese medicine enterprises to go global, and support the balanced and coordinated development of traditional Chinese medicine and Western medicine. Also, against the backdrop of continuous economic development and people's continuous pursuit of healthy living, the traditional Chinese medicine industry is believed to have relatively broad prospects.

In the coming year, the Group will continue to capitalize on the centuries-old brand "Tong Ren Tang", fulfil the responsibility as an inheritor of traditional Chinese medicine culture, promote the spirit of "Responsibility, Shouldering and Creation" in the new era, form synergistic effect of products, markets, production and sales, and enhance the effectiveness of sales and marketing, production and management, so as to realize the high-quality development of the Group, and to ensure satisfactory completion of the "14th Five-Year Plan".

I hereby would like to express my sincere gratitude and respect to the members of the Board and all the staff of the Group for their excellent performance and unremitting efforts; and to all the shareholders of the Company (the "**Shareholders**") for their continuous support to and understanding of the Company. As always, we will try our best to reward the Shareholders.

Di Shu Bing
Chairman

Beijing, the PRC
22 March 2024



Chairman's Statement (Continued) 董事長報告(續)

前景與展望

中醫藥作為我國獨特的醫療資源，其未來發展潛力依舊巨大。二零二四年，預計政府高度重視中醫藥事業發展、鼓勵國內中醫藥企業走向世界、支持中醫藥和西醫藥均衡協調發展的總基調仍將延續。同時，在經濟持續發展、人民不斷追求健康生活等大背景下，中醫藥行業依舊有着相對廣闊的市場前景。

新的一年，本集團將繼續依託「同仁堂」百年品牌，以中醫藥文化傳承者為己任，弘揚新時代同仁堂人「責任、擔當、創造」精神，匯聚產品合力、市場合力、產銷合力，增強營銷效能、生產效能與管理效能，實現本集團高質量發展，確保「十四五規劃」目標任務圓滿完成。

本人在此謹向本公司董事會同仁及本集團全體員工致以衷心的謝意，感謝各位卓有成效的工作及不懈努力；向所有本公司股東（「股東」）致以誠摯的敬意，感謝各位一直以來的厚愛，對本公司的支持和理解。我們將一如既往，竭盡所能回報所有股東。

邱淑兵
董事長

中國北京，
二零二四年三月二十二日

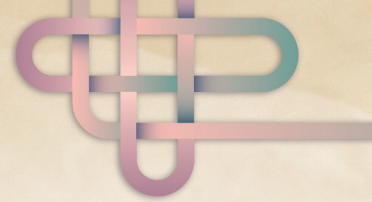
Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW

In 2023, the Group pressed on with its development strategy for “Major Varieties”, transformation and upgrade of business models and efforts to ensure sufficient production and supply of industrial systems, and accomplished the goals of Communist Party construction and operation. For the year ended 31 December 2023, the Group’s revenue amounted to RMB6,773,463,000, representing an increase of 13.04% from RMB5,991,841,000 for the corresponding period of last year; net profit amounted to RMB992,313,000, representing a decrease of 0.93% from RMB1,001,620,000 for the corresponding period of last year; profit attributable to owners of the Company amounted to RMB590,188,000, representing an increase of 1.25% from RMB582,888,000 for the corresponding period of last year.

In terms of production, adhering to the market demand oriented approach, and in pursuit of the goal of “ensuring sufficient supply, variety and output value”, the Group improved the efficiency of raw material procurement, semi-finished product processing and production and maintained the continuity and stability of production processes. During the year, the Group rationally allocated production capacity resources in Beijing and Hebei, deployed scientific production plans, prioritized the production and supply of “Major Varieties”, seasonal varieties and urgently needed varieties in the market, strengthened the communication and coordination among various work processes, enhanced the sharing of internal production capacity and resources, and bolstered the overall operational capacity of the industrial system to fully satisfy the market demands. During the Reporting Period, overall production volume and output value of proprietary Chinese medicines of the Group increased over the same period last year.





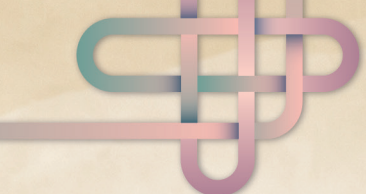
Management Discussion and Analysis (Continued) 管理層討論與分析(續)

業務回顧

二零二三年，本集團有序推進「大品種」戰略發展、商業模式轉型升級、工業體系保產供應等重點工作，完成了黨建經營雙考核任務。截至二零二三年十二月三十一日止年度，本集團收入為人民幣677,346.3萬元，較上年同期人民幣599,184.1萬元增長13.04%；實現淨利潤為人民幣99,231.3萬元，較上年同期人民幣100,162.0萬元下降0.93%；歸屬於本公司所有者淨利潤為人民幣59,018.8萬元，較上年同期人民幣58,288.8萬元增長1.25%。

生產方面，本集團堅持以市場需求為導向，以「保供應、保品種、保產值」為目標，提高原材料採購、半成品加工、產品生產等環節效率，保證生產各環節的連續性和穩定性。年內，本集團合理調配京、冀兩地產能資源，各生產單位科學排產，優先安排「大品種」、季節性品種、市場急需品種的生產供應，加強各工序間的溝通協調，強化內部產能資源共享能力，努力提升工業體系整體運營能力，全力保障產品的市場供應需求。於報告期內，本集團中成藥總體產量及產值均較去年同期有所增長。



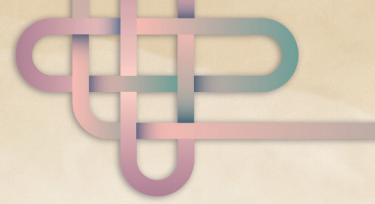


Management Discussion and Analysis (Continued) 管理層討論與分析(續)

In terms of marketing, under the strategy for “Major Varieties” and the keynote of “Three Hundred Years of Royal Medicine”, the Group developed marketing strategies and promotional campaigns on a variety-by-variety basis, and enhanced the value and expanded the influence of products through six strategies: packaging upgrades, raw material upgrades, channel upgrades, price upgrades, control upgrades, and service upgrades. Meanwhile, the Group continued to take forward the “Glow Campaign (煥彩行動)” and “Flag-planting Campaign (插旗行動)”, and while consolidating the advantages of channel development, expanded into untapped markets in an orderly manner, continuously enhanced product awareness and market penetration, and increased the sales volume of the products through coordination of multi-dimensional channels. During the year, the Group further explored the selling point of its products and launched a variety of featured promotional campaigns, such as “must-haves for common cold”, “care for babies’ growth” and “Tong Ren Tang royal medicine for your health”. Also, with emphasis on core products such as Jiawei Xiaoyao Pills (加味逍遙丸), Shengmai Liquor (生脈飲口服液) and Jingzhi Niu Huang Jiedu Tablets (京製牛黃解毒片), through close cooperation with Youku, Mango TV and other platforms, the Group enriched the models for branding and resource investment, improved customer loyalty and stimulated the potential vitality of products.

In 2023, there were 62 product lines of the Group achieving a single-product sales amount of more than RMB5 million, and 9 of which achieved a single-product sales amount of more than RMB100 million. Among major products of the Group, the sales amount of Shengmai Liquor (生脈飲口服液), Ganmao Qingre Granules (感冒清熱顆粒), series of Niu Huang Jiedu (牛黃解毒), Liuwei Dihuang Pills (六味地黃丸), and series of Ejiao (阿膠) increased by 70.63%, 27.42%, 8.58%, 8.04% and 6.98% respectively, compared to the corresponding period of last year. The sales amount of Jinkui Shenqi Pills (金匱腎氣丸) and Xihuang Pills (西黃丸) decreased by 0.92% and 15.55% respectively, compared to the corresponding period of last year.

In terms of product research and development, the Group devoted itself to the secondary research of existing products. During the Reporting Period, the Group focused on the cultivation of “Major Varieties” and cooperated with experts and renowned hospitals to conduct clinical research of major varieties such as Zhuangyao Jianshen Pills (壯腰健腎丸), Xihuang Pills (西黃丸), Jiawei Xiaoyao Pills (加味逍遙丸) and Shengmai Liquor (生脈飲口服液). Meanwhile, for marketed products such as Pediatric Rhinitis Tablets (小兒鼻炎片) and Ruhe Neixiao Liquor (乳核內消液), the Group conducted research on new dosage and functions with a view to further broadening the scope of application of the products. In addition, the Group continued to take forward the research and development of classic prescriptions such as Qishen Granules (芪參顆粒), Shaoyao Gancao Decoction (芍藥甘草湯) and Fugui Shugan Decoction (茯桂術甘湯).

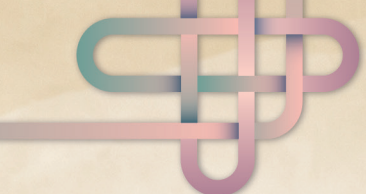


Management Discussion and Analysis (Continued) 管理層討論與分析(續)

營銷方面，本集團按照「大品種」戰略整體部署，圍繞「御藥300年」主題，逐品種制定營銷策略和推廣方案，通過包裝升級、原料升級、渠道升級、價格升級、管控升級、服務升級六大策略，不斷提升產品價值，擴大產品影響力。同時，繼續落實推進「煥彩行動」、「插旗行動」，在鞏固渠道發展優勢的同時，對市場空白地區進行有序的拓展覆蓋，持續提高產品認知度、拉動產品鋪市度，實現多維渠道的統籌賦能，助推產品銷售上量。年內，本集團深挖產品賣點，積極開展多樣化的特色宣傳活動，開展「家庭必備感冒無憂」、「關愛寶寶健康成長」、「同仁御藥，膠您養生」等特色主題宣傳活動，並針對加味逍遙丸、生脈飲口服液、京製牛黃解毒片等核心產品，與優酷平台、芒果衛視等平台開展深度合作，豐富品牌立體塑造及資源投放模式，提高客戶粘性，激發產品的潛在活力。

二零二三年，本集團銷售額超過人民幣五百萬元的產品六十二個，其中，銷售額超過億元的產品九個。主導產品中，生脈飲口服液系列銷售額較上年同期增長70.63%、感冒清熱顆粒系列銷售額較上年同期增長27.42%、牛黃解毒系列銷售額較上年同期增長8.58%、六味地黃丸系列銷售額較上年同期增長8.04%、阿膠系列銷售額較上年同期增長6.98%、金匱腎氣丸系列銷售額較上年同期下降0.92%、西黃丸系列銷售額較上年同期下降15.55%。

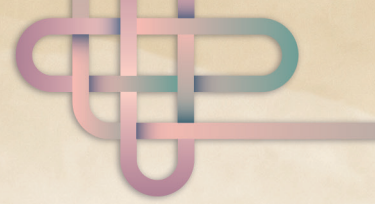
在產品科研方面，本集團主要致力於現有產品的二次科研。於告期內，本集團聚焦「大品種」培育，與領域專家及知名醫院合作，持續推進壯腰健腎丸、西黃丸、加味逍遙丸、生脈飲口服液等多個大品種的臨床研究工作。同時，針對小兒鼻炎片、乳核內消液等已上市產品，開展新增劑型及功能主治研究，以期進一步拓寬產品的適用範圍。此外，繼續推進芪參顆粒及芍藥甘草湯、茯苓術甘湯等經典名方的研發工作。



Management Discussion and Analysis (Continued) 管理層討論與分析(續)

The subsidiaries of the Group are engaged in manufacturing and distribution of traditional Chinese medicine products, food and daily chemical products, production of Chinese medical raw material, medical services, distribution of medicine, etc. In particular, our principal subsidiary which is located in Hong Kong, China, Tong Ren Tang Chinese Medicine, adopts a strategy of driving medicine demand by providing medical services and promoting culture at first to build a global layout with its base in Hong Kong, China, aiming to continuously accelerate the internationalization of traditional Chinese medicine. During the Reporting Period, the macroeconomic environment worldwide remains complex, all economics have been subject to varying degrees of impact. Against this backdrop, Tong Ren Tang Chinese Medicine has steadily promoted its strategy for “Major Varieties” and actively explored new ways to modernize Chinese medicine services, and achieved stable development in both Hong Kong market and overseas markets. In terms of the Mainland China market, as the actual market situation and demand were different from expectation to a certain extent, some distributors in Mainland China were still digesting their inventories of the Sporoderm-broken Ganoderma Lucidum Spores Powder (破壁靈芝孢子粉) of Tong Ren Tang Chinese Medicine, which had affected the its sales revenue in Mainland China. In 2023, the sales revenue of Tong Ren Tang Chinese Medicine and its subsidiaries amounted to RMB1,376,532,000, representing a year-on-year decrease of 7.94%. Profit attributable to the owners of Tong Ren Tang Chinese Medicine amounted to RMB486,948,000, representing a year-on-year decrease of 12.62% (The differences between the figures of sales revenue of Tong Ren Tang Chinese Medicine and its subsidiaries and the net profit attributable to the owners of Tong Ren Tang Chinese Medicine disclosed herein, and the figures disclosed in the annual results announcement of Tong Ren Tang Chinese Medicine dated 14 March 2024 are due to foreign currency translation differences between Renminbi and Hong Kong Dollar).

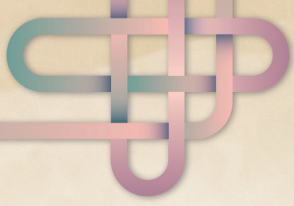
Since its establishment in 2001, Tong Ren Tang WM, a subsidiary of the Company, has been devoted to the application of natural herbal plants in the field of daily skin care, whose main products are masks, creams and daily chemical products. During the Reporting Period, Tong Ren Tang WM set up a product center, which enables full life cycle management from planning, development, production and sales, and continuously improved the production technology and further explored core varieties through strengthening market research and product development. Meanwhile, Tong Ren Tang WM completed the product planning under the brands “Tong Ren Tang” (同仁堂), “Bencaozhiyue (本草之約)”, “Jibendao (肌本道)” and “Hair Nature (髮之自然)”, and leveraged both online and offline means through in-depth development of nationwide pharmacy chains carried out in conjunction with the strategy for “major varieties” as well as operation of e-commerce stores. Tong Ren Tang WM introduced Jianzhijia Pharmaceutical Chain Group Co., Ltd. (“Jianzhijia”) (健之佳). In the future, Tong Ren Tang WM will make full use of Jianzhijia’s channel resources to continuously enhance the market penetration and competitiveness of its cosmeceutical products. During the Reporting Period, Tong Ren Tang WM achieved a sales revenue of RMB90,681,000, representing a year-on-year increase of 62.66%, and net profit of RMB823,000, representing a year-on-year increase of 34.04%.



Management Discussion and Analysis (Continued) 管理層討論與分析(續)

本集團各子公司經營業務涉及中藥產品、食品、日化類產品的生產銷售、中藥材原料生產、醫療服務、藥品分銷等領域。其中，主要子公司一位於中國香港的同仁堂國藥，採用以醫帶藥、文化先行的傳播模式，立足中國香港，佈局全球，不斷加快推動中醫藥的國際化進程。於報告期內，世界宏觀經濟形勢依然複雜，各經濟體均受到了不同程度影響，在此背景下，同仁堂國藥穩步推進「大品種」戰略，並積極探索中醫藥服務現代化新方式，在香港市場及海外市場取得平穩發展。在中國內地市場方面，由於市場實際情況及需求與預期存在一定偏差，同仁堂國藥於中國內地的部份分銷商尚在消化破壁靈芝孢子粉產品的庫存，進而影響了同仁堂國藥於中國內地的銷售收入。二零二三年，同仁堂國藥及其子公司實現銷售收入人民幣137,653.2萬元，同比下降7.94%，歸屬於同仁堂國藥所有者淨利潤人民幣48,694.8萬元，同比下降12.62%（本公司披露之同仁堂國藥及其子公司的收入及歸屬於同仁堂國藥所有者淨利潤的數字與同仁堂國藥於二零二四年三月十四日刊發之年度業績公佈中所披露的數字存在差異是由於人民幣對港幣之外幣折算差額所致）。

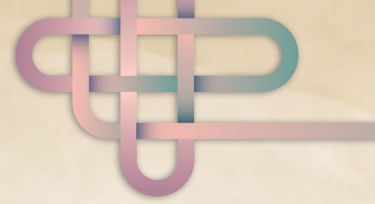
子公司同仁堂麥爾海成立於二零零一年，自成立以來始終致力於天然植物在日用護膚領域的應用，其產品以膏霜類、面眼貼膜類護膚品以及日化類產品為主。於報告期內，同仁堂麥爾海成立產品中心，實現從規劃、開發、生產、銷售的全生命週期管理，通過強化市場研究、產品研發等方式，不斷提高產品技術含量，深耕核心品種建設。同時，完成「同仁堂」、「本草之約」、「肌本道」、「髮之自然」等品牌的產品規劃工作，並結合「大品種」戰略，對全國醫藥連鎖進行深度開發，結合電商自營店鋪，實現線上、線下同步發力。同仁堂麥爾海引入健之佳醫藥連鎖集團股份有限公司（「健之佳」），未來同仁堂麥爾海將充分利用健之佳的渠道資源優勢，持續提升藥妝類產品的鋪市率及市場競爭力。報告期內，同仁堂麥爾海實現銷售收入為人民幣9,068.1萬元，同比增長62.66%，實現淨利潤人民幣82.3萬元，同比增長34.04%。



Management Discussion and Analysis (Continued) 管理層討論與分析(續)

As at the end of the Reporting Period, Tong Ren Tang Second Traditional Chinese Medicine Hospital and Nansanhuan Zhonglu Drugstore were subsidiaries of the Group, respectively. During the Reporting Period, Tong Ren Tang Second Traditional Chinese Medicine Hospital continuously optimized its hospital service and opened an official WeChat account to introduce medical service and promote activities, with a view to keeping patients abreast of the hospital's developments in a timely manner and providing patients with easier access to medical consultation. In 2023, the number of outpatient visits of Tong Ren Tang Second Traditional Chinese Medicine Hospital was nearly 300,000, representing an increase compared to the corresponding period of last year. Nansanhuan Zhonglu Drugstore introduced different new varieties according to the diverse demands and seasonal demands of consumers, which encompassed a wider customer base and brought better consumer experience. In 2023, the two subsidiaries in aggregate achieved sales revenue of RMB252,055,000, representing a year-on-year increase of 16.75%, and net profit of RMB12,780,000, representing a year-on-year increase of 14.51%.

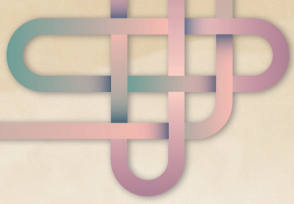
Based in cultivation regions with high quality of medicinal materials, six subsidiaries which engaged in production of Chinese medicinal materials gave full play to the advantages of local cultivated medicinal materials and primarily provided certain Chinese medicinal materials for the production of the Company. During the year, under the principle of "real cultivation and real management", the six subsidiaries improved the traceability system for Chinese medicinal materials and strengthened the cultivation of high quality and local Chinese medicinal materials. Meanwhile, the six subsidiaries enriched the varieties of cultivation by including *cuscuta chinensis* (菟絲子) and reed rhizome (蘆根) etc., and strengthened its ability to analyze the market trend of raw materials and maintain a strategic reserve of raw materials to meet the demand for raw materials of local Chinese medicinal materials for the production of the Group. In 2023, the six subsidiaries in aggregate achieved sales revenue of RMB424,488,000, representing a year-on-year increase of 58.80%.



Management Discussion and Analysis (Continued) 管理層討論與分析(續)

截至報告期末，同仁堂第二中醫醫院及南三環中路藥店分別為本集團之子公司。於報告期內，同仁堂第二中醫醫院持續優化院方服務，開通微信公眾號，進行醫院坐診介紹及活動宣傳，使患者及時瞭解醫院動態，便於問診尋醫。二零二三年，同仁堂第二中醫醫院門診接診人數近30萬人次，較去年同期有所增加。南三環中路藥店結合消費者的多元化需求及季節特點，差異化引進新品類，增加客戶群體層次，為消費者帶來更好的消費體驗。二零二三年，兩家公司合計實現銷售收入人民幣25,205.5萬元，同比增長16.75%，淨利潤人民幣1,278.0萬元，同比增長14.51%。

六家中藥材原料生產型子公司立足優質藥材產區，充分發揮地產藥材優勢，主要為本公司提供生產所需的部分中藥材原料。年內，六家中藥材原料生產型子公司繼續按照「真種真管」的原則，完善中藥材追溯體系建設，加強對優質、道地中藥材品種的培育。同時，繼續豐富種植品種，新增菟絲子、蘆根等中藥材的種植，並加強對原材料市場趨勢研判能力，做好原材料的戰略性儲備，以滿足本集團產品生產對道地中藥材原材料的需求。二零二三年，六家公司合計實現銷售收入人民幣42,448.8萬元，同比增長58.80%。



Management Discussion and Analysis (Continued) 管理層討論與分析(續)

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group has maintained a sound financial position. During the year of 2023, the Group's primary source of funds was cash generated from daily operating activities and borrowings.

The Group mainly uses Renminbi and Hong Kong Dollar to hold cash and cash equivalents and term deposits placed with banks and to make borrowings and loans.

As at 31 December 2023, the Group's cash and cash equivalents amounted to RMB2,746,458,000 in total (31 December 2022: RMB3,721,668,000), and term deposits placed with banks amounted to RMB1,373,608,000 in total (31 December 2022: RMB326,003,000).

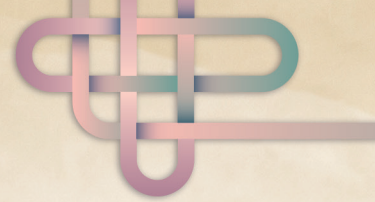
As at 31 December 2023, the Group's short-term borrowings amounted to RMB3,000,000 (31 December 2022: RMB235,300,000), bearing an interest rate of 3.205% per annum (2022: 3.393%), and current portion of non-current bank borrowing amounted to RMB73,651,000 (31 December 2022: RMB15,196,000), totally accounting for 1.99% of the total liabilities (31 December 2022: 7.22%). Long-term borrowings amounted to RMB1,379,451,000 (31 December 2022: RMB1,221,797,000), bearing annual interest rate of long-term borrowings at 2.744% (2022: 2.947%), long-term borrowings representing 35.78% of the total liabilities (31 December 2022: 35.23%). Of all the borrowings of the Group as at 31 December 2023, RMB76,651,000 will mature within one year and RMB1,379,451,000 will mature beyond one year.

Capital Structure

The Group's capital management policy is to ensure the continuous operation of the Group with an aim to provide returns for the shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

As at 31 December 2023, the total assets of the Group amounted to RMB13,507,742,000 (31 December 2022: RMB12,484,768,000). Non-current liabilities of RMB1,616,972,000 (31 December 2022: RMB1,416,187,000), current liabilities of RMB2,238,885,000 (31 December 2022: RMB2,051,643,000), equity attributable to owners of the Company of RMB6,889,417,000 (31 December 2022: RMB6,482,751,000) and non-controlling interests of RMB2,762,468,000 (31 December 2022: RMB2,534,187,000).

In 2023, the Group's funds were mainly used for production and operation activities, purchase of property, plant and equipment, repayment of borrowings and payment of cash dividends, etc.



Management Discussion and Analysis (Continued) 管理層討論與分析(續)

財務回顧

流動資金及財務資源

本集團維持良好之財務狀況。二零二三年內，本集團之資金主要來自日常業務所得之資金及借款。

本集團主要以人民幣及港幣持有現金及現金等價物和銀行定期存款及進行借貸。

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結餘合共為人民幣 274,645.8 萬元(二零二二年十二月三十一日：人民幣 372,166.8 萬元)，銀行定期存款結餘合共為人民幣 137,360.8 萬元(二零二二年十二月三十一日：人民幣 32,600.3 萬元)。

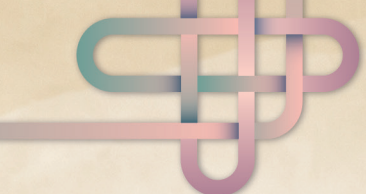
於二零二三年十二月三十一日，本集團之短期借款為人民幣 300.0 萬元(二零二二年十二月三十一日：人民幣 23,530.0 萬元)，借款年利率為 3.205%(二零二二年：3.393%)，非流動銀行借款的即期部分為人民幣 7,365.1 萬元(二零二二年十二月三十一日：人民幣 1,519.6 萬元)，合計佔總負債比例為 1.99%(二零二二年十二月三十一日：7.22%)，長期借款為人民幣 137,945.1 萬元(二零二二年十二月三十一日：人民幣 122,179.7 萬元)，長期銀行借款年利率為 2.744%(二零二二年：2.947%)，長期借款佔總負債比例為 35.78%(二零二二年十二月三十一日：35.23%)。本集團於二零二三年十二月三十一日全部借貸中，人民幣 7,665.1 萬元會於一年內到期，人民幣 137,945.1 萬元則會於一年以後到期。

資本架構

本集團的資金管理政策，是保障本集團能繼續營運，以為股東提供回報和為其他權益持有人提供利益為目標，同時維持最佳的資本結構以減低資金成本。

於二零二三年十二月三十一日，本集團之資產總值為人民幣 1,350,774.2 萬元(二零二二年十二月三十一日：人民幣 1,248,476.8 萬元)，非流動負債人民幣 161,697.2 萬元(二零二二年十二月三十一日：人民幣 141,618.7 萬元)，流動負債人民幣 223,888.5 萬元(二零二二年十二月三十一日：人民幣 205,164.3 萬元)，歸屬於本公司所有者的權益人民幣 688,941.7 萬元(二零二二年十二月三十一日：人民幣 648,275.1 萬元)及非控制性權益人民幣 276,246.8 萬元(二零二二年十二月三十一日：人民幣 253,418.7 萬元)。

二零二三年內，本集團之資金主要用於生產經營活動、購置固定資產、償還借款及支付現金股息等。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Liquidity

As at 31 December 2023, the Group's liquidity ratio (the ratio of current assets to current liabilities) was 4.49 (31 December 2022: 4.42), reflecting that the Group had sufficient financial resources. The Group's quick ratio (the ratio of liquid assets to current liabilities) was 2.29 (31 December 2022: 2.77), reflecting that the Group remained liquid. The Group's trade receivables turnover ratio (the ratio of revenue to the average of trade receivables balance) was 7.97 (31 December 2022: 6.79), reflecting that the Group's trade receivables were liquid. The Group's trade payables turnover ratio (the ratio of cost of sales to the average of trade payables balance) was 3.57 (31 December 2022: 3.96), reflecting that the Group had a relatively strong ability to use funding from suppliers for no consideration. The Group's inventory turnover ratio (the ratio of revenue to the average of inventory balance) was 1.70 (31 December 2022: 1.97), reflecting that the inventory had a high turnover rate.

Gearing Ratios

The Group monitors its capital on the basis of the gearing ratio. As at 31 December 2023, the Group's gearing ratio (the ratio of total borrowings to total equity) was 0.15 (31 December 2022: 0.16).

Expenses and Expense Ratio

For the year ended 31 December 2023, the Group's distribution expenses amounted to RMB1,080,544,000 (2022: RMB907,569,000) and the distribution expense ratio, i.e., the ratio of distribution expenses to revenue, was 0.16 (2022: 0.15). The increase in distribution expenses was mainly due to increase in the cost of labour and more terminal promotions.

For the year ended 31 December 2023, the Group's administrative expenses amounted to RMB633,875,000 (2022: RMB483,287,000) and the administrative expense ratio, i.e., the ratio of administrative expenses to revenue, was 0.09 (2022: 0.08). The increase in administrative expenses was mainly due to increase in the cost of labour and increase in research and development activities.

For the year ended 31 December 2023, the Group's financial income, net amounted to RMB46,049,000 (2022: financial costs, net RMB1,937,000) and the financial income ratio, i.e., the ratio of financial income to revenue, was 0.0068 (2022: the ratio of financial costs ratio was 0.0003). The decrease in net finance costs was mainly due to the increase in interest income.

Gross Margin and Net Profit Margin

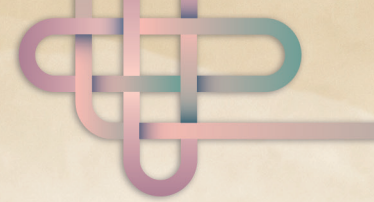
For the year ended 31 December 2023, the gross margin of the Group was 42.04% (2022: 43.26%), while the net profit margin was 14.65% (2022: 16.72%), the decrease in net profit margin was mainly due to the increase in the prices of raw material and expenses.

Research and Development Expenses

For the year ended 31 December 2023, the research and development expenses (excluding employee benefit expenses, depreciation and amortisation expense) of the Group were RMB117,556,000 (2022: RMB78,433,000), accounting for 1.22% of net assets (2022: 0.87%) and 1.74% of revenue (2022: 1.31%), respectively. The research and development expenses including employee benefit expenses, depreciation and amortisation expense were RMB185,469,000 (2022: RMB134,194,000), accounting for 1.92% of net assets (2022: 1.49%) and 2.74% of revenue (2022: 2.24%), respectively.

Capital Expenditure

For the year ended 31 December 2023, the Group's capital expenditure incurred amounted to RMB108 million (2022: RMB173 million), primarily used for the construction of production bases and purchase of production equipment.



Management Discussion and Analysis (Continued) 管理層討論與分析(續)

資金流動性

於二零二三年十二月三十一日，本集團之流動資金比率，即流動資產與流動負債比率，為4.49(二零二二年十二月三十一日：4.42)，反映財務資源充裕；速動比率，即速動資產與流動負債比率，為2.29(二零二二年十二月三十一日：2.77)，反映本集團變現能力較好；應收賬款周轉率，即收入與應收賬款平均餘額比率，為7.97(二零二二年十二月三十一日：6.79)，反映應收賬款流動性強；應付賬款周轉率，即成本與應付賬款平均餘額比率，為3.57(二零二二年十二月三十一日：3.96)，反映無償使用供貨企業資金的能力較強；存貨周轉率，即收入與存貨平均餘額比率，為1.70(二零二二年十二月三十一日：1.97)，反映存貨周轉速度良好。

資本負債比率

本集團利用負債比率監察其資本。於二零二三年十二月三十一日，本集團之資本負債比率，即借款總額與權益總額比率，為0.15(二零二二年十二月三十一日：0.16)。

費用及費用比率

截至二零二三年十二月三十一日止年度，本集團之銷售費用為人民幣108,054.4萬元(二零二二年：人民幣90,756.9萬元)，銷售費用率，即銷售費用與收入比率，為0.16(二零二二年：0.15)，銷售費用的增加主要是由於人工成本的上漲及終端推廣活動力度的增加。

截至二零二三年十二月三十一日止年度，本集團之管理費用為人民幣63,387.5萬元(二零二二年：人民幣48,328.7萬元)，管理費用率，即管理費用與收入的比率，為0.09(二零二二年：0.08)。管理費用的增加主要是由於人工成本的增長以及研發開發活動的增加。

截至二零二三年十二月三十一日止年度，本集團之財務收益，淨額為人民幣4,604.9萬元(二零二二年：財務費用，淨額人民幣193.7萬元)，財務收益率，即財務收益與收入的比率，為0.0068(二零二二年：財務費用率為0.0003)，財務費用的減少主要由於利息收入增加。

毛利率及淨利潤率

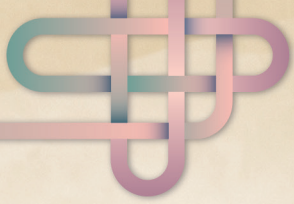
截至二零二三年十二月三十一日止年度，本集團之毛利率為42.04%(二零二二年：43.26%)；淨利潤率14.65%(二零二二年：16.72%)，淨利率的下降主要由於原材料價格的上漲以及費用增長。

研發支出

截至二零二三年十二月三十一日止年度，本集團之研究開發支出(不包括員工福利開支、折舊及攤銷費用)為人民幣11,755.6萬元(二零二二年：人民幣7,843.3萬元)，佔淨資產比例為1.22%(二零二二年：0.87%)，佔收入比例為1.74%(二零二二年：1.31%)。包括員工福利開支、折舊及攤銷費用的研究開發費用為人民幣18,546.9萬元(二零二二年：人民幣13,419.4萬元)，佔淨資產比例為1.92%(二零二二年：1.49%)，佔收入比例為2.74%(二零二二年：2.24%)。

資本開支

截至二零二三年十二月三十一日止年度，本集團的資本開支為人民幣1.08億元(二零二二年：人民幣1.73億元)，主要用於生產基地建設及購買生產設備。



Management Discussion and Analysis (Continued) 管理層討論與分析(續)

Pledges over Assets of the Group

As at 31 December 2023, no assets of the Group are secured (31 December 2022: the long-term borrowings of RMB47,000 was secured by the freehold land and building of the Group with a carrying value of RMB8,448,000).

Contingent Liabilities

The Group had no contingent liabilities as at 31 December 2023 (31 December 2022: Nil).

Foreign Exchange Risk

The Group operates on an international basis and foreign exchange risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations, primarily with respect to the Hong Kong Dollar. The Group currently does not have a foreign currency hedging policy. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates.

Capital Commitments

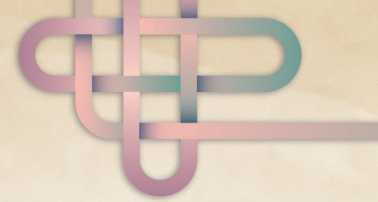
As at 31 December 2023, the capital commitments of the Group relating to the constructions of production facilities, which had been contracted for but had not been reflected in the consolidated financial statements of the Group, amounted to approximately RMB42,618,000 (31 December 2022: RMB65,787,000).

Significant Investment

During the year of 2023, the Group did not have any significant investment. As at the date of this report, the Group does not have any plan for material investments or purchase of capital assets.

Material Acquisition and Disposal of Subsidiaries, Joint Ventures and Associates

During the year of 2023, the Group did not have any material acquisition and disposal in relation to subsidiaries, joint ventures and associates.



Management Discussion and Analysis (Continued) 管理層討論與分析(續)

集團資產抵押

於二零二三年十二月三十一日，本集團無被抵押的資產(二零二二年十二月三十一日：長期借款人民幣4.7萬元由本集團以人民幣844.8萬元的永久產權土地及樓宇做抵押)。

或有負債

於二零二三年十二月三十一日，本集團並無或有負債(二零二二年十二月三十一日：無)。

外匯風險

本集團在全球範圍內開展業務活動，外匯風險來自貿易業務、已確認的資產和負債以及境外經營淨投資，主要涉及港幣。本集團現時並無任何外幣對沖政策。本集團主要通過密切關注匯率變動來應對外匯風險。

資本承諾

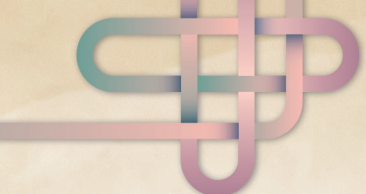
於二零二三年十二月三十一日，本集團尚未反映在合併財務報表內但已簽約的與生產設施建設有關之資本承諾約人民幣4,261.8萬元(二零二二年十二月三十一日：人民幣6,578.7萬元)。

持有重大投資

本集團在二零二三年度無重大投資。截至本報告日期，本集團概無任何重大投資或購入資本資產的計劃。

子公司、合營企業及聯營企業的重大收購及出售

本集團在二零二三年度概無重大收購及出售有關子公司、合營企業及聯營企業的事項。



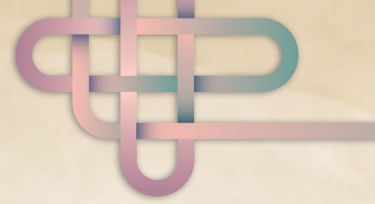
Management Discussion and Analysis (Continued) 管理層討論與分析(續)

PROSPECTS

In 2024, despite limited potential for growth of the global economy and numerous challenges in the domestic economic environment, it is expected that there will be considerable room for the development of the domestic traditional Chinese medicine industry as the Chinese government continues to invest in the industry and people increase consumption of health-related products.

In view of this, the Group will uphold the concept of “Tong Ren Tang service year”, the mission of “serving the overall interest, serving the customers, serving the community and serving the workers” and the vision of “strengthening the Communist Party construction, pooling strengths, making bold innovations, improving quality and efficiency, expanding markets, pursuing development, optimizing service and creating a new horizon”, deeply explore the potential for development, actively nurture new driving forces for growth, holistically regulate service processes and effectively enhance service standards to ensure the satisfactory completion of the “14th Five-Year Plan” and continue to promote the high-quality development of the Group.

In 2024, the Group will focus on improving its variety management ability, channel expansion ability and marketing ability, and steadily take forward key initiatives such as the strategy for “Major Varieties”, the “Glow Campaign” and “Empowering the Terminal (賦能終端)”, in order to accelerate the pace of high-quality development of marketing. On the one hand, the Group will pay more attention to the cultivation method and development model of “Major Varieties”, and provide resource support in the procurement of raw materials, production arrangement, marketing and promotion, so as to optimize and strengthen the core varieties. On the other hand, the Group will leverage sales channels to work on differentiated product promotion strategies, continue to carry out the “Flag-planting Campaign”, intensify the “Glow Campaign”, and carry out diverse theme-based marketing activities to empower the terminals in an all-round way and increase the market coverage and share of products in the terminal market across the country.



Management Discussion and Analysis (Continued) 管理層討論與分析(續)

展望

二零二四年，雖然全球經濟增長潛力有限、國內經濟環境仍然面臨諸多挑戰，但隨著我國政府對中醫藥行業的不斷投入及人民對健康消費的持續增加，預計國內中醫藥行業發展空間依舊可觀。

為此，本集團將以「同仁堂服務年」為引領，圍繞「服務大局、服務顧客、服務社會、服務職工」的工作主線，以「強黨建、聚合力，勇創新、提質效，拓市場、謀發展，優服務、譜新篇」為工作要求，深入挖掘發展潛力、積極培育新的增長點，全面規範服務流程、有效提升服務水準，確保「十四五規劃」目標任務圓滿完成，持續推動本集團高質量發展。

二零二四年，本集團將著力提升品種管控能力、渠道拓展能力、營銷服務能力，穩步推進「大品種」戰略、「煥彩行動」、「賦能終端」等重點工作的實施，加快營銷工作高質量發展步伐。一方面，進一步聚焦「大品種」培育方式和發展模式，在原料採購、生產安排、營銷推廣等方面給予資源支持，將核心品種做優、做強。另一方面，圍繞銷售渠道，深耕細作，實施產品差異化推廣策略，繼續開展「插旗行動」、深化「煥彩行動」，持續開展多元化的主題營銷活動，全方位賦能終端，努力提高產品在全國終端市場的覆蓋率及佔有率。



Report of the Board of Directors 董事會報告

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Group is principally engaged in the manufacturing and sale of Chinese medicine products. Further discussion of these activities, including a discussion of using of key financial performance indicators for a fair review of the Group's business and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 14 to 29 of this report. This discussion forms part of this Report of the Board of Directors.

The distribution of income of the Group is set out below:

Sales of Chinese medicine products 中藥產品銷售收入

- Mainland China 於中國內地
- Outside Mainland China 除中國內地以外

Subtotal 小計

Advertising services income 廣告服務收入

- Mainland China 於中國內地

Services income 服務收入

- Mainland China 於中國內地
- Outside Mainland China 除中國內地以外

Subtotal 小計

Royalty fee income 品牌使用權收入

- Outside Mainland China 除中國內地以外

Total 合計

Report of the Board of Directors (Continued) 董事會報告(續)

董事會欣然提呈二零二三年年報及本集團截至二零二三年十二月三十一日止年度經審核財務報表。

主要活動及業務回顧

本集團主要從事生產及銷售中藥產品業務。對業務的進一步的討論(包括運用財務關鍵表現指標對本集團業務的審視及本集團業務在未來可能的發展的討論)載於本報告第14頁至第29頁的管理層討論與分析中。該討論是本董事會報告的一部分。

本集團收入分佈如下：

	2023 RMB'000 人民幣千元	2023 Ratio to the total Income 佔總收入比	2022 RMB'000 人民幣千元	2022 Ratio to the total Income 佔總收入比
	5,495,458	81.13%	4,848,999	80.93%
	1,213,177	17.91%	1,080,363	18.03%
	6,708,635	99.04%	5,929,362	98.96%
	11,150	0.16%	14,570	0.24%
	6,494	0.10%	5,605	0.09%
	46,788	0.69%	41,598	0.69%
	53,282	0.79%	47,203	0.78%
	396	0.01%	706	0.02%
	6,773,463	100.00%	5,991,841	100.00%



Report of the Board of Directors (Continued) 董事會報告(續)

RESULTS

The results and financial position of the Group for the year ended 31 December 2023 are set out on pages 144 to 264 of this report.

FINAL DIVIDEND AND TAX

The Board proposed a final dividend for the year ended 31 December 2023 (the “**Final Dividend**”) of RMB0.18 (including tax) per share based on the total number of the Company’s issued and fully paid-up shares of 1,280,784,000 as at the end of 2023 totaling RMB230,541,000 (2022: a final dividend for the year ended 31 December 2022 of RMB0.16 (including tax) per share based on the total number of the Company’s issued and fully paid-up shares of 1,280,784,000, totaling RMB204,925,440). The profit distribution proposal is subject to the approval by the shareholders at the 2023 annual general meeting (the “**AGM**”) of the Company. The Company is expected to complete the dividend distribution on 9 August 2024.

As for non-resident enterprise shareholders (other than shareholders who have invested in the H shares of the Company through Shenzhen-Hong Kong Stock Connect) as appeared on the H share register of members of the Company, the Company will withhold corporate income tax at the rate of 10% when distributing the Final Dividend in accordance with the Notice on Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-Share Holders Which Are Overseas Non-resident Enterprises (Guo Shui Han (2008) No.897) published by the State Administration of Taxation. Any shares registered in the name of the non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organisations, will be treated as being held by non-resident enterprise shareholders, thus their dividends receivables will be subject to the withholding of the corporate income tax.

As for individual shareholders (other than shareholders who have invested in the H shares of the Company through Shenzhen- Hong Kong Stock Connect) whose names appear on the H share register of members of the Company, the Company will withhold 10% of the Final Dividend as individual income tax when distributing the Final Dividend in accordance with the Notice on the Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa (1993) No.045 (Guo Shui Han (2011) No.348), unless otherwise specified in the relevant tax regulations, tax agreements or the aforesaid notice.

As for individual shareholders or securities investment funds who have invested in the H shares of the Company through Shenzhen-Hong Kong Stock Connect, when distributing the Final Dividend, the Company shall withhold individual income tax at the rate of 20% in accordance with the register of members provided by China Securities Depository and Clearing Corporation Limited, according to the Circular on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui (2016) No.127) issued by the Ministry of Finance, State Administration of Taxation and China’s Securities Regulatory Commission on 5 November 2016.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the H share Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the H share Shareholders or any disputes relating to the tax withholding and payment mechanism or arrangements.

As of the date of this report, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive any dividend.



Report of the Board of Directors (Continued) 董事會報告(續)

業績

本集團截至二零二三年十二月三十一日止年度的業績及財務狀況載於本報告第144頁至264頁。

末期股息及稅項

董事會建議以二零二三年末本公司已發行並繳足之總股數1,280,784,000股為基數，派發截至二零二三年十二月三十一日止年度的末期股息(「末期股息」)每股人民幣0.18元(含稅)，總計金額為人民幣230,541,000元(二零二二年：以本公司已發行並繳足之總股數1,280,784,000股為基數，派發截至二零二二年十二月三十一日止年度的末期股息每股人民幣0.16元(含稅)，總計款項為人民幣204,925,440元)。此利潤分配預案有待於本公司二零二三年度股東週年大會上經股東批准，本公司預計將於二零二四年八月九日完成派付。

對於名列本公司H股股東名冊的非居民企業股東(通過深港通持有本公司H股的股東除外)，本公司向其分派末期股息時，將根據國家稅務總局《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)的規定，按10%的稅率預扣企業所得稅。以非個人登記股東名義登記(包括香港中央結算(代理人)有限公司、其他代名人、信托人或其他團體及機構)的股份，將視為由非居民企業股東持有，因此應收股息須預扣企業所得稅。

對於名列本公司H股股東名冊的個人股東(通過深港通持有本公司H股的股東除外)，本公司向其分派末期股息時，將根據國家稅務總局《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)的規定，一般預扣10%的末期股息作為個人所得稅，除非相關稅務法規、稅收協議或上述通知另有規定。

對於通過深港通持有本公司H股的個人股東或證券投資基金，根據財政部、國家稅務總局、中國證券監督管理委員會於二零一六年十一月五日頒布的《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)的規定，本公司向其分派末期股息時，將根據中國證券登記結算有限責任公司提供的股東名冊，按照20%的稅率代扣個人所得稅。

對於H股股東的納稅身份或稅務待遇及因H股股東的納稅身份或稅務待遇未能及時確定或不準確確定而引致任何申索或對於代扣代繳機制或安排的任何爭議，本公司概不負責，亦不承擔任何責任。

截至本報告日期，概無股東放棄或同意放棄任何股息之安排。

Report of the Board of Directors (Continued) 董事會報告(續)

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, revenue from the five largest customers and the largest customer of the Group accounted for 43.02% and 23.61% (2022: 48.80% and 26.33%) of the Group's total revenue, respectively. Tong Ren Tang Holdings and its subsidiaries were the largest customers of the Group. During the Reporting Period, the revenue from Tong Ren Tang Holdings and its subsidiaries was RMB1,599,343,000. Besides, Tong Ren Tang Holdings has interest in Client C Group as listed 25% in the table below. During the Reporting Period, details of the revenue from the five largest customers of the Group are set out below:

Customer Name 客戶名稱	Major products or service provided 銷售的主要產品/勞務
Tong Ren Tang Holdings and its subsidiaries 集團公司及其子公司	Chinese medicine products/Advertising services 中藥產品/廣告服務
Client A Group 客戶A集團	Chinese medicine products 中藥產品
Client B Group 客戶B集團	Chinese medicine products 中藥產品
Client C Group 客戶C集團	Chinese medicine products 中藥產品
Client D Group 客戶D集團	Chinese medicine products 中藥產品

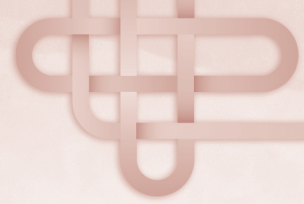
During the Reporting Period, purchases from the five largest suppliers and the largest supplier of the Group accounted for 28.85% and 5.46% (2022: 21.08% and 9.57%) of the total purchases of the Group, respectively. Tong Ren Tang Holdings and its subsidiaries was the largest supplier of the Group. During the Reporting Period, the amount of purchases by the Group from this supplier was RMB219,139,000.

Save as disclosed in this report, none of Directors, their close associates, or any shareholder (who, to the knowledge of the Board, owns more than 5% of the issuer's share capital) has any interest in the five largest suppliers or customers.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable resources and the realisation and promotion of employees' value will help to achieve the Group's overall goals. Remunerations of the Group's employees are determined with reference to the prevailing market level as well as the competency, qualifications and experience of individual employee. Discretionary bonuses based on individual performance during the year will also be paid to the employees as recognition of and a reward for their contributions to the Group. The Group attaches great importance to development and growth of talents and provides employees with skill trainings, career planning and development opportunities, seeking to create a platform for mutual growth and sharing of development between the Group and employees.

The Group cherishes its solid partnership with suppliers. It aims to achieve win-win results in cooperation with all relevant parties through procurement activities which improve operational capability and quality of products and services. The Group formulated a stable supplier selection process to ensure that supplier qualification meets the requirements. The quality department, in collaboration with related units, conducts assessment and on-site audit on suppliers. Only suppliers who have passed the audit and assessment may be listed in the Qualified Supplier List, and allowed to provide products.



Report of the Board of Directors (Continued) 董事會報告(續)

主要客戶及供貨商

報告期內，本集團來自前五大客戶及第一大客戶的收入佔本年度本集團收入總額的百分比分別為43.02%及23.61%（二零二二年：48.80%及26.33%）。集團公司及其子公司為本集團第一大客戶；報告期內，本集團來自集團公司及其子公司的收入為人民幣1,599,343,000元。此外，集團公司還於下面表格所列示之客戶C集團中持有25%權益。報告期內，本集團來自前五大客戶的銷售收入詳情如下：

RMB'000
人民幣千元

1,599,343
575,521
361,041
246,411
131,704

報告期內，本集團來自前五大供貨商及第一大供貨商的購貨額佔本年度本集團購貨總額的百分比分別為28.85%及5.46%（二零二二年：21.08%及9.57%）。集團公司及其子公司為本集團第一大供貨商；報告期內，本集團向該等供貨商購貨額為人民幣219,139,000元。

除本報告披露者外，本公司董事、董事的緊密聯繫人或任何股東（據董事會所知擁有5%以上的上市發行人已發行股份數目者）概無擁有前五大供貨商或客戶的任何權益。

與僱員、供貨商及客戶之關係

本集團深明僱員為寶貴資源，僱員價值的實現與提升，有助於本集團整體目標的實現。本集團僱員之薪酬參照市場水平及自身之能力、資歷和經驗而釐定，亦會按年內個人表現發放酌情獎勵，以激勵該等僱員對本集團作出之貢獻。本集團重視人才建設及發展，為僱員提供技能培訓、職業規劃及發展機會，致力於為僱員創造一個與本集團共同成長、共享發展的平台。

本集團重視與供應商之間建立的良好合作關係，努力通過增強運營能力、提升產品和服務質量的採購行動，實現與各方合作共贏的格局。本集團有固定的供應商選擇流程，在確保供應商資質符合條件的基礎上，由質量部門協同相關單位進行供應商的評估和現場審計。經過審計、評估合格的供應商可被列入本公司《合格供應商名錄》，方可供貨。



Report of the Board of Directors (Continued) 董事會報告(續)

The Group understands that maintaining good relationships with customers is essential for the Group's overall development. For the purpose of maintaining the competitiveness of the brand and products of the Group, the Group adheres to the principle of honesty and integrity to build a reliable service environment for the customers, and has always been dedicated to provide our customers with quality products and services.

The Group is also aware that the changes in the procurement and supply strategy of relevant customers and suppliers, or the failure of the quality of the Group's products and services to continuously meet the needs of its customers, or the failure of the quality of the products of the suppliers to meet the needs of the Group, may result in the changes in the partnership between the Group and its major customers and suppliers, which may in turn adversely affect the Group's production and operation. The Group continues to develop new customers and new suppliers, expand new channels and tap into new markets, with a view to reducing the risk of reliance on them. During the Reporting Period, there was no significant dispute between the Group and its suppliers and customers.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the reserves of the Company available for distribution amounted to approximately RMB3,135,383,000 (31 December 2022: approximately RMB2,877,188,000).

PROPERTY, PLANT AND EQUIPMENT

Details of changes in property, plant and equipment of the Group for the year of 2023 are set out in Note 6 to the Consolidated Financial Statements.

DONATIONS

Cash donations made by the Group during the Reporting Period were RMB214,000 (2022: RMB86,000).

EQUITY-LINKED AGREEMENTS

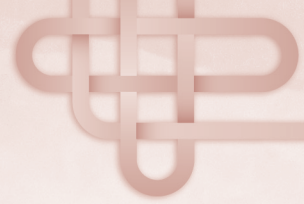
No equity-linked agreements will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares, were entered into by the Company during the Reporting Period or subsisted at the end of 2023.

SHARE CAPITAL

There was no change in the share capital of the Company during the year of 2023. The details are set out in Note 17 to the Consolidated Financial Statements.

PUBLIC FLOAT

During the year of 2023 and as at the date of this report, based on the public information available to the Company and as far as the Directors are aware, the Company has satisfied the public float requirement under rule 8.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").



Report of the Board of Directors (Continued) 董事會報告(續)

本集團明白與客戶維持良好關係，對本集團之整體發展十分重要。為維持本集團品牌及產品之競爭力，本集團秉承誠實守信之原則，致力向客戶提供一貫之優質產品及服務，為客戶營造一個可信賴的服務環境。

本集團亦知悉當相關客戶或供應商的採購及供應策略發生變化，或本集團產品和服務質量不能持續滿足客戶要求，或供應商供應之產品質量不能滿足本集團之需求時可能導致本集團與主要客戶及供應商的合作關係發生變化，而可能對本集團的生產經營帶來不利影響。本集團持續通過開發新客戶及供應商、拓展新渠道及開拓新市場等措施，降低對其依賴之風險。報告期內，本集團與其供貨商及客戶之間概無重大之糾紛。

可供分派儲備

於二零二三年十二月三十一日，本公司的可供分派儲備約為人民幣313,538.3萬元(二零二二年十二月三十一日：約人民幣287,718.8萬元)。

房屋及建築物、廠房及設備

本集團房屋及建築物、廠房及設備於二零二三年內之變動詳情載於合併財務報表附注6。

捐款

報告期內，本集團現金捐款為人民幣21.4萬元(二零二二年：人民幣8.6萬元)。

股票掛鈎協議

於報告期內，本公司並無訂立任何股票掛鈎協議將會或可導致本公司發行股份，或規定本公司訂立任何協議將會或可導致本公司發行股份，於二零二三年年底時亦無此類協議存在。

股本

本公司股本於二零二三年內無變動。詳情載於合併財務報表附注17。

公眾持股量

於二零二三年內及截至本報告日期，基於本公司已有的公開資料及就董事所知，本公司已滿足《香港聯合交易所有限公司證券上市規則》(「上市規則」)第8.08條的公眾持股量要求。

Report of the Board of Directors (Continued) 董事會報告(續)

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2023, the following persons (other than the Directors, the supervisors of the Company (the “Supervisor”) and the chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong, the “SFO”):

Name of shareholder 股東名稱	Capacity 身份
Tong Ren Tang Ltd. ^(Note 2) 同仁堂股份 ^(附注2)	Beneficial Owner 實益擁有人
Tong Ren Tang Holdings ^(Note 2) 集團公司 ^(附注2)	Interest to corporation controlled by the substantial shareholder 大股東所控制的法團的權益 Beneficial Owner 實益擁有人 Beneficial Owner 實益擁有人
Total/合共：	
Yuan Sai Nan ^(Note 3) 袁賽男 ^(附注3)	Beneficial Owner 實益擁有人
Hillhouse Capital Advisors, Ltd. ^(Note/附注4)	Investment manager 投資經理

Information disclosed above is based on the data published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) unless otherwise stated in the notes below.

Notes:

- (1) (L) — Long position
- (2) 600,000,000 shares held by Tong Ren Tang Holdings were held through Tong Ren Tang Ltd.. As at 31 December 2023, Tong Ren Tang Ltd. was owned as to 52.45% by Tong Ren Tang Holdings, thus Tong Ren Tang Holdings was deemed to be interested in the 600,000,000 shares held by Tong Ren Tang Ltd.. Besides, Tong Ren Tang Holdings also directly held 9,480,000 domestic shares and 7,649,000 H shares of the Company.
- (3) Yuan Sai Nan held 35,732,000 H shares of the Company in long position.
- (4) Due to an internal reorganisation, the investment manager for both Gaoling Fund, L.P. and YHG Investment, L.P. changed from Hillhouse Capital Management, Ltd. to Hillhouse Capital Advisors, Ltd., effective from 1 January 2019. The above change involved no transfer of shares of the Company. As at 31 December 2023, Hillhouse Capital Advisors, Ltd. was indirectly interested in 46,106,000 H shares of the Company in long position indirectly held by Gaoling Fund, L.P. and 1,557,000 H shares of the Company in long position held by YHG Investment, L.P.

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

Report of the Board of Directors (Continued) 董事會報告(續)

主要股東

於二零二三年十二月三十一日，根據香港法例第571章證券及期貨條例(「證券及期貨條例」)第336條須予備存的登記冊所記錄，以下人士(董事、本公司監事(「監事」)及本公司最高行政人員除外)於本公司之股份及相關股份中擁有之權益及淡倉如下：

	Number of shares	Percentage of domestic shares	Percentage of H shares	Percentage in total issued voting shares
	股份數目	內資股百分比	H股百分比	佔已發行有投票權股份
	600,000,000 (L) <i>(Note/附注 1)</i>	92.01%	–	46.85%
	600,000,000 (L) <i>(Note/附注 1)</i>	92.01%	–	46.85%
	9,480,000(L) <i>(Note/附注 1)</i>	1.45%	–	0.74%
	7,649,000(L) <i>(Note/附注 1)</i>	–	1.22%	0.60%
	617,129,000(L) <i>(Note/附注 1)</i>	93.46%	1.22%	48.18%
	35,732,000(L) <i>(Note/附注 1)</i>	–	5.68%	2.79%
	47,663,000(L) <i>(Note/附注 1)</i>	–	7.58%	3.72%

上述披露信息乃是基於香港聯交所披露易網站(www.hkexnews.hk)所提供的信息作出，下列附注中另有所指的除外。

附注：

- (1) (L) — 好倉
- (2) 集團公司持有的600,000,000股股份乃透過同仁堂股份持有。於二零二三年十二月三十一日，集團公司擁有同仁堂股份52.45%權益，因此集團公司被視為擁有同仁堂股份所持有之600,000,000股股份之權益。另外，集團公司還直接持有9,480,000股內資股及7,649,000股H股股份。
- (3) 袁賽男持有本公司35,732,000股H股好倉。
- (4) 由於內部重組，自二零一九年一月一日起，Gaoling Fund, L.P.及YHG Investment, L.P.的投資經理由Hillhouse Capital Management, Ltd.變更為Hillhouse Capital Advisor, Ltd.。上述變更並不涉及轉讓本公司的股份。於二零二三年十二月三十一日，Hillhouse Capital Advisor, Ltd.通過Gaoling Fund, L.P.間接持有本公司46,106,000股H股好倉之股份權益及通過YHG Investment, L.P.間接持有的本公司1,557,000股H股好倉之股份權益。

除以上披露外，於二零二三年十二月三十一日，董事概不知悉有任何其他人士(董事、監事及本公司最高行政人員除外)於本公司之股份及相關股份中，擁有任何根據證券及期貨條例第336條須予備存的登記冊所記錄之權益及淡倉。



Report of the Board of Directors (Continued) 董事會報告(續)

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

MAJOR RISKS AND UNCERTAINTIES

The Group has examined all of the risks identified by the Group based on the risk management system and assessed the risks which may arise from the existing and new businesses. The major risks and uncertainties of the Group mainly included policy risks, operational risks, etc.. For the risks identified, the Group actively reviewed their potential effects on its business operation and finance. For details of the measures taken by the Group for management of the major risks, please refer to the section headed "Risk Management and Internal Control" in the chapter "Corporate Governance Report".

Policy Risk

Increasingly stringent standards in the laws and regulations and the regulatory efforts of the State on safe production, fire safety and environmental protection impose higher requirements on safety and environmental management for the Company. As the Group has many production units, it is faced with the uncertainties of increasing investment cost for safe production management and environmental management.

Operational Risks

As the "Tong Ren Tang" brand used by the Group enjoys a high reputation, emergencies have uncertain influence against the Group and the product sales of the Group.

The Group mainly engages in production of Chinese patent medicines, which requires a large variety of Chinese medicinal raw materials, supplementary materials and packaging materials, with complex production process and demanding quality control. Although the Group has a strict quality management system and carries out production and operation in strict accordance with the requirements of GMP (Good Manufacturing Practice) and GSP (Good Supply Practice) under strict quality control in all sessions, there are potential risks of sporadic issues that may lead to economic and reputation loss of the Group.

Meanwhile, there are also risks such as a reduction in the amount of materials collected for production, a decline in the quality of raw materials or market price fluctuations due to force majeure such as major climate changes or extreme disastrous weather, etc., which may have a certain impact on the quantity of the Group's production and supply and procurement cost.



Report of the Board of Directors (Continued) 董事會報告(續)

購買、出售或贖回本公司之上市證券

報告期內，本公司或其子公司概無購買、出售或贖回本公司之任何上市證券。

主要風險及不確定因素

本集團依據風險管理系統審視整個集團各項已識別出來的風險，並評估現有及新業務可能產生的風險。本集團主要風險及不確定因素主要包括政策風險、運營風險等。本集團針對識別出的風險，積極檢討其對業務營運及財務之潛在影響，本集團管理主要風險所採取的措施詳見「企業管治報告」章節的「風險管理及內部監控」部分。

政策風險

隨著國家安全生產、消防安全、環境保護等法規標準及監管力度的日趨嚴格，給公司的安全管理及環境管理提出更高的要求，本集團所屬生產單位較多，存在增加安全生產管理及環境管理投資成本的不確定性風險。

運營風險

本集團所使用的「同仁堂」品牌具有較高知名度，因此，突發事件對本集團及本集團產品銷售存在不確定性影響。

本集團以生產中成藥為主，所需中藥原材料、輔料、包材品種眾多，生產工藝複雜，質量控制難度很大，雖然本集團具備嚴格的質量管理體系，嚴格按照GMP(藥品生產質量管理規範)、GSP(藥品經營質量管理規範)等規定進行生產經營，並在各環節進行嚴格的質量控制，但仍然可能存在出現偶發問題給本集團造成經濟及聲譽損失的風險。

同時，亦存在因重大氣候變化或出現極端災害天氣等不可抗力導致生產所需物料採收量減少、原材料質量下降、市場價格波動等風險，可能對本集團生產供應數量及採購成本造成一定影響。



Report of the Board of Directors (Continued) 董事會報告(續)

COMPLIANCE OF LAWS AND LEGAL CONSTRUCTION

The Group's businesses are subject to a number of laws and regulations, which primarily include the Company Law of the People's Republic of China, the Civil Code of the People's Republic of China, Law of the People's Republic of China on Traditional Chinese Medicine, the Pharmacopoeia of the People's Republic of China, Good Manufacturing Practice for Drugs, Good Supply Practice for Drugs, etc., or other laws and regulations, or other applicable legal documents promulgated according to or in connection to the abovementioned laws and regulations. In addition, provisions under other relevant laws and regulations also apply to the Group (for instance, Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Hong Kong Companies Ordinance (Cap. 622), the Listing Rules and others). The Group is committed to ensuring its compliance with such provisions through internal control and approval procedures, training, as well as supervision over each business unit.

In 2023, the Group has fully implemented the strategic deployment of governing enterprises according to law, deepened the construction of state-owned enterprises under the rule of law, further strengthened compliance management, effectively prevented and resolved legal risks, perfected the ability of legal corporate governance system and compliance, and effectively improved the level of the construction of rule of law. During the Reporting Period, the Group made efforts to improve the systematic construction of rule of law and construction of integrity and compliance with the rule of law leadership as the core. In terms of construction of the rule of law, the Group strictly fulfilled the duties of the first person responsible for the construction of the rule of law, strengthened the performance of duties, consolidated the foundation of the rule of law, based on prevention in advance and gave full play to the function of legal risk prevention. In terms of integrity and compliance, the Group adhered to the "trinity", played the role of the "key minority", and strengthened compliance management in key areas, promoted the construction of integrity compliance system of subsidiaries and cultivated integrity compliance culture, in order to support the Group to accelerate the implementation of high quality development.

As far as the Directors are aware, there was no non-compliance with any relevant laws and regulations of the Group with significant impact. There was no major legal risk event during the year.

ENVIRONMENTAL POLICY AND PERFORMANCE

The relevant laws and regulations complied by the Group include Environmental Protection Law of the People's Republic of China, Air Pollution Prevention Law of the People's Republic of China and the Law on Promoting Clean Production of the People's Republic of China, etc..

In daily production and operation, the Group has been constantly committed to the philosophy of placing equal emphasis on development and environmental protection. Through rational utilisation of various resources in strict accordance with relevant national laws and regulations, the Group sought to minimise the impact on the surrounding environment. In the course of daily operation, the Group was dedicated to maintaining and consolidating a healthy business environment in order to ensure the legitimacy of business conducts and thus steady and orderly development of the Group. The Group also strived to improve the working environment of employees by promoting the concept of green office and green production, with a view to providing a comfortable workplace for all employees. The environmental policy and performance of the Group are set out in the "Environmental, Social and Governance Report" of the Company for year 2023.

PRE-EMPTIVE RIGHT

The Shareholders do not have pre-emptive rights under the PRC Laws and the Articles of Association of the Company (the "**Articles of Association**").



Report of the Board of Directors (Continued) 董事會報告(續)

合規與法治建設

本集團業務須遵守多項法律法規及規章規定，主要包括《中華人民共和國公司法》、《中華人民共和國民法典》、《中華人民共和國中醫藥法》、《中華人民共和國藥典》、《藥品生產質量管理規範》、《藥品經營質量管理規範》等法律法規規章以及根據或有關該等法律法規規章頒佈的其他適用性法律文件。其他相關法律法規規章的規定亦適用於本集團(例如，《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、香港《公司條例》(第622章)、上市規則等)。本集團致力於通過內部監控及審批、培訓及監督各業務部門等多項措施，確保遵守該等規定。

二零二三年，本集團全面落實依法治企戰略部署，深化法治國企建設，進一步加強合規管理，切實防範、化解法律風險，不斷完善依法治企治理體系和治理能力，有效提升法治建設水準。於報告期內，本集團以法治領導小組為核心，深入推進系統法治建設與誠信合規工作，在法治建設方面，嚴格履行法治建設第一責任人職責，強化履職盡責，夯實法治基礎，立足事前防範，充分發揮法律風險防範功能；在誠信合規方面堅持「三位一體」，發揮「關鍵少數」作用，加強重點領域合規管理；推進子公司誠信合規體系建設，培育誠信合規文化，為本集團加快實現高質量發展保駕護航。

據董事所知，本集團並無因不遵守任何相關法律及法規規章而有重大影響之事項，全年未發生重大法律風險事件。

環境政策及表現

本集團主要依照的相關法律法規包括《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國清潔生產促進法》等。

於日常生產經營中，本集團始終堅持發展與環境保護並重的理念，嚴格依照國家相關法律法規合理利用各類資源，最大限度降低對周邊環境的影響。本集團在日常運營中，致力於維護及鞏固一個健康的經營環境，確保經營行為的合法性，以使本集團能夠穩健、有序發展。本集團亦盡全力改善僱員的工作環境，倡導綠色辦公及綠色生產理念，致力於為全體僱員提供舒適的工作環境。有關本集團的環境政策及表現已載列於本公司二零二三年度「環境、社會及管治報告」。

優先購買權

根據中國法律及本公司之《公司章程》(「**公司章程**」)，股東並無優先購買權。



Report of the Board of Directors (Continued) 董事會報告(續)

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions with Tong Ren Tang Holdings

Tong Ren Tang Holdings is the ultimate holding company of the Company, which holds 48.18% direct and indirect interest in the Company and thus a connected person of the Company pursuant to the Listing Rules. As such, all the continuing transactions between the Group and Tong Ren Tang Holdings and its associates (“**Tong Ren Tang Group**”, excluding the Group for the purpose of the continuing connected transactions with Tong Ren Tang Holdings described under this section) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The existing continuing connected transactions between the Group and Tong Ren Tang Group and the relevant agreements are as follows:

(i) **Property Leasing Framework Agreement**

On 30 December 2022, the Company and Tong Ren Tang Holdings renewed the Property Leasing Framework Agreement for a term of three years from 1 January 2023 to 31 December 2025.

Pursuant to the Property Leasing Framework Agreement, Tong Ren Tang Holdings has agreed to lease and procure other members of the Tong Ren Tang Group to lease certain premises to any member of the Group for its productions and operations, including but not limited to office premises, warehouses and staff quarter. The continuing connected transactions under the Property Leasing Framework Agreement were entered into in accordance with the pricing policies of: (i) The relevant market price. The relevant market price is determined by the Group with reference to the prevailing market price of comparable properties located in similar locations, with similar specifications, areas, and size, to ensure that the terms offered by the Tong Ren Tang Group would not be less favorable than those offered by independent third parties on the market. (ii) Where the market price is not available, then the contracted price, which shall be determined after arm’s length negotiation between the parties of the agreement based on the principle of cost plus a fair and reasonable profit ratio and by reference to the historical rentals. The reasonable cost shall be determined by reference to the area of the premises provided by the Tong Ren Tang Group, and the cost of premises management.

The annual caps of the continuing connected transactions contemplated under the Property Leasing Framework Agreement for each of the three years ending 31 December 2025 is RMB60,000,000. Please refer to the announcement published by the Company on 30 December 2022 on the websites of the Hong Kong Stock Exchange and the Company for details.

In 2023, the rental fee paid by the Group to the Tong Ren Tang Group under the Property Leasing Framework amounted to RMB846,000, and the addition to right-of-use assets was RMB46,826,000, which did not exceed the relevant annual cap.



Report of the Board of Directors (Continued) 董事會報告(續)

非獲豁免持續關連交易

與集團公司的持續關連交易

集團公司直接及間接持有本公司合共48.18%股權，為本公司之最終控股公司，故根據上市規則為本公司之關連人士。因此，根據上市規則第14A章，本集團與集團公司及其聯繫人（「**同仁堂集團**」，就本章節所述與集團公司的持續關連交易而言不包括本集團）進行之持續性交易構成本公司之持續關連交易。

本集團與同仁堂集團之間現有持續關連交易及相關協議如下：

(i) 物業租賃框架協議

於二零二二年十二月三十日，本公司與集團公司續訂物業租賃框架協議，期限自二零二三年一月一日起至二零二五年十二月三十一日止，為期三年。

根據物業租賃框架協議，集團公司已同意出租並促使同仁堂集團之其他成員公司出租若干物業予本集團之任何成員公司用於本集團的生產及營運，包括但不限於辦公室物業、倉庫及員工宿舍。物業租賃框架協議項下持續關連交易根據以下定價政策訂立：(i) 相關市價。相關市價乃經本集團參考若干位於類似地點、擁有類似規格和類似面積之可比物業的現行市場價格，以確保同仁堂集團提供的條款不遜於市場上獨立第三方所提供的條款。(ii) 倘不能獲取市價，則訂約價應由協議雙方根據成本加公平合理利潤比率原則並參考過往租金，經公平磋商後釐定。合理成本應根據同仁堂集團提供的物業面積，以及物業管理費用而釐定。

物業租賃框架協議項下擬進行之持續關連交易之截至二零二五年十二月三十一日止三個年度之年度上限均為人民幣60,000,000元。詳情請參閱本公司刊發於香港聯交所及本公司網站的日期為二零二二年十二月三十日之公告。

二零二三年，本集團根據物業租賃框架協議向同仁堂集團支付物業租賃費金額為人民幣846,000元，新增使用權資產為人民幣46,826,000元，未超過相關年度上限。



Report of the Board of Directors (Continued) 董事會報告(續)

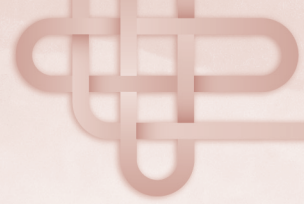
(ii) Distribution Framework Agreement

On 28 November 2022, the Company renewed the Distribution Framework Agreement with Tong Ren Tang Holdings for a term of three years from 1 January 2023 to 31 December 2025.

Pursuant to the Distribution Framework Agreement, the Group may sell and Tong Ren Tang Group, as a non-exclusive distributor of the Group, may purchase relevant products produced by the Group from time to time and then distribute the same to retailers and/or end-user. The price of the products to be sold by the Group to Tong Ren Tang Group shall not be lower than that charged by the Group to other independent third parties and shall be determined in accordance with a reasonable cost plus a fair and reasonable profit margin: (i) the reasonable cost shall be determined by reference to the cost of the raw materials, the cost of labour and the manufacturing expense etc.; and (ii) the profit margin shall be determined by reference to the prevailing market and the then market price for comparable products in the relevant industry, and the average profit rate of the products of the Group in the past years (approximately 45%).

The annual caps for the continuing connected transactions contemplated under the Distribution Framework Agreement for the three years ending 31 December 2025 are RMB2,680,000,000, RMB3,000,000,000 and RMB3,450,000,000, respectively. Please refer to the announcements dated 28 November 2022 and 22 December 2022, and the circulars of the Company dated 2 December 2022 published by the Company on the websites of the Hong Kong Stock Exchange and the Company for details.

In 2023, sales amount of the Group to the Tong Ren Tang Group under the Distribution Framework Agreement amounted to RMB1,590,404,000, which did not exceed the relevant annual cap.



Report of the Board of Directors (Continued) 董事會報告(續)

(ii) 銷售框架性協議

於二零二二年十一月二十八日，本公司與集團公司續訂銷售框架性協議，期限為自二零二三年一月一日起至二零二五年十二月三十一日止，為期三年。

根據銷售框架性協議，本集團可以不時地向同仁堂集團出售而同仁堂集團作為非獨家分銷商可以購買本集團生產的相關產品，並將相關產品分銷至零售商及／或最終用戶。本集團銷售予同仁堂集團之產品價格將不低於本集團向其他獨立第三方銷售之價格，並按合理成本加公平合理利潤率釐定：(i) 合理成本參照原材料成本、人工成本及生產開支等釐定；及(ii) 利潤率參照相關行業可比產品之當前市場及當時市場價格及本集團過往年度產品之平均毛利率(約45%左右)。

銷售框架性協議項下擬進行之持續關連交易之截至二零二五年十二月三十一日止三個年度之年度上限分別為人民幣2,680,000,000元、人民幣3,000,000,000元和人民幣3,450,000,000元。詳情請參閱本公司刊發於香港聯交所及本公司網站的日期為二零二二年十一月二十八日及二零二二年十二月二十二日之公告，以及本公司日期為二零二二年十二月二日之通函。

二零二三年，本集團根據銷售框架性協議向同仁堂集團銷售產品金額為人民幣1,590,404,000元，未超過相關年度上限。



Report of the Board of Directors (Continued)

董事會報告(續)

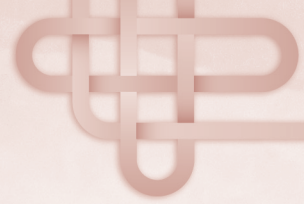
(iii) Master Procurement Agreement

On 28 November 2022, the Company and Tong Ren Tang Holdings renewed the Master Procurement Agreement for a term of three years from 1 January 2023 to 31 December 2025.

Pursuant to the Master Procurement Agreement, Tong Ren Tang Group, as non-exclusive supplier of the Group may supply and the Group may procure the raw materials of Chinese Medicine and semi-finished products and finished products (“**Relevant Products**”) for manufacturing and distribution from time to time. The price to be paid for the Relevant Products procured by the Group from Tong Ren Tang Group shall be determined in accordance with the following principle: (i) provided that the Relevant Products satisfy the Pharmacopoeia of the People’s Republic of China standard and the internal quality standard of the Company, and under the premise of equal quality, the price shall be negotiated and agreed by the parties based on the market price for procurement with fair market competition and public offer, which shall be determined with reference to the prevailing market price of comparable products negotiated and provided by at least two independent suppliers in the same or surrounding areas, and the prevailing market rate of the Relevant Products will also be taken into consideration. Under the premise of equal quality, the procurement contract shall be granted to the supplier offering most favorable terms; (ii) if the Relevant Products are only available from specific suppliers due to content, special requirement or market resource limitations (the “**Special Products**”), reference shall be made to the price of Special Products offered by such suppliers and the prevailing market price of the Special Products; and (iii) under the premise of equal quality, the price to be paid by the Group for the procurement of the Relevant Products shall not be inferior to that available from independent third parties for similar products or the fair market condition, whichever is better.

The annual caps for the continuing connected transactions contemplated under the Master Procurement Agreement for the three years ending 31 December 2025 are RMB500,000,000, RMB550,000,000 and RMB600,000,000, respectively. Please refer to the announcements dated 28 November 2022 and 22 December 2022 and the circular of the Company dated 2 December 2022 published by the Company on the websites of the Hong Kong Stock Exchange and the Company for details.

In 2023, the purchase of Relevant Products by the Group from the Tong Ren Tang Group under the Master Procurement Agreement amounted to RMB187,476,000, which did not exceed the relevant annual cap.



Report of the Board of Directors (Continued) 董事會報告(續)

(iii) 採購框架性協議

於二零二二年十一月二十八日，本公司與集團公司續訂採購框架性協議，期限為自二零二三年一月一日起至二零二五年十二月三十一日止，為期三年。

根據採購框架性協議，同仁堂集團作為本集團之非獨家供應商可以不時向本集團供應而本集團可以向同仁堂集團採購生產或銷售所需的中藥材原料、半成品及成品(「**相關產品**」)。本集團向同仁堂集團採購相關產品的定價參照以下原則：(i)在相關產品滿足《中華人民共和國藥典》標準及本公司內部質量標準以及在同等質量的前提下，對於存在公平市場競爭、有公開報價的採購以市場價格為基礎協商確定。有關市價乃參考在同一或周邊地區至少兩名獨立商品供應商提供的經公平磋商的可資比較商品的現行市價釐定，同時，亦會考慮相關產品的現行市場價格，在同等質量的前提下，應與提供最優條件的供應商簽訂採購協議；(ii)受含量、特殊要求或市場資源限制，須向同仁堂集團中的特定供應商採購的(「**特殊產品**」)，需參考此類供應商提供的特殊產品價格和特殊產品的現行市場價格；及(iii)在同等質量下本集團因採購相關產品支付的價格，不得遜於任何獨立第三方向本公司供應同類產品的價格或公允市場條件(以兩者較優者為準)。

採購框架性協議項下擬進行之持續關連交易之截至二零二五年十二月三十一日止三個年度之年度上限分別為人民幣500,000,000元、人民幣550,000,000元和人民幣600,000,000元。詳情請參閱本公司刊發於香港聯交所及本公司網站的日期為二零二二年十一月二十八日及二零二二年十二月二十二日之公告，以及本公司日期為二零二二年十二月二日之通函。

二零二三年，本集團根據採購框架性協議向同仁堂集團採購相關產品金額為人民幣187,476,000元，未超過相關年度上限。



Report of the Board of Directors (Continued) 董事會報告(續)

(iv) Advertising Agency Framework Agreement

On 22 March 2023, Tong Ren Tang Century Advertising, a wholly-owned subsidiary of the Company, renewed the Advertising Agency Framework Agreement with Tong Ren Tang Holdings for a term of three years from 1 January 2023 to 31 December 2025.

Pursuant to the Advertising Agency Framework Agreement, Tong Ren Tang Holdings entrusted Tong Ren Tang Century Advertising as a non-exclusive advertising agent, to provide advertising agency services to the Tong Ren Tang Group. The fees for the provision of advertising agency services by Tong Ren Tang Century Advertising to the Tong Ren Tang Group shall be determined with reference to the actual quotation offered by third-party advertising providers on the basis of their published price lists, and the gross margin of Tong Ren Tang Century Advertising in its past operations (generally, such reasonable fee will not be higher than 10% of the quote offered by third-party advertising providers).

The annual caps for the continuing connected transactions contemplated under the Advertising Agency Framework Agreement for the three years ending 31 December 2025 shall be RMB26,700,000, RMB28,000,000 and RMB28,000,000, respectively. Please refer to the announcement published by the Company on 22 March 2023 on the websites of the Hong Kong Stock Exchange and the Company for details.

In 2023, total advertising service fee paid by the Tong Ren Tang Group to Tong Ren Tang Century Advertising under the Advertising Agency Framework Agreement was RMB10,337,000, which did not exceed the relevant annual cap.



Report of the Board of Directors (Continued) 董事會報告(續)

(iv) 廣告代理框架協議

於二零二三年三月二十二日，本公司之全資子公司同仁堂世紀廣告與集團公司續訂廣告代理框架協議，期限自二零二三年一月一日起至二零二五年十二月三十一日止，為期三年。

根據廣告代理框架協議，集團公司委託同仁堂世紀廣告作為非獨家廣告代理商，向同仁堂集團提供廣告代理服務。同仁堂世紀廣告向同仁堂集團提供廣告代理服務之費用需參考第三方廣告提供商在其廣告刊例價的基礎上提供的實際報價以及同仁堂世紀廣告過往運營之毛利率（一般而言，該等合理服務費用將不高於第三方廣告提供商報價的10%）。

廣告代理框架協議項下擬進行之持續關連交易截至二零二五年十二月三十一日止三個年度之年度上限分別為人民幣26,700,000元、人民幣28,000,000元和人民幣28,000,000元。詳情請參閱本公司刊發於香港聯交所及本公司網站的日期為二零二三年三月二十二日之公告。

二零二三年，同仁堂集團於廣告代理框架協議項下進行之持續關連交易支付予同仁堂世紀廣告之總額為人民幣10,337,000元，未超過相關年度上限。



Report of the Board of Directors (Continued) 董事會報告(續)

Continuing Connected Transactions with Tong Ren Tang Chinese Medicine/Tong Ren Tang Ltd.

As at 31 December 2023, Tong Ren Tang Ltd. is the immediate controlling shareholder of the Company, which holds 46.85% direct interest in the Company, and 33.62% direct interest in Tong Ren Tang Chinese Medicine, a non-wholly-owned subsidiary of the Company. According to the Listing Rules, Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine are both connected persons of the Company. As such, all the continuing transactions between Tong Ren Tang Chinese Medicine Group (collectively refer to Tong Ren Tang Chinese Medicine and its associates) and the Group and all the continuing transactions between Tong Ren Tang Chinese Medicine Group and Tong Ren Tang Ltd., Group (collectively refer to Tong Ren Tang Ltd., and its associates other than the Group) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The existing continuing connected transactions between the Tong Ren Tang Chinese Medicine Group and the Group and the relevant agreements are as follows:

(i) **Tong Ren Tang Chinese Medicine Advertising Agency Framework Agreement**

On 22 March 2023, Tong Ren Tang Century Advertising, a wholly-owned subsidiary of the Company and Tong Ren Tang Chinese Medicine renewed the Tong Ren Tang Chinese Medicine Advertising Agency Framework Agreement, for a term from 22 March 2023 to 31 December 2025.

Pursuant to the Tong Ren Tang Chinese Medicine Advertising Agency Framework Agreement, Tong Ren Tang Chinese Medicine entrusted Tong Ren Tang Century Advertising as a non-exclusive advertising agent, to provide advertising agency services to the Tong Ren Tang Chinese Medicine Group in Mainland China. The fees for the provision of advertising agency services by Tong Ren Tang Century Advertising to Tong Ren Tang Chinese Medicine Group shall be determined and agreed upon between the parties for each specific transaction via arm's length negotiations in accordance with the following pricing mechanism: the fee proposal shall be made by Tong Ren Tang Century Advertising with reference to the actual quotation offered by the advertisers who are third parties, which is on the basis of its published price list, and a reasonable fee for the advertising agency service of Tong Ren Tang Century Advertising (in general, such reasonable fee will not be higher than 10% of the quotation provided by third-party advertising providers).

The annual caps for the continuing connected transactions under the Tong Ren Tang Chinese Medicine Advertising Agency Framework Agreement for each of the three years ending 31 December 2025 is RMB7,300,000. Please refer to the announcement published by the Company on 22 March 2023 on the websites of the Hong Kong Stock Exchange and the Company for details.

In 2023, the total advertising service fee paid by the Tong Ren Tang Chinese Medicine Group to Tong Ren Tang Century Advertising under the Tong Ren Tang Chinese Medicine Advertising Agency Framework Agreement was RMB1,411,000, which did not exceed the relevant cap.



Report of the Board of Directors (Continued) 董事會報告(續)

與同仁堂國藥／同仁堂股份的持續關連交易

於二零二三年十二月三十一日，同仁堂股份直接持有本公司46.85%股權，為本公司的直接控股股東，其亦直接持有本公司之非全資子公司同仁堂國藥33.62%股權。根據上市規則，同仁堂股份及同仁堂國藥為本公司之關連人士。因此，根據上市規則第14A章，本集團與同仁堂國藥集團(指同仁堂國藥及其聯繫人)、同仁堂股份集團(指同仁堂股份及其聯繫人，不包括本集團)與同仁堂國藥集團之間進行的持續性交易均構成本公司的持續關連交易。

本集團與同仁堂國藥集團之間現有持續關連交易及相關協議如下：

(i) 同仁堂國藥廣告代理框架協議

於二零二三年三月二十二日，本公司之全資子公司同仁堂世紀廣告與同仁堂國藥續訂同仁堂國藥廣告代理框架協議，期限為自二零二三年三月二十二日起至二零二五年十二月三十一日止。

根據同仁堂國藥廣告代理框架協議，同仁堂國藥委託同仁堂世紀廣告作為非獨家廣告代理商，於中國內地向同仁堂國藥集團提供廣告代理服務。同仁堂世紀廣告向同仁堂國藥集團提供廣告代理服務之費用應由訂約雙方就每項具體交易按以下定價政策經公平協商後釐定：同仁堂世紀廣告需參考第三方廣告供應商在其廣告刊例價的基礎上提供的實際報價以及同仁堂世紀廣告的合理服務費用進行報價。合理服務費用之釐定標準將參照同仁堂世紀廣告提供廣告代理服務實際的成本，以及同仁堂世紀廣告過往運營之毛利率(一般而言，合理服務費用將不高於第三方廣告提供商報價的10%)。

同仁堂國藥廣告代理框架協議項下擬進行之持續關連交易截至二零二五年十二月三十一日止三個年度之年度上限均為人民幣7,300,000元。詳情請參閱本公司刊發於香港聯交所及本公司網站的日期為二零二三年三月二十二日之公告。

二零二三年，同仁堂國藥集團於同仁堂國藥廣告代理框架協議項下進行之持續關連交易支付予同仁堂世紀廣告之總額為人民幣1,411,000元，未超過相關上限。



Report of the Board of Directors (Continued) 董事會報告(續)

(ii) Tong Ren Tang Technologies PRC Distribution Framework Agreement

The Company and Tong Ren Tang Chinese Medicine renewed the Tong Ren Tang Technologies PRC Distribution Framework Agreement on 20 February 2023 for a term from 20 February 2023 to 31 December 2025.

Pursuant to the renewed Tong Ren Tang Technologies PRC Distribution Framework Agreement, the Group, as the non-executive distributor of Tong Ren Tang Chinese Medicine Group, would purchase Chinese medicine, healthcare products and Chinese herbs, including Chinese medicine and/or healthcare products researched, developed and manufactured by the Tong Ren Tang Chinese Medicine Group (collectively, the “**TRTCM Products**”) from the Tong Ren Tang Chinese Medicine Group and then sale the same to, among others, distributors, retailers or end-users in the PRC or use them for the purpose of production. The price of the TRTCM Products sold by Tong Ren Tang Chinese Medicine Group to the Group shall be determined:

- (i) According to the prevailing market price determined with reference to the price and sale terms of similar products in the industry and in the PRC market at the time when a separate implementation agreement is entered into.
- (ii) In that, reference is made to the price and sales terms of the TRTCM Products sold by Tong Ren Tang Chinese Medicine Group to other independent third parties under the same conditions (“**Market Price**”) at the relevant time. Tong Ren Tang Chinese Medicine shall, (a) compare the prices of the major TRTCM Products supplied to the Group with the prices for similar products as obtained by Tong Ren Tang Chinese Medicine Group on the market from time to time representing market prices for these products; and (b) at least, on a quarterly basis, compare the prices and sales terms of the purchase orders of the major TRTCM Products supplied to the Group with those entered into with and/or obtained from at least two independent third parties.
- (iii) The Market Price of the TRTCM Products researched, developed and manufactured by Tong Ren Tang Chinese Medicine (such as Ganoderma and Ganoderma Lucidum related products) is determined by reference to the costs of raw materials, the costs of labour and the manufacturing expense, etc.; and the profit margin shall be determined by reference to the average gross profit rate of Tong Ren Tang Chinese Medicine Group in the previous three years, which shall not be less than 50%.

The annual caps for the continuing connected transactions contemplated under the renewed Tong Ren Tang Technologies PRC Distribution Framework Agreement for the three years ending 31 December 2025 shall be RMB65,000,000, RMB74,000,000 and RMB86,000,000, respectively.



Report of the Board of Directors (Continued) 董事會報告(續)

(ii) 同仁堂科技中國分銷框架協議

於二零二三年二月二十日，本公司與同仁堂國藥續訂同仁堂科技中國分銷框架協議，期限為自二零二三年二月二十日起至二零二五年十二月三十一日止。

根據續訂之同仁堂科技中國分銷框架協議，本集團作為同仁堂國藥集團的非獨家分銷商，可從同仁堂國藥集團購買中藥產品、保健品及中草藥，包括同仁堂國藥集團自行研發及生產的中藥及／或保健產品(統稱為「**同仁堂國藥產品**」)以銷售至(其中包括)中國的分銷商、零售商或終端用戶或用作生產用途。同仁堂國藥集團向本集團銷售的同仁堂國藥產品之價格按以下方式確定：

- (i) 根據在訂立單獨執行協議時參照行業內及中國市場同類產品的價格及銷售條款而釐定的現行市價。
- (ii) 在此情況下，參考同仁堂國藥集團在相同條件下於相關時間向其他獨立第三方出售同仁堂國藥產品的價格及銷售條款(「**市場價格**」)。同仁堂國藥應(a)將供應給本集團的主要同仁堂國藥產品的價格與同仁堂國藥集團不時在市場上取得的類似產品的價格(代表該些產品的市價)進行比較；(b)至少每季度將向本集團供應的主要同仁堂國藥產品的採購訂單的價格和銷售條款和與至少兩個獨立第三方訂立及／或從至少兩個獨立第三方取得的價格和銷售條款進行比較。
- (iii) 同仁堂國藥研發及生產的同仁堂國藥產品(如靈芝及靈芝孢子類產品)的市場價格乃參考原材料成本、人工成本及生產開支等釐定，利潤率參照過往三年同仁堂國藥集團的平均毛利率(不少於50%)釐定。

續訂的同仁堂科技中國分銷框架協議項下擬進行之持續關連交易截至二零二五年十二月三十一日止三個年度之年度上限分別為人民幣65,000,000元、人民幣74,000,000元和人民幣86,000,000元。



Report of the Board of Directors (Continued)

董事會報告(續)

The above annual caps for the three years ending 31 December 2025 were determined after taking into consideration the following factors:

- (i) The Historical Annual Caps and the historical transaction amount for the transactions contemplated under the Tong Ren Tang Technologies PRC Distribution Framework Agreement, and the expected market conditions and the continuous increase in demand for the TRTCM Products in the PRC markets;
- (ii) the low utilisation of the Historical Annual Caps was primarily because Tong Ren Tang Chinese Medicine Group adjusted its sales strategy on customer distribution to e-commerce distributors since 2020 and had focused on sales of the TRTCM Products through the e-commerce sales channel to mitigate the negative effect on the production and offline distribution of the TRTCM Products brought by the recurring outbreak of the COVID-19 pandemic in Hong Kong and mainland China from 2020 to 2022. Therefore, the historical transaction amount and the low utilisation of Historical Annual Caps did not correctly reflect the market demand of the TRTCM Products;
- (iii) on the other hand, with the stabilisation of the COVID-19 pandemic in Hong Kong and mainland China and the continuous improvement of the corresponding public health control measures, the actual sales of the TRTCM Products under the previous Tong Ren Tang Technologies PRC Distribution Framework Agreement recovered in the fourth quarter of 2022, and the transaction amount under the Tong Ren Tang Technologies PRC Distribution Framework Agreement for the entire year of 2022 reached over RMB55 million, with a utilisation rate of the corresponding Historical Annual Caps over 90%. The Company is of the view that the historical transaction amount for the previous years under the Tong Ren Tang Technologies PRC Distribution Framework Agreement would be close to the corresponding Historical Annual Caps if there is no influence of the COVID-19, and the demand for the TRTCM Products is expected to increase at a year-on-year growth rate of 15% from 2023 to 2025 due to the further adjustment of the Group's marketing and sales strategies;
- (iv) the estimated sales of potential new products and the Chinese medicine products of Tong Ren Tang Chinese Medicine Group for the year ending 31 December 2023;
- (v) the expected market price trend of the TRTCM Products for the three years ending 31 December 2025; and
- (vi) a buffer for any unexpected increase of the sales amount, the current market condition, and for any potential appreciation in the HK\$ against RMB. The buffer projection is assumed solely for determining the annual caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Group and of the Tong Ren Tang Chinese Medicine Group.

For details, please refer to the announcement of the Company dated 20 February 2023 published by the Company on the websites of the Hong Kong Stock Exchange and the Company.

In 2023, the purchase of Relevant TRTCM Products by the Group from Tong Ren Tang Chinese Medicine Group under the Tong Ren Tang Technologies PRC Distribution Framework Agreement amounted to RMB220,000, which did not exceed the relevant cap.



Report of the Board of Directors (Continued) 董事會報告(續)

上述截至二零二五年十二月三十一日止三個年度的年度上限乃經考慮以下因素後釐定：

- (i) 歷史年度上限及同仁堂科技中國分銷框架協議項下交易的歷史交易金額，預計中國市場市況及對同仁堂國藥產品需求日益旺盛；
- (ii) 歷史年度上限使用率低主要是由於同仁堂國藥集團自二零二零年起調整其客戶分銷銷售策略至電子商務分銷商，專注透過電子商務渠道銷售同仁堂國藥產品以緩解二零二零年至二零二二年新冠疫情在中國香港和中國內地反覆爆發對同仁堂國藥產品的生產和線下分銷帶來的負面影響。因此歷史交易金額和歷史年度上限的低使用率未能正確反映同仁堂國藥產品的市場需求；
- (iii) 另一方面，隨著中國香港和中國內地新冠疫情的穩定及相應公共衛生控制措施的不斷完善，原同仁堂科技中國分銷框架協議項下同仁堂國藥產品的實際銷售額在二零二二年第四季度回暖，同仁堂科技中國分銷框架協議項下二零二二年全年交易金額超過人民幣5,500萬元，對應歷史年度上限使用率超過90%。本公司認為，如果沒有新冠疫情的影響，同仁堂科技中國分銷框架協議項下過往年度的歷史交易金額應接近相應的歷史年度上限，並且由於本集團營銷戰略的進一步調整，對同仁堂國藥產品的需求預計在二零二三年至二零二五年每年增長15%；
- (iv) 截至二零二三年十二月三十一日止年度，同仁堂國藥集團可能推出的自有新產品及中藥產品的預計銷售額；
- (v) 同仁堂國藥產品在截至二零二五年十二月三十一日止三個年度的預期市場價格走勢；及
- (vi) 為任何意外增長的銷售量、當前市場狀況，以及港元兌人民幣的任何潛在升值提供緩衝。預測緩衝額僅作釐定年度上限而假設，及不應被視作直接或間接為本集團及同仁堂國藥集團各自之收入、盈利能力或業務前景之指標。

詳情請參閱本公司刊發於香港聯交所及本公司網站的日期為二零二三年二月二十日之公告。

二零二三年，本集團根據同仁堂科技中國分銷框架協議向同仁堂國藥集團採購相關同仁堂國藥產品金額為人民幣220,000元，未超過相關上限。



Report of the Board of Directors (Continued) 董事會報告(續)

(iii) Exclusive Distributorship Framework Agreement

On 6 November 2020, the Company renewed the Exclusive Distributorship Framework Agreement with Tong Ren Tang Chinese Medicine, for a term of three years from 1 January 2021 to 31 December 2023.

Pursuant to the Exclusive Distributorship Framework Agreement, Tong Ren Tang International Natural-Pharm, a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine, as the sole overseas distributor of the Group outside Mainland China (for the purpose of the Exclusive Distributorship Framework Agreement, excluding Tong Ren Tang Chinese Medicine and its subsidiaries and associates), may procure from the Group relevant “Tong Ren Tang” branded products produced by the Group, for the purpose of the distribution of such products outside Mainland China. The Group shall provide trainings on such products to Tong Ren Tang Chinese Medicine Group which shall be responsible for the registration and promotion of such products for markets outside Mainland China. The price of such products supplied by the Group to Tong Ren Tang International Natural-Pharm shall not be higher than the wholesale price of such products sold by the Group to its wholesale customers in Mainland China. Tong Ren Tang International Natural-Pharm shall obtain an updated wholesale price list and payment terms of such products which the members of the Group have offered to independent third parties from members of the Group on a quarterly basis so as to determine whether the price and terms offered to Tong Ren Tang International Natural-Pharm are fair and reasonable when compared to the price and terms that members of the Group offered to their unrelated wholesale customers in Mainland China. Members of the Group shall also notify Tong Ren Tang International Natural-Pharm in case there is any material update of the said wholesale price list and payment terms of such products from time to time.

The annual caps for the continuing connected transactions contemplated under the Exclusive Distributorship Framework Agreements for the three years ended 31 December 2023 are RMB47,000,000, RMB54,100,000 and RMB62,200,000, respectively. Please refer to the announcement published by the Company on 6 November 2020 on the websites of the Hong Kong Stock Exchange and the Company for details.

As the term of the above-mentioned Exclusive Distributorship Framework Agreement expired on 31 December 2023, the Company and Tong Ren Tang Chinese Medicine renewed such agreement again on the same terms and conditions on 29 November 2023 for a further term of three years from 1 January 2024 to 31 December 2026. The annual caps for the continuing connected transactions under the renewed Exclusive Distributorship Framework Agreement for the three years ending 31 December 2026 are RMB44,981,000 RMB51,223,000, and RMB58,384,000, respectively. Please refer to the announcement published by the Company on 29 November 2023 on the websites of the Hong Kong Stock Exchange and the Company for details.

In 2023, the purchase of the relevant “Tong Ren Tang” branded products produced by the Group by Tong Ren Tang International Natural- Pharm from the Group under the Exclusive Distributorship Framework Agreement amounted to RMB33,421,000, which did not exceed the relevant annual cap.



Report of the Board of Directors (Continued) 董事會報告(續)

(iii) 獨家經銷框架協議

於二零二零年十一月六日，本公司與同仁堂國藥續訂獨家經銷框架協議，期限自二零二一年一月一日起至二零二三年十二月三十一日止，為期三年。

根據獨家經銷框架協議，同仁堂國藥之全資子公司同仁堂國際藥業為本集團(就獨家經銷框架協議而言，不包括同仁堂國藥及其子公司及聯繫人)之中國內地以外的獨家經銷商，可以從本集團採購本集團生產之相關同仁堂品牌產品，以於中國內地以外銷售。本集團將就該等產品向同仁堂國藥集團提供培訓；同仁堂國藥集團將負責於中國內地以外市場註冊及推廣該等產品。本集團向同仁堂國際藥業供應之該等產品之價格將不高於本集團向其中國內地批發客戶銷售該等產品之批發價格。同仁堂國際藥業將每季取得本集團之成員公司向獨立第三方提供該等產品之最新批發價及付款條款，以釐定提供予同仁堂國際藥業之價格及條款與該等公司提供予其中國內地非關連批發客戶之價格及條款相比是否屬公平合理。本集團之成員公司亦將不時於該等產品之批發價及付款條款有任何重大更新時通知同仁堂國際藥業。

獨家經銷框架協議項下擬進行之持續關連交易之截至二零二三年十二月三十一日止三個年度之年度上限分別為人民幣47,000,000元、人民幣54,100,000元及人民幣62,200,000元。詳情請參閱本公司刊發於香港聯交所及本公司網站的日期為二零二零年十一月六日之公告。

由於上述獨家經銷框架協議於二零二三年十二月三十一日到期，故於二零二三年十一月二十九日，本公司與同仁堂國藥再次續訂該協議，期限為自二零二四年一月一日起至二零二六年十二月三十一日止為期三年。續訂的獨家經銷框架協議項下擬進行之持續關連交易截至二零二六年十二月三十一日止三個年度之年度上限分別為人民幣44,981,000元、人民幣51,223,000元和人民幣58,384,000元。詳情請參閱本公司刊發於香港聯交所及本公司網站的日期為二零二三年十一月二十九日之公告。

於二零二三年，同仁堂國際藥業根據獨家經銷框架協議向本集團採購本集團生產之相關同仁堂品牌產品的金額為人民幣33,421,000元，未超過相關年度上限。



Report of the Board of Directors (Continued) 董事會報告(續)

The existing continuing connected transactions between Tong Ren Tang Ltd. and its subsidiaries (excluding the Group) (“**Tong Ren Tang Ltd. Group**”) and the Group and the relevant agreements are as follows:

(i) **Tong Ren Tang Exclusive Distributorship Framework Agreement**

On 6 November 2020, Tong Ren Tang Chinese Medicine renewed the Tong Ren Tang Exclusive Distributorship Framework Agreement with Tong Ren Tang Ltd., for a term of three years from 1 January 2021 to 31 December 2023.

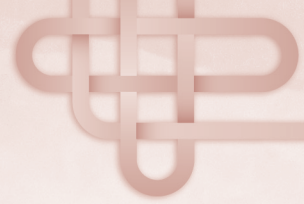
Pursuant to the Tong Ren Tang Exclusive Distributorship Framework Agreement, Tong Ren Tang International Natural-Pharm, as the sole distributor of the Tong Ren Tang Ltd. Group outside Mainland China (for the purpose of the Tong Ren Tang Exclusive Distributorship Framework Agreement, excluding the Group), may procure from the Tong Ren Tang Ltd. Group relevant “Tong Ren Tang” branded products produced by the Tong Ren Tang Ltd. Group, for the purpose of the distribution of such products outside Mainland China. The Tong Ren Tang Ltd. Group shall provide trainings on such products to Tong Ren Tang Chinese Medicine Group which shall be responsible for the registration and promotion of such products for markets outside Mainland China. The price of such products supplied by the Tong Ren Tang Ltd. Group to Tong Ren Tang International Natural-Pharm shall not be higher than the wholesale price of such products sold by the Tong Ren Tang Ltd. Group to its wholesale customers in Mainland China. Tong Ren Tang International Natural-Pharm shall obtain updated wholesale prices and payment terms of such products which the members of the Tong Ren Tang Ltd. Group have offered to independent third parties from members of the Tong Ren Tang Ltd. Group on a quarterly basis so as to determine whether the price and terms offered to Tong Ren Tang International Natural-Pharm are fair and reasonable when compared to the price and terms that members of the Tong Ren Tang Ltd. Group offered to their unrelated wholesale customers in Mainland China. Members of the Tong Ren Tang Ltd. Group shall also notify Tong Ren Tang International Natural-Pharm in case there is any material update of the said wholesale price list and payment terms of such products from time to time.

The annual caps for the continuing connected transactions contemplated under the Tong Ren Tang Exclusive Distributorship Framework Agreement for the three years ending 31 December 2023 are RMB75,600,000, RMB86,900,000 and RMB100,000,000, respectively. Please refer to the announcement published by the Company on 6 November 2020 on the websites of the Hong Kong Exchange and the Company for details.

As the term of the above-mentioned Tong Ren Tang Exclusive Distributorship Framework Agreement will expire on 31 December 2023, Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine renewed such agreement again on the same terms and conditions on 29 November 2023 for a further term of three years from 1 January 2024 to 31 December 2026. The annual caps for the continuing connected transactions under the renewed Tong Ren Tang Exclusive Distributorship Framework Agreement for the three years ending 31 December 2026 are RMB101,896,000, RMB110,158,000, and RMB119,337,000, respectively. Please refer to the announcement published by the Company on 29 November 2023 on the websites of the Hong Kong Stock Exchange and the Company for details.

In 2023, the purchase of the relevant “Tong Ren Tang” branded products produced by the Tong Ren Tang Ltd. Group by Tong Ren Tang International Natural-Pharm from the Tong Ren Tang Ltd. Group under the Tong Ren Tang Exclusive Distributorship Framework Agreement amounted to RMB31,678,000, which did not exceed the relevant annual cap.

The Company has confirmed that the execution and enforcement of the implementation agreements under the continuing connected transactions set out above in the year of 2023 has followed the pricing policies of such continuing connected transactions.



Report of the Board of Directors (Continued) 董事會報告(續)

本集團與同仁堂股份及其附屬公司(不包括本集團)(「同仁堂股份集團」)之間現有持續關連交易及相關協議如下：

(ii) 同仁堂獨家經銷框架協議

於二零二零年十一月六日，同仁堂國藥與同仁堂股份續訂同仁堂獨家經銷框架協議，期限自二零二一年一月一日起至二零二三年十二月三十一日止，為期三年。

根據同仁堂獨家經銷框架協議，同仁堂國際藥業為同仁堂股份集團(就同仁堂獨家經銷框架協議而言，不包括本集團)之中國內地以外的獨家經銷商，可以從同仁堂股份集團採購同仁堂股份集團生產之相關同仁堂品牌產品，以於中國內地以外銷售。同仁堂股份集團將就該等產品向同仁堂國藥集團提供培訓；同仁堂國藥集團將負責於中國內地以外市場註冊及推廣該等產品。同仁堂股份集團向同仁堂國際藥業供應之該等產品之價格將不高於同仁堂股份集團向其中國內地批發客戶銷售該等產品之批發價格。同仁堂國際藥業將每季取得同仁堂股份集團之成員公司向獨立第三方提供該等產品之最新批發價及付款條款，以釐定提供予同仁堂國際藥業之價格及條款與該等公司提供予其中國內地非關連批發客戶之價格及條款相比是否屬公平合理。同仁堂股份集團之成員公司亦將不時於該等產品之批發價及付款條款有任何重大更新時通知同仁堂國際藥業。

同仁堂獨家經銷框架協議項下擬進行之持續關連交易之截至二零二三年十二月三十一日止三個年度之年度上限分別為人民幣75,600,000元、人民幣86,900,000元及人民幣100,000,000元。詳情請參閱本公司刊發於香港聯交所及本公司網站的日期為二零二零年十一月六日之公告。

由於上述同仁堂獨家經銷框架協議於二零二三年十二月三十一日到期，故於二零二三年十一月二十九日，同仁堂國藥與同仁堂股份再次續訂該協議，期限為自二零二四年一月一日起至二零二六年十二月三十一日止為期三年。續訂的同仁堂獨家經銷框架協議項下擬進行之持續關連交易截至二零二六年十二月三十一日止三個年度之年度上限分別為人民幣101,896,000元、人民幣110,158,000元和人民幣119,337,000元。詳情請參閱本公司刊發於香港聯交所及本公司網站的日期為二零二三年十一月二十九日之公告。

二零二三年，同仁堂國際藥業根據同仁堂獨家經銷框架協議向同仁堂股份集團採購同仁堂股份集團生產之相關同仁堂品牌產品的金額為人民幣31,678,000元，未超過相關年度上限。

本公司確認上述二零二三年度的持續關連交易項下具體協議的簽訂及執行均已遵循該等持續關連交易的定價原則。



Report of the Board of Directors (Continued) 董事會報告(續)

Annual Review of Continuing Connected Transactions

The Company's auditor was engaged to report on the Group's continuing connected transactions set out on pages 44 to 61 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a report in accordance with rule 14A.56 of the Listing Rules in respect of the above non-exempt continuing connected transactions:

- (i) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in any material respects, in accordance with the pricing policies of the Group;
- (iii) nothing has come to their attention that causes them to believe that the transactions were not entered into, in any material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

The independent non-executive Directors have reviewed the above-mentioned continuing connected transactions and confirmed that in the year of 2023:

- (i) these continuing connected transactions were entered into in the ordinary and usual course of business of the Group;
- (ii) these continuing connected transactions were entered into on normal commercial terms;
- (iii) these continuing connected transactions were entered into according to the relevant agreements governing each of these transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
- (iv) the aggregate amount of each of these transactions did not exceed the annual caps as set out in the relevant announcements of the Company.

Save as disclosed above, there is no related party transaction set out in Note 35 to the financial statements that falls into the category of connected transaction or continuing connected transaction that needs to be disclosed under the Listing Rules. The Company has fully complied with the disclosure requirements under Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions of the Company.



Report of the Board of Directors (Continued) 董事會報告(續)

持續關連交易之年度審閱

根據香港會計師公會所頒布的香港鑒證業務準則第3000號(修訂)《歷史財務資料審核或審閱以外之鑒證業務》及參考實務說明第740號(修訂)《香港上市規則規定的持續關連交易的核數師函件》，本公司核數師已受聘對載於本報告第44頁至第61頁的本集團持續關連交易作出報告。根據上市規則第14A.56條，核數師已就上述非獲豁免持續關連交易發出報告：

- (i) 他們並無注意到任何事項令他們相信該等已披露的持續關連交易未獲本公司董事會批准；
- (ii) 就本集團提供貨品或服務所涉及的交易，他們並無注意到任何事項令他們相信該等交易在各重大方面沒有按照本集團的定價政策進行；
- (iii) 他們並無注意到任何事項令他們相信該等交易在各重大方面沒有根據有關該等交易的協議進行；及
- (iv) 就每項持續關連交易的總金額而言，他們並無注意到任何事項令他們相信該等持續關連交易的金額超逾本公司訂立的全年上限。

本公司獨立非執行董事已對上述持續關連交易進行了審核並已確認，於二零二三年度：

- (i) 該等持續關連交易是在本集團的日常業務中訂立；
- (ii) 該等持續關連交易按照一般商業條款進行；
- (iii) 該等持續關連交易根據有關交易的協議進行，條款公平合理，並符合股東的整體利益；及
- (iv) 該等交易各項之總額並未超出公司於有關公告中所載的年度上限。

除上述披露外，概無其他載列於財務報表附注35的任何關聯方交易屬於上市規則項下須予披露的關連交易或持續關連交易。本公司關連交易和持續關連交易已符合上市規則第14A章的披露規定。



Report of the Board of Directors (Continued) 董事會報告(續)

COMPETING INTERESTS

Competition with Tong Ren Tang Ltd. and Tong Ren Tang Holdings

Both the Company and Tong Ren Tang Ltd. engage in the production and sale of Chinese patent medicines, but the principal products of each of them are different. Tong Ren Tang Ltd. mainly produces Chinese patent medicines in traditional dosage forms such as honeyed pills, powder, ointment and medicinal wines. Tong Ren Tang Ltd.'s main products include Angong Niu Huang Pills (安宮牛黃丸), Tongren Niu Huang Qingxin Pills (同仁牛黃清心丸), Tongren Dahuoluo Pills (同仁大活絡丸), Tongren Wuji Baifeng Pills (同仁烏雞白鳳丸) and Guogong Wine (國公酒). It also has some minor production lines for the production of granules and water-honeyed pills. These products do not compete with the Group in terms of their curative effects. The Company focuses on manufacturing products in new dosage forms which are more competitive as compared with western medicine. The Company's main products include Liuwei Dihuang Pills (六味地黃丸), Niu Huang Jiedu Tablets (牛黃解毒片), Ganmao Qingre Granules (感冒清熱顆粒) and Jinkui Shenqi Pills (金匱腎氣丸), etc. Tong Ren Tang Holdings is an investment holding company.

To ensure that the business classification between the Company, Tong Ren Tang Holdings and Tong Ren Tang Ltd. is properly documented and established, Tong Ren Tang Holdings and Tong Ren Tang Ltd. undertake, pursuant to an undertaking dated 19 October 2000 committed by Tong Ren Tang Holdings and Tong Ren Tang Ltd. in favor of the Company (the **"October Undertaking"**), that other than Angong Niu Huang Pills (安宮牛黃丸), Tong Ren Tang Holdings, Tong Ren Tang Ltd. and their respective subsidiaries will not produce any products in future that bear the same names or bear the same names with different dosage forms as those pharmaceutical products produced by the Company, which may compete directly with those pharmaceutical products of the Company.

Save as mentioned above, the Directors confirm that none of the other products of the Company is in direct competition with Tong Ren Tang Ltd. or Tong Ren Tang Holdings.

During the Reporting Period and/or as at the date of this report, Mr. Di Shu Bing (appointed as executive Director with effect from 22 January 2024), Mr. Gu Hai Ou (resigned from executive Director with effect from 22 January 2024), Mr. Jin Tao, Ms. Feng Li, Ms. Wang Chun Rui (appointed as non-executive Director with effect from 16 February 2023) and Ms. Guo Ya Qing (resigned from non-executive Director with effect from 16 February 2023), hold several management positions in Tong Ren Tang Ltd. or Tong Ren Tang Holdings. As there is clear delineation of business between the Company, Tong Ren Tang Ltd. and Tong Ren Tang Holdings, the Directors are of the view that people who held the aforesaid positions would not give rise to any material competition issue under rule 8.10 of the Listing Rules.

Save as disclosed above, the Directors confirm that none of the Directors or their respective close associates (as defined under the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries, under rule 8.10 of the Listing Rules.



Report of the Board of Directors (Continued) 董事會報告(續)

競爭利益

與同仁堂股份和集團公司之競爭

本公司及同仁堂股份均從事生產及銷售中成藥業務，但各自之主要產品不同。同仁堂股份主要生產蜜丸、散劑、膏劑及藥酒等傳統劑型的中成藥，其主要產品為安宮牛黃丸、同仁牛黃清心丸、同仁大活絡丸、同仁烏雞白鳳丸及國公酒。其亦擁有較小型之生產線生產顆粒劑及水蜜丸劑，該等產品在藥效方面並無與本集團形成競爭。本公司致力於生產更能與西藥產品競爭抗衡之新劑型產品，主要產品為六味地黃丸、牛黃解毒片、感冒清熱顆粒、金匱腎氣丸等。集團公司為一間投資控股公司。

為確保本公司、集團公司及同仁堂股份之業務劃分獲妥善記錄及制訂，根據集團公司及同仁堂股份於二零零零年十月十九日向本公司作出之承諾(「**十月承諾**」)，除安宮牛黃丸外，集團公司、同仁堂股份及彼等各自之子公司未來不會生產任何與本公司所生產的藥品名稱相同或同名而劑型不同並會直接與本公司藥品競爭之產品。

除上文所述者外，董事確認本公司並無其他產品與同仁堂股份或集團公司存有直接競爭。

於報告期內及／或於本報告日，邱淑兵先生(自二零二四年一月二十二日獲委任為執行董事)、顧海鷗先生(自二零二四年一月二十二日離任執行董事)、金濤先生、馮莉女士、王春蕊女士(自二零二三年二月十六日獲委任為非執行董事)及郭雅卿女士(自二零二三年二月十六日離任非執行董事)在同仁堂股份或集團公司內擔任管理職位。鑒於本公司、同仁堂股份及集團公司之間業務劃分明確，董事認為上述人士所擔任的職位不會引發任何上市規則第8.10條下的重大競爭問題。

除上文所述者外，董事確認概無董事或彼等各自的緊密聯繫人(定義見上市規則)根據上市規則第8.10條在與本集團的業務構成直接或間接競爭或可能構成直接或間接競爭的業務中擁有任何權益(擔任本公司及／或其附屬公司的董事除外)。



Report of the Board of Directors (Continued) 董事會報告(續)

POSITIONS HELD BY DIRECTORS IN SHAREHOLDERS

Save as disclosed under the section headed “Directors, Supervisors and Senior Management” of this annual report, to the best knowledge of the Board, none of the Directors is a director or employee of a company which has an interest in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Right of First Refusal

To procure that the Company focuses on the development of the four major forms of products (namely granules, water-honeyed pills, tablets and soft capsules), Tong Ren Tang Holdings and Tong Ren Tang Ltd. have granted the Company, pursuant to the October Undertaking, a right of first refusal to manufacture and sell any of the new products which is developed by Tong Ren Tang Holdings, Tong Ren Tang Ltd. or any of their respective subsidiaries and which is one of the four main forms of products of the Company. Upon exercise of the right of first refusal, both Tong Ren Tang Holdings and Tong Ren Tang Ltd. or their respective subsidiaries are not allowed to manufacture any of such new products. In the event that the Company develops any new product based on the existing products of Tong Ren Tang Holdings and Tong Ren Tang Ltd. or their respective subsidiaries, and such new product is one of the major forms of products of the Company, the Company will be entitled to manufacture such new product and none of Tong Ren Tang Holdings and Tong Ren Tang Ltd. or their respective subsidiaries will be allowed to manufacture such new product. The Directors believe that the above undertaking would clarify that both Tong Ren Tang Holdings and Tong Ren Tang Ltd. would support the Company in its development of the four major forms of products in the future.

In the event that the Company refuses the right of first refusal offered by Tong Ren Tang Holdings and Tong Ren Tang Ltd., the terms of the option to be offered to an independent third party should not be more favourable than those originally offered to the Company, failing which the Company should be given an opportunity to reconsider the option under the new terms. The above undertaking would no longer be valid in the event that the direct or indirect aggregate shareholdings of Tong Ren Tang Holdings or Tong Ren Tang Ltd. in the Company fall below 30%.

The Company and the independent non-executive Directors have confirmed upon the review: during the year of 2023, Tong Ren Tang Holdings and Tong Ren Tang Ltd. have provided all information necessary to the independent non-executive Directors for their annual review and report on their fulfillment on the October Undertaking. Tong Ren Tang Holdings and Tong Ren Tang Ltd. have fulfilled their undertakings on the relevant right of first refusal granted to the Company on their existing or future competing businesses. The details of the annual declarations in compliance with the non-competition undertaking which have been made by Tong Ren Tang Holdings and Tong Ren Tang Ltd. are set out below.



Report of the Board of Directors (Continued) 董事會報告(續)

董事於股東中擔任的職位

除本年報「董事、監事及高級管理人員」一節披露者外，就董事會所深知，概無董事為一間於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益的公司的董事或僱員。

優先選擇權

為使本公司專注研製四類主要類型之產品(分別為顆粒劑、水蜜丸劑、片劑及軟膠囊劑)，根據十月承諾，集團公司及同仁堂股份已向本公司授出優先選擇製造及銷售彼等或彼等任何子公司所研製且屬本公司四類主要類型之現有產品其中一類之任何新產品之權利。優先選擇權行使後，集團公司及同仁堂股份及或彼等各自之子公司均不許生產任何該等新產品。倘本公司根據集團公司及同仁堂股份或彼等各自之子公司現有產品而研製任何新產品，而該等產品又屬於本公司其中一項主要類型之產品，則本公司有權製造該等新產品，而集團公司及同仁堂股份或彼等各自之子公司將不容許生產該等新產品。董事相信上述承諾將能表明集團公司及同仁堂股份均支持本公司在未來研究該四類主要類型之產品。

倘本公司拒絕集團公司及同仁堂股份提供之優先選擇權，則提供予獨立第三方之選擇權之條款不得優於原本提供予本公司之條款。否則，本公司須獲提供機會，再考慮新條款下之選擇權。倘集團公司及同仁堂股份合共直接或間接於本公司之持股量降低至低於30%，則上述承諾不再有效。

本公司及獨立非執行董事經審查確認：二零二三年度，集團公司及同仁堂股份已向獨立非執行董事提供對十月承諾之履行進行年度審查以及報告所需的一切資料；集團公司及同仁堂股份已遵從其提供有關現有或未來競爭業務的優先選擇權的承諾；集團公司及同仁堂股份已作出有關遵守不競爭承諾的年度聲明的詳情如下。



Report of the Board of Directors (Continued) 董事會報告(續)

DECLARATION

To: TONG REN TANG TECHNOLOGIES CO. LTD.

No. 20 Nansanhuan Zhonglu
Fengtai District, Beijing, the PRC

Dear Sir or Madam,

In order to ensure the interests of Tong Ren Tang Technologies Co. Ltd. (the “**Company**”) and its shareholders as a whole, we, China Beijing Tong Ren Tang Group Co., Ltd. and our subsidiaries (excluding the Company and its subsidiaries) make the following confirmations:

1. On 19 October 2000, the Company and Beijing Tong Ren Tang Company Limited entered into an agreement with us to regulate the non-competition undertaking (“**Non-competition Undertaking**”), which include but not limited to the options, pre-emptive rights or right of first refusal provided by us on our existing or future competing businesses;
2. We have provided to the independent non-executive directors of the Company with all the necessary information in order for them to conduct review on the enforcement of the Non-competition Undertaking;
3. We confirm that we have fully complied with the Non-competition Undertaking for the year 2023;
4. We also agree this confirmation to be disclosed in the Company’s 2023 annual report.

We further undertake that if we become aware of any data or information in the future which causes any doubt on the truthfulness, accuracy or completeness of the data or information provided by this confirmation, we will notify the Company in writing on such data or information as soon as possible.

China Beijing Tong Ren Tang Group Co., Ltd.

22 March 2024



Report of the Board of Directors (Continued) 董事會報告(續)

聲明書

致：北京同仁堂科技發展股份有限公司
中國北京豐台區南三環中路20號

敬啟者：

為保證北京同仁堂科技發展股份有限公司(「貴公司」)及其股東整體的利益，中國北京同仁堂(集團)有限責任公司(「本公司」)及其子公司(除貴公司及其子公司)向貴公司做出如下聲明：

1. 於二零零零年十月十九日，貴公司和本公司以及北京同仁堂股份有限公司簽訂不競爭承諾(「不競爭承諾」)，包括但不限於本公司就現有或日後的競爭性業務將為貴公司提供選擇權、優先權或優先購買權；
2. 本公司已向貴公司的獨立非執行董事提供一切所需資料，以供獨立非執行董事對不競爭承諾的執行情況進行審查；
3. 本公司確認，於二零二三年內，本公司已完全遵守不競爭承諾；
4. 本公司同意將本聲明刊載於貴公司的二零二三年年報中。

本公司承諾，如日後本公司知悉任何資料或信息將對於本聲明中所提供資料的真實性、準確性或完整性構成懷疑，本公司將盡快以書面形式將該等資料或信息通知貴公司。

中國北京同仁堂(集團)有限責任公司
二零二四年三月二十二日



Report of the Board of Directors (Continued) 董事會報告(續)

DECLARATION

To: TONG REN TANG TECHNOLOGIES CO. LTD.

No. 20 Nansanhuan Zhonglu
Fengtai District, Beijing, the PRC

Dear Sir or Madam,

In order to ensure the interests of Tong Ren Tang Technologies Co. Ltd. (the “**Company**”) and its shareholders as a whole, we, Beijing Tong Ren Tang Company Limited and our subsidiaries (excluding the Company and its subsidiaries), make the following confirmations:

1. On 19 October 2000, the Company and China Beijing Tong Ren Tang Group Co., Ltd. entered into an agreement with us to regulate the non-competition undertaking (“**Non-competition Undertaking**”), which include but not limited to the options, pre-emptive rights or right of first refusal provided by us on our existing or future competing businesses;
2. We have provided to the independent non-executive directors of the Company with all the necessary information in order for them to conduct review on the enforcement of the Non-competition Undertaking;
3. We confirm that we have fully complied with the Non-competition Undertaking for the year 2023;
4. We also agree that this confirmation to be disclosed in the Company’s 2023 annual report.

We further undertake that if we become aware of any data or information in the future which causes any doubt on the truthfulness, accuracy or completeness of the data or information provided by this confirmation, we will notify the Company in writing on such data or information as soon as possible.

Beijing Tong Ren Tang Company Limited

22 March 2024



Report of the Board of Directors (Continued) 董事會報告(續)

聲明書

致：北京同仁堂科技發展股份有限公司
中國北京豐台區南三環中路20號

敬啟者：

為保證北京同仁堂科技發展股份有限公司(「貴公司」)及其股東整體的利益，北京同仁堂股份有限公司(「本公司」)及其子公司(除貴公司及其子公司)向貴公司做出如下聲明：

1. 於二零零零年十月十九日，貴公司和本公司以及中國北京同仁堂(集團)有限責任公司簽訂不競爭承諾(「不競爭承諾」)，包括但不限於本公司就現有或日後的競爭性業務將為貴公司提供選擇權、優先權或優先購買權；
2. 本公司已向貴公司的獨立非執行董事提供一切所需資料，以供獨立非執行董事對不競爭承諾的執行情況進行審查；
3. 本公司確認，於二零二三年內，本公司已完全遵守不競爭承諾；
4. 本公司同意將本聲明刊載於貴公司的二零二三年年報中。

本公司承諾，如日後本公司知悉任何資料或信息將對於本聲明中所提供資料的真實性、準確性或完整性構成懷疑，本公司將盡快以書面形式將該等資料或信息通知貴公司。

北京同仁堂股份有限公司
二零二四年三月二十二日



Report of the Board of Directors (Continued) 董事會報告(續)

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Profiles of the Directors, Supervisors and senior management are set out on pages 124 to 133 of this report.

CHANGES OF DIRECTORS, SUPERVISORS, JOINT COMPANY SECRETARIES AND SENIOR MANAGEMENT

On 14 December 2022, Ms. Guo Ya Qing, a non-executive Director tendered her resignation from the position due to work changes. The resignation of Ms. Guo Ya Qing has taken effect on 16 February 2023. At the extraordinary general meeting (“EGM”) held on 16 February 2023, Ms. Wang Chun Rui was appointed as a non-executive Director of the Eighth Session of the Board, with a term commencing from 16 February 2023 up to the date of the 2023 AGM.

On 15 June 2023, Mr. Wang Yu Wei, an executive Director and the general manager, tendered his resignation from the position due to work adjustments. The resignation of Mr. Wang Yu Wei as an executive Director has taken effect on 25 August 2023, and his resignation as the general manager has taken effect from 15 June 2023. On 15 June 2023, the Board proposed to appoint Mr. Chen Jia Fu as an executive Director and the general manager. The proposed appointment of Mr. Chen Jia Fu as an executive Director has taken effect on 25 August 2023 with a term commencing from 25 August 2023 up to the date of 2023 AGM. The proposed appointment of Mr. Chen Jia Fu as the general manager has taken effect from 15 June 2023.

On 13 December 2023, Mr. Gu Hai Ou, an executive Director, tendered his resignation from the positions of executive Director, chairman of the Board, chairman of the Nomination Committee of the Board, chairman of the Strategy and Planning Committee of the Board and the authorized representative (the “**Authorized Representative**”) under the rule 3.05 of the Listing Rules due to work adjustments with effect from 22 January 2024. On 13 December 2023, the Board proposed to appoint Mr. Di Shu Bing as an executive Director. Mr. Di Shu Bing was appointed as the executive Director of the Eighth Session of the Board at the EGM held on 22 January 2024, he was appointed as the chairman of the Board, chairman of the Nomination Committee, chairman of the Strategy and Planning Committee of the Board and Authorized Representative of the Company at the same day, with a term commencing from 22 January 2024 up to the date of the 2023 AGM.

Due to work adjustment, Ms. Jia Ze Tao resigned as the secretary of the Board, the joint company secretary and Authorized Representative of the Company with effect from 4 May 2023. At the same day, due to work adjustment, Ms. So Shuk Yi, Betty resigned as joint company secretary and the agent for acceptance of service of process and notices on behalf of the Company in Hong Kong under rule 19A.13(2) of the Listing Rules and Part 16 of the Company Ordinance (Chapter 622 of the Laws of Hong Kong)(the “**Process Agent**”), both with effect from 4 May 2023. At the same day, the Board appointed Mr. Li Yijun as joint company secretary, secretary of the Board and Authorised Representative and appointed Ms. Yung Mei Yee, who is the vice president of SWCS Corporate Services Group (Hong Kong) Limited (an external company which provides related service for the Company), as the joint company secretary and the Process Agent.

For details of the aforesaid changes, please refer to the announcements of the Company dated 14 December 2022, dated 16 February 2023, dated 27 April 2023, dated 15 June 2023, dated 25 August 2023, 13 December 2023 and 22 January 2024, and the circular of the Company dated 18 January 2023, 4 August 2023, and 21 December 2023.

On 16 January 2023, the Board appointed Mr. Guan Jun Wei as the executive deputy general manager of the Company, with a term of office commencing from 16 January 2023 up to the date of the 2023 AGM.



Report of the Board of Directors (Continued) 董事會報告(續)

董事、監事及高級管理人員簡介

董事、監事及高級管理人員簡介載於本報告中第 124 頁至第 133 頁。

董事、監事、聯席公司秘書及高級管理人員變更

於二零二二年十二月十四日，郭雅卿女士由於工作變動原因申請辭任非執行董事。郭雅卿女士之辭任已於二零二三年二月十六日起生效。王春蕊女士於二零二三年二月十六日召開之股東特別大會獲委任為第八屆董事會非執行董事，任期自二零二三年二月十六日起至二零二三年度股東週年大會之日為止。

於二零二三年六月十五日，王煜煒先生由於工作變動原因申請辭任執行董事及總經理。王煜煒先生辭任執行董事已於二零二三年八月二十五日起生效。其辭任總經理已於二零二三年六月十五日起生效。二零二三年六月十五日，董事會建議委任陳加富先生為執行董事及總經理。陳加富先生於二零二三年八月二十五日召開之股東特別大會獲委任為第八屆董事會執行董事，任期自二零二三年八月二十五日起至二零二三年度股東週年大會之日為止。其獲委任為總經理已於二零二三年六月十五日起生效。

於二零二三年十二月十三日，顧海鷗先生由於工作變動原因申請辭任執行董事、董事長、董事會轄下之提名委員會主席及戰略與規劃委員會主席及上市規則第 3.05 條項下之本公司授權代表(「授權代表」)，均於二零二四年一月二十二日起生效。二零二三年十二月十三日，董事會建議委任邱淑兵先生為執行董事。邱淑兵先生於二零二四年一月二十二日召開之股東特別大會獲委任為第八屆董事會執行董事，並於同日獲委任為董事長、董事會轄下之提名委員會主席及戰略與規劃委員會主席及授權代表，邱淑兵先生之執行董事之任期自二零二四年一月二十二日起至二零二三年度股東週年大會之日為止。

因工作調整，賈澤濤女士於二零二三年五月四日起不再擔任董事會秘書、聯席公司秘書及授權代表。蘇淑儀女士因工作調整，不再擔任本公司聯席公司秘書、根據上市規則第 19A.13(2) 條及公司條例(香港法例第 622 章)第 16 部項下代表本公司於香港接收法律程序文件及通知之代理人(「法律程序代理人」)，均於二零二三年五月四日起生效。同日，董事會委任李一俊先生為本公司聯席公司秘書、董事會秘書及授權代表及委任方圓企業服務集團(香港)有限公司(本公司外聘服務機構)總監翁美儀女士為本公司聯席公司秘書及法律程序代理人。

上述變更詳見本公司日期為二零二二年十二月十四日、二零二三年二月十六日、二零二三年四月二十七日、二零二三年六月十五日、二零二三年八月二十五日、二零二三年十二月十三日及二零二四年一月二十二日之公告及二零二三年一月十八日、二零二三年八月四日及二零二三年十二月二十一日之通函。

二零二三年一月十六日，董事會聘任關俊威先生為本公司常務副總經理。任期自二零二三年一月十六日起至二零二三年度股東週年大會之日為止。



Report of the Board of Directors (Continued) 董事會報告(續)

Mr. Yang De Chun, former deputy general manager of the Company, and Ms. Wang Yue, former deputy general manager of the Company, both have reached retirement age in 2023.

Save as disclosed above in this report, there is no other information required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and the Supervisors has entered into a service contract with the Company for a term commencing on their respective appointment dates to the date of the 2023 AGM. None of the Directors or Supervisors has entered into any service contract with the Company that cannot be terminated by the Company within one year without payment of compensation other than statutory compensation.

REMUNERATION OF DIRECTORS AND SUPERVISORS

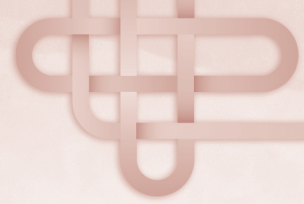
Directors and Supervisors are subject to the election at the general meeting by Shareholders or the election by employees, and the general meeting approves the remuneration of every Director and every Supervisor by Shareholders. The Company has established the Remuneration Policy for Directors, Supervisors and Senior Officers, to ensure that there is a formal and transparent policy for determining the remuneration of directors, supervisors and senior officers of the Company. The executive Directors and non-executive Directors or Supervisors who do not hold any management position in the Company will not receive any remuneration from the Company. If they also hold management positions in the Company, they will receive salaries corresponding to such management functions. The independent non-executive Directors and external Supervisors are paid in line with the prevailing local market rate by the Company.

In 2023, all executive Directors and non-executive Directors did not receive any remuneration as the Directors. In particular, Mr. Wang Yu Wei (resigned on 25 August 2023), Mr. Chen Jia Fu (was appointed on 25 August 2023) and Ms. Feng Zhi Mei, each as an executive Director, received remuneration for the management positions they held in the Company. In addition, Mr. Ting Leung Huel, Stephen, Ms. Chan Ching Har, Eliza and Mr. Zhan Yuan Jing, each as an independent non-executive Director, received directors' fees at the amount of HKD288,000 (tax inclusive), HKD288,000 (tax inclusive) and RMB120,000 (tax inclusive), respectively.

In 2023, Ms. Su Li and Mr. Li Yuan Hong, each as a Supervisor, did not receive any remuneration as the Supervisor. In particular, Mr. Li Yuan Hong as a Supervisor, received remunerations for the management positions held by him in the Company. In addition, Mr. Wu Yi Gang, as the Supervisor, received supervisor's fee at the amount of RMB120,000 (tax inclusive).

No Directors and Supervisors waived or agreed to waive any remunerations in 2023.

Details of the Directors' and Supervisors' salaries or salaries received corresponding to their management positions in the Company for the years of 2023 and 2022 are set out in Note 31 to the Consolidated Financial Statements.



Report of the Board of Directors (Continued) 董事會報告(續)

年內，本公司原副總經理楊德春先生及王悅女士已達退休年齡。

除本報告上述披露者外，沒有其他根據上市規則第 13.51B(1) 條須披露的資料。

董事及監事的服務合約

董事及監事均已與本公司訂立服務合約，分別由其就任之日起至二零二三年度股東週年大會之日為止。各董事及監事概無訂立本公司於一年內不可在不予賠償(法定賠償除外)的情況下終止之服務合約。

董事及監事薪酬

所有董事及監事均於股東大會由股東或由職工民主選舉產生，並於股東大會由股東批准每位董事或監事的薪酬。本公司已訂立《董事、監事及高級管理人員薪酬政策》，旨在確保本公司董事、監事及高級管理人員薪酬之釐定設有正規而具透明度的政策。本公司執行董事、非執行董事或監事如不擔任本公司管理職務，均不在本公司領取薪酬，如擔任本公司管理職務，則依照其在本公司擔任的管理職位領取薪酬。就獨立非執行董事及外部監事而言，本公司為他們提供切合其所在地市場水平的袍金。

二零二三年，所有執行董事及非執行董事擔任董事的薪酬均為零。其中，執行董事王煜煒先生(其已於二零二三年八月二十五日退任)、陳加富先生(其已於二零二三年八月二十五日獲委任)及馮智梅女士依照其在本公司擔任的管理職位領取薪酬。此外，本公司獨立非執行董事丁良輝先生、陳清霞女士及詹原競先生領取的董事袍金分別為港幣 288,000 元(含稅)、港幣 288,000 元(含稅)及人民幣 120,000 元(含稅)。

二零二三年，監事蘇莉女士及李元紅先生擔任監事的薪酬均為零。其中，監事李元紅先生依照其在本公司擔任的管理職位領取薪酬。此外，本公司監事吳以鋼先生領取的監事袍金為人民幣 120,000 元(含稅)。

二零二三年，並無董事及監事放棄或同意放棄任何酬金。

二零二三年及二零二二年董事、監事薪酬或依照其在本公司擔任的管理職位領取薪酬詳情載於合併財務報表附注 31。



Report of the Board of Directors (Continued) 董事會報告(續)

DIRECTORS' AND SUPERVISORS' INTERESTS IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Saved as disclosed in the non-exempt continuing connected transactions and the non-exempt connected transactions as set out in this report, none of the Directors and Supervisors or their connected entities (within the meaning under section 486 of the Company Ordinance) still had or has had any material interest, either directly or indirectly, in any material transactions, arrangements or contracts relating to the business of the Group, to which the Company or any of its subsidiaries was a party, and which was subsisting on the balance sheet date of the year or at any time during the year.

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

As at 31 December 2023, none of the Directors, Supervisors and chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements in the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix C3 to the Listing Rules.

RIGHTS OF DIRECTORS AND SUPERVISORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period did the Company or its subsidiaries enter into any arrangement to enable the Directors or Supervisors to acquire benefits through acquisition of the Shares or debentures of the Company or any other corporation, nor had any Directors, Supervisors or their spouses or children aged under 18 been granted any rights to acquire Shares or debentures of the Company or any other corporation or exercised any of such rights.

MANAGEMENT CONTRACT

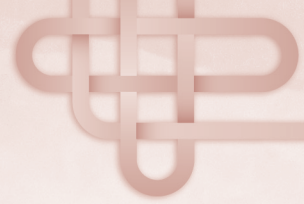
During the Reporting Period, the Company had not entered into nor was there any contract relating to the management and administration of the whole or any substantial part of the business of the Company.

CONTRACT OF SIGNIFICANCE

During the Reporting Period, save as disclosed in this report, neither the Company nor any of its subsidiaries had any contract of significance with its controlling shareholder (as defined in Appendix D2 to the Listing Rules) or its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws and the coverage of the director liability insurance the Company placed for the Directors, every Director shall be entitled to be indemnified against all costs, charges, losses, expenses and liabilities incurred by him or her in the execution and discharge of his or her duties or in relation thereto. Such provisions were in force during the course of the year ended 31 December 2023 and remained in force as at the date of this report.



Report of the Board of Directors (Continued) 董事會報告(續)

董事及監事於重要交易、安排或合約中的權益

除本報告所載之非獲豁免持續關連交易及非獲豁免關連交易所披露者外，本公司或其任何子公司概無訂立與本集團業務有關，而董事及監事或與彼等有關連的實體(具有《公司條例》第486條給予的涵義)仍然或曾經於其中直接或間接擁有重大權益，且於本年度結算日或於年內任何時間仍然有效之重大交易、安排或合約。

董事、監事及最高行政人員於股份、相關股份及債權證之權益及淡倉

於二零二三年十二月三十一日，董事、監事及本公司最高行政人員概無於本公司及其相聯法團(證券及期貨條例第XV部所界定者)之股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須予備存的登記冊所記錄，或根據上市規則附錄C3《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及香港聯交所的權益及淡倉。

董事及監事購買股份或債權證的權利

本公司或其附屬公司於報告期內的任何時間概無訂立任何安排，致使董事或監事可藉購買本公司或任何其他法人團體股份或債權證而獲益，且並無董事、監事或彼等之配偶或18歲以下的子女獲授予任何權利以認購本公司或任何其他法人團體的股份或債權證，或已行使任何該等權利。

管理合約

報告期內，本公司概無簽訂或存在任何與本公司全部或任何重大部分業務的管理及行政有關的合約。

重大合約

於報告期間，除本報告所披露者外，本公司或其任何附屬公司概無與其控股股東(定義見上市規則附錄D2)或其附屬公司訂立任何重大合約，亦無就控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務訂立任何重大合約。

獲準許的彌償條文

在適用法律的規限下及在本公司為董事投保的董事責任保險範圍內，本公司董事有權獲彌償其在執行及履行職責時引致或與此有關的所有成本、收費、損失、費用及債務。此等條文於截至二零二三年十二月三十一日止年度期間有效，並於本報告日期亦維持有效。



Report of the Board of Directors (Continued) 董事會報告(續)

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had a total of 4,101 employees (31 December 2022: 4,089 employees), of which 2,003 were employees of the Company (31 December 2022: 2,001 employees). Besides, the Company had a total of 186 dispatched staff (31 December 2022: 170). Remunerations of the employees of the Company are determined with reference to the prevailing market level as well as the performance, qualification and experience of individual employee. Discretionary bonuses based on individual performance will be paid to the employees as a recognition of and a reward for their contributions to the Company. Other employee welfares include contributions by the Company to the endowment insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance and housing fund.

EMOLUMENTS OF SENIOR MANAGEMENT

The emoluments before tax paid to the senior management of the Company whose names are listed in this report are set out by band as follows:

RMB0-500,000 人民幣 0-500,000 元
RMB500,001-1,000,000 人民幣 500,001-1,000,000 元
RMB1,000,001-1,500,000 人民幣 1,000,001-1,500,000 元
RMB1,500,001-2,000,000 人民幣 1,500,001-2,000,000 元

STAFF RETIREMENT SCHEME

Details of staff retirement scheme of the Group are set out in Note 32 to the Consolidated Financial Statements.

STAFF QUARTERS

For the year ended 31 December 2023:

1. the Company did not provide quarters to any of its staff (2022: nil);
2. the Company made annual contributions to the housing fund based on certain percentages of the salaries for employees in compliance with relevant regulations; and
3. the Company provided housing allowance to its staff at an average of RMB80 per person per month (2022: RMB80 per person per month) in compliance with relevant regulations.

Report of the Board of Directors (Continued) 董事會報告(續)

僱員及薪酬政策

於二零二三年十二月三十一日，本集團共有名4,101僱員(二零二二年十二月三十一日：4,089名僱員)，其中本公司有2,003名僱員(二零二二年十二月三十一日：2,001名僱員)，此外，本公司另有派遣員工186名(二零二二年十二月三十一日：170名)。本公司僱員之薪金參照市場水平及有關僱員之表現、資歷和經驗而釐定，亦會按年內個人表現發放酌情獎金，以獎勵僱員對本公司作出之貢獻，其他僱員福利包括養老保險、醫療保險、失業保險、工傷保險、生育保險及住房公積金。

高級管理人員薪酬

載列於本報告中的本公司高級管理人員稅前薪酬按等級劃分的情況如下：

	2023 Number of senior management 人數	2022 Number of senior management 人數
	2	-
	7	6
	3	2
	-	1

退休金計劃

本集團退休金計劃詳情載於合併財務報表附注32。

員工宿舍

本公司於截至二零二三年十二月三十一日止年度：

1. 並無向員工提供任何員工宿舍(二零二二年：無)；
2. 按規定每年為員工按工資的一定比例向住房公積金計劃供款；及
3. 按規定向員工提供住房補貼每人每月平均為人民幣80元(二零二二年：每人每月平均人民幣80元)。



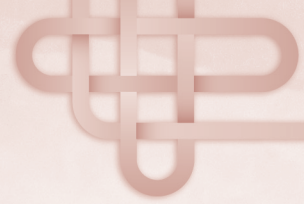
Report of the Board of Directors (Continued) 董事會報告(續)

INDEPENDENT AUDITOR

The financial statements were audited by PricewaterhouseCoopers. The Company did not change its independent auditor in any of the past three years.

By the Order of the Board
Tong Ren Tang Technologies Co. Ltd.
Di Shu Bing
Chairman

Beijing, the PRC
22 March 2024



Report of the Board of Directors (Continued) 董事會報告(續)

獨立核數師

財務報表是由羅兵咸永道會計師事務所審核。本公司於過去三年內任何一年均未更換獨立核數師。

承董事會命
北京同仁堂科技發展股份有限公司
邱淑兵
董事長

中國北京，
二零二四年三月二十二日



Report of the Supervisory Committee

監事會報告

To the Shareholders:

The supervisory committee of Tong Ren Tang Technologies Co. Ltd. (the “**Supervisory Committee**”) has executed its duties and powers earnestly, safeguarded the rights and interests of the shareholders as well as the interests of the Company, complied with the principle of good faith, took the initiative in carrying out its work in a reasonable, cautious and diligent manner pursuant to the provisions of the Company Law of the PRC, relevant laws and regulations of Hong Kong and the Articles of Association.

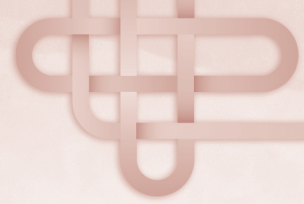
During the year, the Supervisory Committee reviewed cautiously the operation and development plans of the Company and put forward reasonable suggestions and opinions to the Board. It also strictly and effectively monitored and supervised the significant policies and specific decisions made by the management of the Company to ensure that they were in compliance with the laws and regulations of the PRC and the Articles of Association, and in the interests of the Company's shareholders.

The Supervisory Committee has reviewed earnestly and approved the report of the Board, audited financial statements and the dividend payment proposal to be presented by the Board at the forthcoming 2023 AGM. We are of the opinion that the Directors, general manager and other senior management of the Company have strictly complied with the principle of good faith, and have worked diligently, exercised their authority faithfully in the best interests of the Company, and executed various tasks pursuant to the Articles of Association so that the Company is operated within the regulatory framework, and the internal control regime is increasingly improving. The transactions between the Company and associated companies were executed on terms in the interests of the Shareholders as a whole and at fair and reasonable prices. Up till now, none of the Directors, general manager or senior management of the Company has been found to have abused their authority, damaged the interests of the Company or infringed upon the interests of the shareholders and employees of the Company, or to have been in breach of any laws or regulations or the Articles of Association.

The Supervisory Committee is satisfied with the various tasks carried out by the Company in 2023 and the economic benefits generated therefrom. It has full confidence in the future development outlook of the Company.

By Order of the Supervisory Committee
Tong Ren Tang Technologies Co. Ltd.
Su Li
Chairman

Beijing, the PRC
22 March 2024



Report of the Supervisory Committee (Continued) 監事會報告(續)

各位股東：

北京同仁堂科技發展股份有限公司監事會(「**監事會**」)遵照《中華人民共和國公司法》、香港有關法律、法規及公司章程的規定，認真履行職權，維護股東權益，維護本公司利益，遵守誠信原則，恪盡職守，合理謹慎、勤勉主動地開展工作。

在本年度內監事會對本公司的經營及發展計劃進行謹慎審核，並向董事會提出合理的建議和意見，對本公司管理層的重大決策及具體決定是否符合國家法律法規以及公司章程是否維護股東利益等，進行了嚴格有效的監督。

監事會認真審閱並同意董事會擬提呈予二零二三年度股東週年大會的董事會報告、經審核的財務報告以及股息派發方案，認為董事會成員、本公司總經理及其他高級管理人員，嚴格遵守誠信原則，工作克勤盡職，真誠地以公司最大利益為出發點行使職權，能夠按照公司章程開展各項工作，運作較為規範，內部控制制度日趨完善。本公司與關連企業交易嚴格按符合本公司股東整體利益之條款及公平合理之價格執行。至今未發現董事、總經理及高級管理人員濫用職權、損害本公司利益及侵犯股東和本公司員工權益之行為，亦未違反法例、規則或公司章程。

監事會對本公司二零二三年度各項工作和取得的經濟效益表示滿意，對公司未來的發展前景充滿信心。

承監事會命
北京同仁堂科技發展股份有限公司
蘇莉
監事長

中國北京，
二零二四年三月二十二日



Corporate Governance Report

企業管治報告

The Board believes that a good and steady framework of corporate governance is extremely important for the development of the Company. The Company has adopted the principles and standards contained in the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Listing Rules as the Company’s standards, and combined them with its own experience, aiming to establish a good corporate governance structure to enable the Shareholders to evaluate how the principles of corporate governance have been applied.

COMPLIANCE WITH THE CODE

For the year ended 31 December 2023, the Company had always strictly complied with all code provisions as set out in part 2 of the Code.

During the year of 2023, the Board reviewed the Company’s compliance with the Code and other related rules, formulated and revised the rules in respect of the corporate governance, and approved the Company’s annual corporate governance report and its publication on the websites of the Hong Kong Stock Exchange and the Company.

BOARD OF DIRECTORS

The Company’s business and operation are led and authorized to be managed by the Board. Several powers shall be entrusted by the Board to the management, so that the management can formulate and implement the Company’s scheme and operational planning, as well as conducting the Company’s daily operation. The Board tries its best to monitor the performance of the management, while it is the management’s responsibility to conduct the daily operation of the Company. The Board is provided with regular management update report to give a balanced and understandable assessment of the performance, position, recent development and prospect of the Group in sufficient details. The Directors have full access to information of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company expense.

The Board has established four special committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Planning Committee, to supervise the specific affairs of the Company. According to the requirements of the Listing Rules and other related laws, the Board and the special committees shall discharge their respective duties in accordance with the well-established written terms of reference.



Corporate Governance Report (Continued) 企業管治報告(續)

董事會認為，良好穩健之企業管治框架對於本公司之發展極其重要。本公司已採納上市規則附錄C1所載《企業管治守則》(「**企業管治守則**」)之原則及基準作為本公司的標準，同時結合本公司的經驗，旨在構建良好的企業管治架構，以讓股東評估企業管治原則之應用方式。

遵守企業管治守則

截至二零二三年十二月三十一日止年度，本公司一直嚴格遵守企業管治守則第二部分所載的所有守則條文。

於二零二三年度，董事會根據企業管治守則的規定檢討本公司遵守企業管治守則及其他相關規則的情況；制定及修訂了有關企業管治規定；批准本公司年度企業管治報告並同意在香港聯交所和本公司網站披露。

董事會

本公司之業務及事務由董事會領導及授權處理。若干權利需由董事會委託予管理層，讓管理層制訂及實行本公司之策劃及營運計劃，以及進行本公司日常業務。董事會就此盡力監察管理層之表現，但進行本公司日常業務之責任則交由管理層。董事會定期獲得管理層提供的更新報告，以對本集團的表現、狀況、近期發展及前景作出足夠詳細、平衡及易懂的評估。董事可充分查閱本集團的資料，並有權在適當情況下尋求獨立專業意見，費用由本公司承擔。

董事會已成立四個專門委員會，分別為審核委員會、薪酬委員會、提名委員會及戰略與規劃委員會，以監察本公司特定方面之事務。按照上市規則規定及其他有關法律規定，董事會及專門委員會須根據妥善訂立之書面職權範圍工作。

Corporate Governance Report (Continued) 企業管治報告(續)

The Board convenes meetings regularly and when significant decision has to be made. The Board convened sixteen meetings in 2023 to discuss and decide major operational matters, financial matters and other matters of the Company as stipulated under the Articles of Association. The attendance of Directors to the relevant meetings is set out as below:

Directors

董事

Executive Directors 執行董事

Gu Hai Ou (Chairman) ^(Note 2) 顧海鷗 (董事長) ^(注 2)

Chen Jia Fu ^(Note 3) 陳加富 ^(注 3)

Wang Yu Wei ^(Note 3) 王煜煒 ^(注 3)

Feng Zhi Mei 馮智梅

Non-executive Directors 非執行董事

Jin Tao 金濤

Wang Chun Rui ^(Note 4) 王春蕊 ^(注 4)

Feng Li 馮莉

Guo Ya Qing ^(Note 4) 郭雅卿 ^(注 4)

Independent non-executive Directors 獨立非執行董事

Ting Leung Huel, Stephen 丁良輝

Chan Ching Har, Eliza 陳清霞

Zhan Yuan Jing 詹原競

Note 1: Directors may attend the meetings of the Board in person or by proxy in accordance with the Articles of Association.

Note 2: Mr. Gu Hai Ou resigned as an executive Director and the Chairman of the Company, Mr. Di Shu Bing was appointed as an executive Director and the Chairman of the Company, both with effect from 22 January 2024.

Note 3: During the Reporting Period, Mr. Wang Yu Wei resigned as an executive Director of the Company, Mr. Chen Jia Fu was appointed as an executive Director of the Company, both with effect from 25 August 2023.

Note 4: During the Reporting Period, Ms. Guo Ya Qing resigned as a non-executive Director of the Company, Ms. Wang Chun Rui was appointed as a non-executive Director of the Company, both with effect from 16 February 2023.

Corporate Governance Report (Continued) 企業管治報告(續)

董事會定期及於需要作出重大決策時召開全體會議。董事會於二零二三年共舉行了十六次會議，討論和決定本公司的重大經營事項、財務事項及公司章程規定的其他事項。各董事參與有關會議的詳情列載如下：

The number of meetings attended/entitled to attend 會議出席次數／有權出席次數 ^(注1)							
Board meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee meeting 薪酬委員會會議	Nomination Committee meeting 提名委員會會議	Strategy and Planning Committee meeting 戰略與規劃委員會會議	General meeting 股東大會	Conference between the Chairman and independent non-executive Directors 董事長與獨立非執行董事會議	
16/16	-	-	3/3	2/2	3/3	1/1	
5/5	-	-	-	-	-	-	
11/11	-	-	-	2/2	3/3	-	
16/16	-	-	-	-	3/3	-	
16/16	-	-	-	-	3/3	-	
15/15	-	-	-	-	2/2	-	
16/16	-	-	-	-	3/3	-	
1/1	-	-	-	-	1/1	-	
16/16	3/3	2/2	-	2/2	3/3	1/1	
16/16	3/3	2/2	3/3	2/2	3/3	1/1	
16/16	3/3	2/2	3/3	2/2	3/3	1/1	

注1：每位董事均根據公司章程之規定親身或委託代表出席其任期內之會議。

注2：顧海鷗先生辭任本公司執行董事、董事長，邱淑兵先生獲委任為本公司執行董事、董事長，均自二零二四年一月二十二日起生效。

注3：於報告期內，王煜煒先生辭任本公司執行董事、陳加富先生獲委任為本公司執行董事，均自二零二三年八月二十五日起生效。

注4：於報告期內，郭雅卿女士辭任本公司非執行董事、王春蕊女士獲委任為本公司非執行董事，均自二零二三年二月十六日起生效。



Corporate Governance Report (Continued) 企業管治報告(續)

Composition of the Board of Directors

The Directors (including non-executive Directors) are elected at the general meetings for a term of three years, and can be re-elected when the term expires. The Eighth Session of the Board was first elected at the 2020 AGM with the term of office ending upon the conclusion date of the AGM to be convened in 2024. As of the end of the Reporting Period and the date of this report, the members of the Eighth Session of the Board are as follows:

EXECUTIVE DIRECTORS

Gu Hai Ou (*Chairman*) (*Resigned on 22 January 2024*)

Di Shu Bing (*Chairman*) (*Appointed on 22 January 2024*)

Wang Yu Wei (*Resigned on 25 August 2023*)

Chen Jia Fu (*Appointed on 25 August 2023*)

Feng Zhi Mei

NON-EXECUTIVE DIRECTORS

Jin Tao

Guo Ya Qing (*Resigned on 16 February 2023*)

Wang Chun Rui (*Appointed on 16 February 2023*)

Feng Li

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ting Leung Huel, Stephen

Chan Ching Har, Eliza

Zhan Yuan Jing

Ms. Wang Chun Rui has obtained legal advice referred to rule 3.09D of the Listing Rules on 21 February 2023 and has confirmed she understood her obligations as a Director. Mr. Chen Jia Fu has obtained legal advice referred to rule 3.09D of the Listing Rules on 25 August 2023 and has confirmed he understood his obligations as a Director. Mr. Di Shu Bing has obtained legal advice referred to rule 3.09D of the Listing Rules on 15 January 2024 and has confirmed he understood his obligations as a Director. The Board has formulated the Board Diversity Policy. All appointments of the members of the Board are made on merit, in the context of the talents, skills and experience required for the Board to function as a whole. Every member with his/her own strengths is able to coordinate with each other and help strengthen the effectiveness of the Board.

Details about the resume of the Directors are set out on pages 124 to 129 of this report.

The independent non-executive Directors are independent from the management with solid experience in business or finance. They make recommendations to the Board and management on the strategic development of the Company, and provide balancing mechanism to protect the interests of shareholders and the Company as a whole.

Mr. Ting Leung Huel, Stephen, one of the independent non-executive Directors has been serving for more than nine years. In a circular despatched to the shareholders on 30 April 2021 regarding the re-election of the independent non-executive Director, the Company has confirmed the independence of Mr. Ting Leung Huel, Stephen and set out the reason for his re-election pursuant to the provision of the Listing Rules. He was re-elected as the independent non-executive Director at the 2020 AGM by a separate resolution. Please refer to the circular of the Company dated 30 April 2021 and the announcement of the Company dated 8 June 2021 for details.

董事會組成

董事(包括非執行董事)由股東大會選舉產生，任期三年，董事任期屆滿，可以連選連任。第八屆董事會首次由股東於二零二零年度股東週年大會上選舉產生，任期至二零二四年召開的股東週年大會之日止。截至報告期末及本報告日期，第八屆董事會成員如下：

執行董事

顧海鷗(董事長)(於二零二四年一月二十二日退任)
邱淑兵(董事長)(於二零二四年一月二十二日獲委任)
王煜煒(於二零二三年八月二十五日退任)
陳加富(於二零二三年八月二十五日獲委任)
馮智梅

非執行董事

金 濤
郭雅卿(於二零二三年二月十六日退任)
王春蕊(於二零二三年二月十六日獲委任)
馮 莉

獨立非執行董事

丁良輝
陳清霞
詹原競

王春蕊女士於二零二三年二月二十一日取得上市規則第3.09D條所述法律意見，並確認其明白作為董事的責任。陳加富先生於二零二三年八月二十五日取得上市規則第3.09D條所述法律意見，並確認其明白作為董事的責任。邱淑兵先生於二零二四年一月十五日取得上市規則第3.09D條所述法律意見，並確認其明白作為董事的責任。董事會訂有《董事會成員多元化政策》，董事會成員的所有任命均按董事會整體運作所需要的才能、技能及經驗水平而作出，他們各有所長並配合得宜，令董事會發揮成效。

董事的履歷詳情請參見本報告第124頁至第129頁。

獨立非執行董事均獨立於管理層，擁有豐富的業務或財務經驗，為本公司之策略發展向董事會及管理層提供意見，以及提供制衡措施以保障股東及本公司整體利益。

本公司一名獨立非執行董事丁良輝先生任職超過九年，根據上市規則的規定，本公司已於二零二一年四月三十日致股東的通函中就丁良輝先生的重選列明其仍屬獨立人士及應獲重選連任之原因。於二零二零年度股東週年大會上，該人士已經以獨立決議案獲批准續聘為獨立非執行董事。詳情請見本公司日期為二零二一年四月三十日之通函及二零二一年六月八日之公告。



Corporate Governance Report (Continued) 企業管治報告(續)

According to the requirements of the Listing Rules, the Company has received a written confirmation of independence from each of the independent non-executive Directors for the year of 2023. The Company considers that all independent non-executive Directors are independent from the Company.

During the Reporting Period, the Board had complied with the minimum requirements of the Listing Rules in relation to the appointment of at least three independent non-executive Directors and the number of independent non-executive Directors being at least one-third of the members of the Board of Directors, as well as the requirement of having one independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise.

As is known to the Company, the Directors, Supervisors and senior management of the Company do not have any relationship among themselves in financial, business, family or other material aspects other than working relationship in the Company.

Board Diversity

The Company recognises and embraces the benefits of having a diverse Board, and sees diversity at the Board level as an essential element in maintaining a competitive advantage. Since 2013, the Company adopted and has been complying with the Board Diversity Policy. As at 31 December 2023 and as at the date of this report, the Board consists of five male members and four female members. The Nomination Committee considered that the Board was sufficiently diverse. The Board has reviewed the appropriateness of an express diversity quota or measurable objective in achieving board diversity, and noted that currently the Board has members of both genders. In light of the above, the Board has concluded that selection of Board members should continue to be based on the current Board Diversity Policy instead of setting an express quota or objective.

A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, gender and other qualities of the members of the Board. In determining the optimum and balanced composition of the Board, the Company will consider the above factors. All appointments are made on merit, in the content of the talents, skills and experience the Board as a whole requires to be effective. We will promote gender diversity in middle and senior employees' recruitment and provide them with more appropriate on-the-job training, so as to develop potential successors to the Board with stronger overall skills and promote diversity on the Board.

The Nomination Committee of the Company reviews and assesses the composition of the Board and makes recommendations to the Board on appointment of new Directors. In reviewing and assessing the composition of the Board, the Nomination Committee will consider the benefits of all aspects of diversity (including but not limited to the aforementioned) in order to maintain an appropriate range and balance of talents, skills, experience and background on the Board.

The Group pursues a fair, just and non-discriminatory employment policy. During the recruitment process, there is no discrimination against any candidate due to gender, region, ethnicity, religion, age, marital status or other factors. The Group will gradually increase the proportion of female employees when selecting relevant candidates, with the ultimate goal of achieving a balance of gender ratio. We respect and protect the legal rights and interests of all employees. As at 31 December 2023, the male and female ratio of the Group's employees (including senior management) was approximately 0.9:1.



Corporate Governance Report (Continued) 企業管治報告(續)

根據上市規則規定，本公司已獲得該等獨立非執行董事各自以書面確認其於二零二三年度相對於本公司的獨立性。本公司認為所有獨立非執行董事均獨立於本公司。

報告期內，董事會在任何時間均符合上市規則有關委任最少三名獨立非執行董事的最低規定，而且獨立非執行董事人數至少佔董事會人數的三分之一，同時其中一名獨立非執行董事具備適當專業資格或會計或相關財務管理專長。

就本公司所知，董事、監事及本公司的高級管理人員之間除在本公司的工作關係外，在財務、業務、家屬或其他重大方面無任何關係。

董事會成員多元化

本公司瞭解及認同具有多元化董事會成員的裨益，並視在董事會層面的多元化為維持競爭優勢的重要元素。二零一三年起，本公司採納並一直遵從《董事會成員多元化政策》。截至二零二三年十二月三十一日和本報告日期，董事會由五名男性成員和四名女性成員組成。提名委員會認為董事會在性別方面足夠多元化。董事會已就為實施董事會多元化設定明確的多元化名額或可計量目標是否合適作出檢討，並注意到董事會已經有兩個不同性別的成員。據此，董事會認為無需訂立明確的多元化名額或具體目標，並在遴選董事會成員方面應繼續依照目前的《董事會成員多元化政策》。

一個真正多元化的董事會將包括具備不同才能、技能、地區及行業經驗、背景、性別及其他特質的董事會成員，並可加以利用。本公司在設定董事會成員組合時，會從以上多個方面考慮董事會成員多元化，以達致最適合組成和平衡。董事會成員的釐定乃按董事會整體運作所需要的才能、技能及經驗水平而作出。我們亦將於中高級員工招聘中促進性別多元化，並為他們提供更合適的在職培訓，從而為董事會培養綜合能力更強的潛在繼任者，以及促進董事會成員性別多元化。

本公司提名委員會審閱及評估董事會組成，並就委任本公司新董事向董事會作出推薦建議。在審閱及評估董事會組成時，提名委員會將考慮於各方面多元化的裨益(包括但不限於上文所述者)，以維持適當範圍及平衡董事會成員的才能、技能、經驗及背景。

本集團奉行公平、公正、無歧視的用工政策，招聘過程中不會因應聘者的性別、地域、民族、宗教、年齡、婚姻狀況等因素產生任何歧視，並在選聘相關人選時逐步提高女性員工的比例，以達至男女性別比例之平衡為最終目標，尊重並保障所有員工的合法權益。截至二零二三年十二月三十一日，本集團員工(包括高級管理人員)男女性別比例約為0.9:1。



Corporate Governance Report (Continued) 企業管治報告(續)

Board Independence Mechanism

The Company recognises that Board independence is pivotal in good corporate governance and Board effectiveness. The Board has established Mechanisms of Ensuring the Board Obtains Independent Views to ensure independent views and input from any Director are conveyed to the Board for enhancing an objective and effective decision making.

The governance framework and the following mechanisms are reviewed annually by the Board, to ensure their effectiveness:

1. Three out of nine Directors are independent non-executive Directors, which meets the requirements of the Listing Rules that the Board must have at least three independent non-executive directors and must appoint independent non-executive directors representing at least one-third of the Board.
2. The Nomination Committee will assess the independence of a candidate who is nominated to be a new independent non-executive Director and the contribution to the diversity of the Board according to the board diversity policy adopted by the Company from time to time before appointment and also the continued independence of existing independent non-executive Directors and their time commitments annually. On an annual basis, all independent non-executive Directors are required to confirm in writing their compliance of independence requirements pursuant to rule 3.13 of the Listing Rules, and to disclose the number and nature of offices held by them in public companies or organisations and other significant commitments.
3. External independent professional advice is available as and when required by individual Directors.
4. All Directors are encouraged to express freely their independent views and constructive challenges during the Board and/or Board Committee meetings.
5. No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors.
6. A Director (including independent non-executive Director) who has a material interest in a contract, arrangement or other proposal shall not vote or be counted in the quorum on any Board resolution approving the same.
7. The Chairman of the Board meets with independent non-executive Directors annually without the presence of the executive Directors and non-executive Directors.

The Board reviewed the mechanism during the Reporting Period, and considered that it had been effectively implemented.

董事會獨立性機制

本公司認為董事會的獨立性對良好的企業管治及董事會的有效性至關重要。董事會已設立《確保董事會取得獨立觀點的機制》以確保任何董事的獨立意見及建議均傳達至董事會，以提升決策之客觀性及有效性。

董事會每年檢討管治架構及以下機制，以確保其有效性：

1. 九名董事中有三名為獨立非執行董事，符合上市規則就董事會必須包括至少三名獨立非執行董事，且其所委任的獨立非執行董事必須佔董事會成員人數至少三分之一的規定。
2. 提名委員會於委任前將不時根據本公司採納的董事會多元化政策評估獲提名為新獨立非執行董事候選人的獨立性，及其對董事會多元化方面的貢獻，以及將每年評估現任獨立非執行董事的持續獨立性及彼等的時間投入。全體獨立非執行董事每年須根據上市規則第3.13條以書面確認彼等是否符合獨立性的規定，並披露彼等於公眾公司或組織所擔任職位的數目及性質以及其他重大承擔。
3. 倘個別董事需要，可尋求外部獨立專業意見。
4. 鼓勵全體董事於董事會及／或董事委員會會議上自由發表彼等獨立意見及提出建設性的質疑。
5. 獨立非執行董事將不會獲授予與表現績效相關的股權報酬。
6. 於合約、安排或其他建議中擁有重大權益的董事(包括獨立非執行董事)不得就批准有關事項的任何董事會決議案投票或計入法定人數。
7. 董事長每年在執行董事及非執行董事避席的情況下與獨立非執行董事舉行會議。

董事會於報告期內對該機制進行了審查，並認為其得到了有效實施。



Corporate Governance Report (Continued) 企業管治報告(續)

Responsibilities of the Board and the Management

According to the requirements of the Articles of Association, the Board is responsible to the general meeting and exercises the following powers:

- to convene general meetings and report its work to the general meeting;
- to implement the resolutions of general meetings;
- to determine the Company's business plans and investment plans;
- to formulate the Company's plans on annual financial budgets and final accounts;
- to formulate the Company's profit distribution plans and plans on making up losses;
- to formulate the plans for increase or decrease of the registered capital of the Company and issue of corporate bonds;
- to formulate plans for merger, division and dissolution of the Company;
- to determine the establishment of the Company's internal management structure;
- to appoint or remove the manager of the Company and to appoint or remove the deputy manager and chief financial officer and chief quality officer of the Company based on the nomination by the manager and to determine their remunerations;
- to formulate the basic management system of the Company;
- to formulate proposals for amendment to the Articles of Association; and
- to determine the establishment of specific committees and to appoint and remove the relevant persons in charge.



Corporate Governance Report (Continued) 企業管治報告(續)

董事會與管理層職責

根據公司章程的規定，董事會對股東大會負責，具有下列職權：

- 負責召集股東大會，並向股東大會報告工作；
- 執行股東大會的決議；
- 決定本公司的經營計劃和投資方案；
- 制定本公司的年度財務預算方案、決算方案；
- 制定本公司的利潤分配和彌補虧損方案；
- 決定本公司增加或者減少註冊資本的方案以及發行公司債的方案；
- 擬定本公司合併、分立、解散的方案；
- 決定本公司內部管理機構的設置；
- 聘任或者解聘本公司經理，根據經理的提名，聘任或者解聘本公司副經理、財務負責人、質量負責人，決定其報酬事項；
- 制定本公司的基本管理制度；
- 制訂公司章程修改方案；及
- 決定專門委員會的設置和任免其有關負責人。



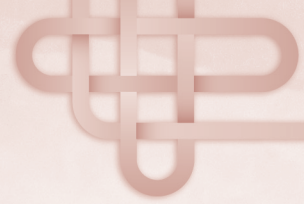
Corporate Governance Report (Continued) 企業管治報告(續)

Pursuant to the provisions of the Code, the Board exercises the following powers in respect of corporate governance:

- to formulate and review the principles and policies of the Company's corporate governance;
- to review and monitor the implementation of corporate governance policies by the Company as a whole and to ensure compliance with statutory and regulatory requirements;
- to review the Company's compliance with the Code and other rules applicable;
- to approve the Company's annual corporate governance report and its publication on the websites of the Hong Kong Stock Exchange and the Company;
- to formulate, review and monitor the shareholder communication policy to ensure its effectiveness;
- to review and monitor the training and continuous professional development of the Directors and senior management;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- to handle other corporate governance issues that the Board shall be responsible for.

According to the requirements of the Articles of Association, the management is the executives of the Company, shall be accountable to the Board and exercises the following powers:

- to lead the Company's production, operation and management, and to organize the implementation of the Board's resolutions;
- to organize the implementation of the Company's annual business plans and investment plans;
- to draft plans for the establishment of the Company's internal management structure;
- to draft the Company's basic management system;
- to formulate the basic rules and regulations of the Company;
- to propose the appointment or dismissal of the Company's deputy manager(s) and chief financial officer and chief quality officer;
- to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board; and
- to exercise other powers conferred under the Articles of Association and by the Board.



Corporate Governance Report (Continued) 企業管治報告(續)

根據企業管治守則的規定，董事會在企業管治方面具有下列職權：

- 制定和檢討本公司的企業管治原則和政策；
- 檢討和監察本公司整體的企業管治政策落實水平，確保遵守法規和監管要求；
- 檢討本公司遵守企業管治守則及其他相關規則的情況；
- 批准本公司年度企業管治報告，並准予在香港聯交所網站和本公司網站披露；
- 制定、檢討和監察股東通訊政策，確保政策有效；
- 檢討和監察董事和高級管理人員的培訓和持續專業發展；
- 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
- 董事會應負責的其他企業管治事宜。

根據公司章程的規定，管理層是本公司的執行層，對董事會負責，具有下列職責：

- 主持本公司的生產經營管理工作，組織實施董事會決議；
- 組織實施本公司年度經營計劃和投資方案；
- 擬訂本公司內部管理機構設置方案；
- 擬訂本公司的基本管理制度；
- 制定本公司的基本規章；
- 提請聘任或者解聘公司副經理、財務負責人、質量負責人；
- 聘任或者解聘除應由董事會聘任或者解聘以外的負責管理人員；及
- 公司章程和董事會授予的其他職權。

Corporate Governance Report (Continued) 企業管治報告(續)

Chairman of the Board and General Manager

As of the end of the Reporting Period, Mr. Gu Hai Ou is the Chairman of the Board and Mr. Chen Jia Fu is the general manager of the Company. The Chairman of the Board and the general manager of the Company are two clearly defined positions. The Chairman of the Board is responsible for the operation of the Board while the general manager is in charge of day-to-day operational management. The Board formulated and approved the Terms of Reference of Chairman and General Manager, which sets out their respective duties and powers in written form.

Continuous Professional Development of Directors

The Directors should participate in continuous professional development to develop and update their knowledge and skills in order to ensure that they continue making contributions to the Board in an informed and appropriate manner. The Company is responsible for arranging appropriate training and providing relevant funding with appropriate emphasis on the roles, functions and duties of a director of the Company. During the Reporting Period, all Directors were arranged to learn about the ongoing obligations of the Directors, laws and regulations, anti-corruption and other requirements, and gained a deeper understanding of supervision and standardized operations of listed companies. The Company also published appointment rules and memorandum of duties to all new Directors so as to ensure continuous compliance in their performance of duties. In addition, the Directors also participated in relevant training or studied reading materials according to their actual needs for performance of duties. These materials included information in respect of Communist Party construction, safe production and risk prevention, etc., which effectively facilitated the improvement of duty performance.

Directors' Training

董事培訓情況

Directors

董事

Executive Directors 執行董事

Gu Hai Ou ^(Note 1) (Chairman) 顧海鷗^(注1) (董事長)

Wang Yu Wei ^(Note 2) 王煜煒^(注2)

Chen Jia Fu ^(Note 2) 陳加富^(注2)

Feng Zhi Mei 馮智梅

Non-executive Directors 非執行董事

Jin Tao 金濤

Guo Ya Qing ^(Note 3) 郭雅卿^(注3)

Wang Chun Rui ^(Note 3) 王春蕊^(注3)

Feng Li 馮莉

Independent non-executive Directors 獨立非執行董事

Ting Leung Huel, Stephen 丁良輝

Chan Ching Har, Eliza 陳清霞

Zhan Yuan Jing 詹原競

Corporate Governance Report (Continued) 企業管治報告(續)

董事長及總經理

截至報告期末，董事長及總經理分別由顧海鷗先生及陳加富先生擔任，為兩個明確劃分的不同職位。董事長負責董事會的運作，而總經理負責本公司的日常業務管理。董事會制定並批准了《董事長與總經理各自職權範圍》，以書面列明各自職權。

董事持續專業發展

董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面信息及切合所需的情況下對董事會作出貢獻。本公司負責安排合適的培訓並提供相關經費，以及適切著重本公司董事的角色、職能及責任。報告期內，所有董事均獲安排學習了有關董事持續責任、法律法規監管、反腐敗等方面的規定，加深了對上市公司監管及規範運作的瞭解和掌握；本公司向新任董事發放了就任須知及責任備忘錄，以便於履職中持續合規。此外，董事根據自身實際履職需要，還各自參加了相關培訓或閱讀資料，學習了有關黨建、安全生產與風險防範等方面的資料，有效促進了履職水平的提高。

Ongoing responsibilities of directors 董事持續責任	Anti-corruption 反腐敗	Legal/regulatory requirements 法律／監管規定	Other 其他
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓



Corporate Governance Report (Continued) 企業管治報告(續)

Note 1: Mr. Gu Hai Ou resigned as an executive Director and the Chairman of the Company, Mr. Di Shu Bing was appointed as an executive Director and the Chairman of the Company, both with effect from 22 January 2024.

Note 2: During the Reporting Period, Mr. Wang Yu Wei resigned as an executive Director of the Company, Mr. Chen Jia Fu was appointed as an executive Director of the Company, both with effect from 25 August 2023.

Note 3: During the Reporting Period, Ms. Guo Ya Qing resigned as a non-executive Director of the Company, Ms. Wang Chun Rui was appointed as a non-executive Director of the Company, both with effect from 16 February 2023.

FINANCIAL REPORTING

The management provides members of the Board with updated information on a monthly basis, setting out relevant accounts data and financial position of the Company. This is to ensure Directors have sufficient information and knowledge about the Company's affairs to effectively fulfill their responsibilities and obligations.

The Directors acknowledged their responsibility for preparation of financial statements which shall give a true and fair view of the Company's financial situation, business performance and cash flows for the year. In preparing the financial statements for the year, the Directors have:

1. approved the adoption of the International Financial Reporting Standards;
2. selected and applied appropriate accounting policies;
3. made reasonable judgments and estimates; and
4. prepared the financial statements on a going concern basis.

The Board recognises the importance of good corporate governance, transparency and its accountability to shareholders, and it has presented a balanced, clear and understandable assessment in the annual and interim reports and other financial disclosures of the Company as required under the Listing Rules, and reports submitted to regulators as well as information required to be disclosed pursuant to statutory requirements.



Corporate Governance Report (Continued) 企業管治報告(續)

注1：顧海鷗先生辭任本公司執行董事、董事長，邱淑兵先生獲委任為本公司執行董事、董事長，均自二零二四年一月二十二日起生效。

注2：於報告期內，王煜煒先生辭任本公司執行董事、陳加富先生獲委任為本公司執行董事，均自二零二三年八月二十五日起生效。

注3：於報告期內，郭雅卿女士辭任本公司非執行董事、王春蕊女士獲委任為本公司非執行董事，均自二零二三年二月十六日起生效。

財務匯報

管理層每月向董事會成員提供更新資料，載列有關本公司的賬目資料、財務狀況等，確保董事對本公司事務掌握足夠的資料和知識，以有效履行其職責和義務。

董事確認彼等編製財務報表之責任，財務報表須真實及公平地反映本公司於本年度之財務狀況、經營業績及現金流量。編製本年度之財務報表時，董事已：

1. 批准採納國際財務報告準則；
2. 選定及貫徹應用適當之會計政策；
3. 作出合理之判斷及估計；及
4. 按持續基準編製財務報表。

董事會知悉良好企業管治、透明及向股東負責之重要性，董事會已就本公司年度及中期報告及根據上市規則規定須予披露的其他財務資料、向監管者提交之報告以及根據法律規定須予披露之資料作出平衡、清晰及可理解的評審。



Corporate Governance Report (Continued) 企業管治報告(續)

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks the Group is able to take in achieving its strategic goals, so as to ensure that the Group establishes and maintains reasonable and effective risk management and internal control systems, and oversees management in the design, implementation and monitoring of the risk management and internal control systems, and is also responsible for reviewing the effectiveness of the systems. The Board has reviewed and recognised the effectiveness of such systems for the Reporting Period. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Meanwhile, the terms of reference of the Audit Committee cover its duties in respect of risk management, including supervision of relevant risk management system to ensure that the system conforms to the strategies and risk tolerance of the Group.

The Group has established its risk management and internal control system and issued relevant reports with reference to regulations and requirements including the Code of Corporate Governance, Corporate Risk Management Framework, Basic Rules for Enterprise Internal Control, the Guidelines for Corporate Internal Control Assessment, and the Supplementary Guidelines for Corporate Internal Control.

The Group has internal audit functions. A dedicated internal audit department independently reviews the operation of the Group on a regular basis, evaluates the effectiveness of internal monitoring system and risk management, and suggests solutions accordingly (if necessary). Meanwhile, legal department organizes comprehensive risk identification within the scope of the Group and summarise countermeasures, updates the Group's risk list on a semiannual basis, and propose suggestions accordingly to cope with the identified risks. Each of the legal department and the internal audit department explains the critical findings, internal audit process, results, risk identification and solutions to the Audit Committee with an independent report.

The Group adopts a three-level risk management and monitoring model, in order to identify, assess and manage material risks with the following procedures including risk management strategy formulation and implementation, risk monitoring, risk identification, risk assessment, risk treatment and response and risk report. In case of material risk or serious internal monitoring omission, relevant units shall immediately report to the legal department, internal audit department and members of corporate management, who shall promptly hold a meeting to discuss treatment methods and finally approve the solutions for material risk or serious internal monitoring omission.

The Group has formulated a series of risk management and internal monitoring systems and relevant supporting operation guidelines. For instance, the Company has promulgated the Comprehensive Risk Management Provision, which institutionalized the operation of risk management system, and regulated and standardized the risk management. The Internal Audit System has been also in place to standardize internal audit work, improve internal control monitoring system, strengthen the mechanism for preventing risks in economic operations and foster the healthy and sustainable development of the Group. The Company enacted the Information Disclosure Management System to regulate the disclosure procedure of inside information and other types of information. With the aforesaid monitoring systems and guidelines, the Group has established a standard and effective risk management and internal monitoring systems so as to safeguard the assets of the Group and interests of shareholders.

風險管理及內部監控

董事會負責評估及釐定本集團達成策略目標時所能夠接受的風險性質及程度，確保本集團設立及維持合理及有效的風險管理及內部監控系統，監督管理層對風險管理及內部監控系統的設計、實施及監察，並有責任檢討該等制度的有效性。董事會已審閱並確認報告期內該等系統的有效性。該等系統旨在管理(而非消除)未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。同時，審核委員會之職權範圍已涵蓋於風險管理方面的職責，包括監察相關風險管理系統確保該系統符合本集團的戰略及風險承受能力。

本集團參照《企業管治常規守則》、《企業風險管理框架》、《企業內部控制基本規範》、《企業內部控制評價指引》、《企業內部控制配套指引》等規定和要求，以搭建風險管理及內部監控系統及出具相關報告。

本集團具有內部審核功能，由專門的內部審計部門定期獨立檢討本集團之運營，評價本集團整體內部監控系統及風險管理有效性，提出相應的處理方案(如需要)；同時，法務部門在本集團範圍內組織展開全面的風險識別以及應對措施的梳理，每半年更新本集團的風險清單，並提出相關建議，以應對所識別之風險。法務部門和內部審計部門分別以獨立報告形式向審核委員會闡釋任何關鍵發現、內部審核過程及結果以及風險識別及應對。

本集團設立風險管理三道防線及監控模式，通過以下程序用以辨認、評估及管理重大風險，包括：風險管理策略制定與實施、風險監測、風險識別、風險評估、風險處理與應對、風險報告。當發現有重大風險及嚴重的內部監控缺失時，各相關單位將立即向法務部門、內部審計部門及本公司管理層匯報，管理層及時組織召集會議研討解決辦法，最終批准重大風險及嚴重的內部監控缺失的解決方案。

本集團訂有一系列風險管理及內部監控制度及相關配套操作指引，例如，本公司已制定《全面風險管理規定》，從制度層面規範了風險管理體系的運行，使風險管理工作規範化、常態化；《內部審計管理規定》，以規範內部審計工作，完善內部控制監督系統，強化經濟運行風險防範機制，促進本集團健康、可持續發展；《信息披露管理規定》，以規範發布包括內幕消息在內之各類信息之程序。借助上述監控制度及指引，本集團得以建立規範、有效的風險管理及內部監控體系，保障本集團資產及股東利益。



Corporate Governance Report (Continued) 企業管治報告(續)

MAJOR RISKS AND RESPONSE MEASURES

In 2023, the material risks listed by the Group included policy risk and operational risk. For the identified material risks, the Group has taken proactive measures to cope with various risks.

For the contingent risks from the emergencies in relation to “Tong Ren Tang” brand, the Group established a good brand protection emergency mechanism, in which the legal department will cooperate with all relevant departments in monitoring and collecting information about the emergencies in relation to the “Tong Ren Tang” brand and set up countermeasures in a timely manner to effectively maintain the brand image.

For the increase in investment cost arising from safe production management and uncertainty risks due to potential safety hazards and safety accidents, the Group formulated special rectification action plans for production safety, timely transformed areas with potential safety hazards, and given priority to completing the transformation of densely populated places as well as major electricity and heat generation equipment and facilities, so as to avoid casualties or property losses caused by major production safety accidents.

For the risks such as reduction in harvest of production materials, decline in quality of raw materials and market price fluctuations brought about by significant climate change or extreme disastrous weather, the Group has strengthened identification, assessment and supervision of impacts and risks of significant climate change on different businesses. Meanwhile, the Group pays close attention to the changes in market conditions and related industrial policies, and has built closer connection between procurement and production and sales, and maintained a reasonable inventory structure and appropriate strategic reserves to ensure maximum supply of required materials and avoid the risk of continual price increases brought by an imbalance between supply and demand.

The Board has reviewed the risk management and internal control system for the period from 1 January 2023 to 31 December 2023 at the Board meeting held on 22 March 2024. The special internal audit department and Audit Committee have reviewed the effectiveness of internal control systems of the Company and its subsidiaries covering financial, operational, compliance and risk management procedures.

In addition, the review of the Directors also took into account the adequacy of resources, staff qualification and experience, and training programs and the relevant budgets of the Group’s accounting and financial reporting function. The Board is satisfied that the risk management and internal control system of the Group are working effectively, and adequately on an ongoing basis for the year ended 31 December 2023. The Group will continue to improve the internal control system and strengthen the risk management function when necessary, so as to continuously optimize the risk management and internal control system.

主要風險及應對措施

二零二三年，本集團所列示的主要風險包括政策風險及經營風險。針對已識別出的主要風險，本集團已採取積極措施以應對各類風險。

針對有關「同仁堂」品牌的突發事件而給本集團帶來之不確定風險，本集團制定有品牌保護應急機制，由法務部門聯合各相關單位，及時監控、收集有關「同仁堂」品牌的突發事件，並制定應對措施，切實維護品牌形象。

針對安全生產管理投資成本增加及可能存在的安全隱患、安全事故而帶來的不確定性風險，本集團制定安全生產專項整治行動計劃，及時對存有安全隱患的區域進行改造，優先完成人員密集場所及主要用電、產熱設備設施的改造，避免發生重大安全生產事故造成人員傷亡或財產損失。

針對重大氣候變化或出現極端災害天氣可能出現的生產物料採收量減少、原材料質量下降、市場價格波動等風險，本集團加強重大氣候變化對各項業務產生的影響及風險識別、評估及監管，同時，及時關注市場行情及相關產業政策變化，強化採購與生產、銷售之間的緊密銜接，保持合理庫存結構和適當的戰略性儲備，最大限度保障所需物料的供應，及避免其價格因供需矛盾失衡而持續上升的風險。

董事會於二零二四年三月二十二日舉行的董事會會議上檢討了涵蓋二零二三年一月一日至二零二三年十二月三十一日止期間之風險管理及內部監控系統事宜，透過專門的內部審計部門和審核委員會檢討本公司及其子公司內部監控制度之效能，包括財務、營運、合規以及風險管理程序。

此外，董事之審閱亦會考慮本集團會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及培訓課程及有關預算是否充足。董事會確信，於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是有效、足夠而且持續進行。本集團將持續於必要時改善其內部監控制度及強化風險管理功能，以不斷完善風險管理及內部監控系統。



Corporate Governance Report (Continued) 企業管治報告(續)

AUDIT COMMITTEE

The Company has set up an Audit Committee with specific written terms of reference and duties pursuant to the relevant requirements of the Listing Rules and “A Guide For The Formation of An Audit Committee” compiled by the Hong Kong Institute of Certified Public Accountants. Its primary duties are to review and monitor the completeness and effectiveness of the Company’s financial information, risk management and internal control system, and review the Company’s annual and interim results and other related documents. Terms of reference of the Audit Committee are available on the websites of the Hong Kong Stock Exchange and the Company.

The Audit Committee comprises the independent non-executive Directors, Mr. Ting Leung Huel, Stephen, Ms. Chan Ching Har, Eliza and Mr. Zhan Yuan Jing, of which Mr. Ting Leung Huel, Stephen, the Chairman of the committee, possesses appropriate professional qualification and financial experience, which is fully complied with the requirements under rule 3.21 of the Listing Rules.

During the year of 2023, the Audit Committee convened three meetings. The first meeting was held on 16 February 2023, to review and discuss the Non-Assurance Services Concurrence Policy of the Company. The second meeting was held on 16 March 2023 to review and discuss the operating results, financial position and major accounting policies contained in the audited financial statements of the Group for the year ended 31 December 2022 as well as matters in relation to risk management, legal compliance and internal audit, and to listen to the result of audit reported by the auditor. The Audit Committee concluded the meeting with agreement to the contents of the 2022 annual report. The third meeting was held on 16 August 2023 to review and discuss the operating results, financial position and major accounting policies contained in the unaudited financial statements of the Group for the six months ended 30 June 2023 as well as matters in relation to risk management, legal compliance and internal audit. The Audit Committee concluded the meeting with agreement to the contents of the 2023 interim report.

In addition, the Audit Committee reviewed the effectiveness of the Company’s financial control, internal control and risk management; made recommendation to the Board on matters relating to the reappointment of the auditor; and held separate meetings with the auditor to discuss matters relating to its audit fees and other issues arising from the audit.

At the meeting held on 14 March 2024, the Audit Committee reviewed and discussed the operating results, financial position and major accounting policies contained in the draft financial statements of the Group for the year ended 31 December 2023, as well as matters in relation to risk management, legal compliance and internal audit, and reviewed the effectiveness of risk management and internal control systems as well as internal audit, and to listened to the preliminary audit results reported by the auditor. The Audit Committee reviewed and concurred in the contents of the 2023 preliminary annual result and annual report.



Corporate Governance Report (Continued) 企業管治報告(續)

審核委員會

本公司已根據上市規則有關規定及香港會計師公會編撰之「成立審核委員會指引」成立審核委員會，並書面列示其職權及職責。其主要職責為審閱並監察本公司之財務資料、風險管理及內部監控系統之完整性與有效性；審閱本公司之年度及中期業績等文件。審核委員會之職權範圍載列於香港聯交所及本公司之網站。

審核委員會現由獨立非執行董事丁良輝先生、陳清霞女士及詹原競先生組成，其中委員會主席丁良輝先生具備合適的專業資格和財務經驗，符合上市規則第3.21條的要求。

於二零二三年內，審核委員會已舉行了三次會議。於二零二三年二月十六日舉行的第一次會議上，審核委員會審閱及討論本公司非鑒證服務預先許可政策。於二零二三年三月十六日舉行的第二次會議上，審核委員會審閱及討論本集團截至二零二二年十二月三十一日止年度之經審核財務報表的經營業績及財務狀況、主要會計政策，及有關風險管理、合法合規和內部審計事項，並聽取核數師對本公司審計結果之意見。審核委員會同意二零二二年年報的內容。於二零二三年八月十六日舉行的第三次會議上，審核委員會審閱及討論本集團截至二零二三年六月三十日止六個月之未經審核財務報表的經營業績及財務狀況、主要會計政策及有關風險管理、合法合規和內部審計事項，審核委員會同意二零二三年中期報告的內容。

此外，審核委員會檢討了本公司的財務監控、內部監控及風險管理的有效性；就續聘核數師的相關事宜向董事會提供建議；召開與核數師單獨之會議，討論與審核費用有關的事宜以及其他與審計工作相關的事宜。

於二零二四年三月十四日舉行的會議上，審核委員會審閱及討論了本集團截至二零二三年十二月三十一日止年度草擬財務報表的經營業績及財務狀況、主要會計政策，及有關風險管理、合法合規和內部審計事項。同時，審核委員會檢討了風險管理及內部監控系統以及內部審核功能的有效性，並聽取核數師對本公司審計結果之初步意見。審核委員會已經審閱並同意二零二三年年度初步業績及年報的內容。



Corporate Governance Report (Continued) 企業管治報告(續)

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee according to the relevant provisions of the Listing Rules with specific written terms of reference and duties. Its primary duties are to make proposals to the Board with respect to the overall remuneration policy and framework for Directors, Supervisors and senior management of the Company and the establishment of formal and transparent procedures for formulating the remuneration policy. Terms of reference of the Remuneration Committee are available on the websites of the Hong Kong Stock Exchange and the Company.

The Remuneration Committee is chaired by Mr. Zhan Yuan Jing, an independent non-executive Director and the members comprise two independent non-executive Directors, Mr. Ting Leung Huel, Stephen and Ms. Chan Ching Har, Eliza, which is in compliance with the requirement of the Listing Rules that independent non-executive directors shall form the majority of the Remuneration Committee.

According to rule E.1.2 of the Code, the Remuneration Committee of the Company makes proposals to the Board with respect to the remuneration packages for individual executive Directors and senior management, including non-monetary benefits, pension rights and compensation (including the compensation for the loss or termination of office or appointment). The exact amount shall be determined by the general meeting.

During the year of 2023, three meetings were held by the Remuneration Committee. At the meeting held on 16 March 2023, the Remuneration Committee reviewed and discussed the matters including the Directors', Supervisors' and senior management's emoluments for the year ended 31 December 2022. At the meeting held on 15 June 2023, the Remuneration Committee discussed matters including the remuneration of newly appointed Director, Mr. Chen Jia Fu, and made recommendations to the Board. At the meeting held on 13 December 2023, the Remuneration Committee discussed matters including the remuneration of newly appointed Director, Mr. Di Shu Bing, and made recommendations to the Board.



Corporate Governance Report (Continued) 企業管治報告(續)

薪酬委員會

本公司已根據上市規則有關規定成立薪酬委員會，並書面列明其職權及職責。其主要職責是就本公司董事、監事及高級管理人員的整體薪酬政策及架構，以及就制訂該等薪酬政策而設立正規而具透明度的程序，向董事會提出建議。薪酬委員會之職權範圍載列於香港聯交所及本公司之網站。

薪酬委員會由獨立非執行董事詹原競先生任主席，成員包括兩名獨立非執行董事丁良輝先生及陳清霞女士，符合上市規則規定薪酬委員會中獨立非執行董事佔大多數的要求。

根據企業管治守則第E.1.2條之規定，本公司由薪酬委員會向董事會建議個別執行董事及高級管理人員的薪酬待遇，包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)，具體數額由股東大會確定。

於二零二三年內，薪酬委員會舉行了三次會議。於二零二三年三月十六日舉行的會議上，薪酬委員會審閱及討論本公司截至二零二二年十二月三十一日止年度之董事、監事及高級管理人員薪酬狀況等事宜。於二零二三年六月十五日舉行的會議上，討論本公司新任董事陳加富先生之薪酬等事宜，並向董事會提出建議。於二零二三年十二月十三日舉行的會議上，薪酬委員會討論本公司新任董事邱淑兵先生之薪酬等事宜，並向董事會提出建議。



Corporate Governance Report (Continued) 企業管治報告(續)

NOMINATION COMMITTEE

The Company has established the Nomination Committee with specific written terms of reference and duties according to the relevant provisions of the Listing Rules. Its primary duties include (among others):

reviewing the framework, size and composition including skills and professional knowledge of the Board on a regular basis and making proposals to the Board in respect of any proposed change;

reviewing the Board diversity policy regularly, including but not limited to gender, age, cultural and educational background as well as professional experience, and reviewing any measurable objectives that it has set for implementing the Board diversity policy and progress on achieving those objectives; and

identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships.

Terms of reference of the Nomination Committee are available on the websites of the Hong Kong Stock Exchange and the Company.

Since 22 January 2024, Mr. Di Shu Bing, an executive Director, was appointed as the Chairman of the Nomination Committee, Mr. Gu Hai Ou, former executive Director, resigned as the member of the Nomination Committee of the Company.

As of the end of the Reporting Period, the Nomination Committee is chaired by Mr. Gu Hai Ou, the executive Director and the Chairman of the Board and the members comprise two independent non-executive Directors, namely Ms. Chan Ching Har, Eliza and Mr. Zhan Yuan Jing, which is in compliance with the requirement of the Listing Rules that independent non-executive directors should form the majority of the Nomination Committee.

提名委員會

本公司已根據上市規則有關規定成立提名委員會，並書面列明其職權及職責。其主要負責(其中包括)：

定期檢討董事會結構、規模及組成(包括技能及專業知識)，並就任何變動建議向董事會提出推薦意見；

定期檢討董事會多元化，包括(但不限於)性別、年齡、文化及教育背景及專業經驗，檢討為執行董事會多元化政策而定的任何可計量目標及達目標進度；及

物色具備合適資格擔任董事會成員之個別人士，並挑選或就挑選提名董事之個別人士向董事會提出推薦意見。

提名委員會之職權範圍載列於香港聯交所及本公司之網站。

二零二四年一月二十二日起，執行董事邱淑兵先生獲委任為提名委員會主席，原執行董事顧海鷗先生不再擔任提名委員會主席。

截至報告期末，提名委員會由執行董事及董事長顧海鷗先生任主席，成員包括兩名獨立非執行董事陳清霞女士及詹原競先生，符合上市規則規定提名委員會中獨立非執行董事佔大多數的要求。



Corporate Governance Report (Continued) 企業管治報告(續)

Factors set out in rule 3.13 of the Listing Rules shall be considered by the Nomination Committee while assessing the independence of the independent non-executive Directors.

During the year of 2023, three meetings were held by the Nomination Committee. At the meeting held on 16 March 2023, the Nomination Committee reviewed and discussed the structure, size and composition of the Board. At the meeting held on 15 June 2023, the Nomination Committee nominated candidates for the Eighth Session of the Board to the Board and proposed election of Mr. Chen Jia Fu as executive Director of the Company. At the meeting held on 13 December 2023, the Nomination Committee proposed election of Mr. Di Shu Bing as executive Director of the Eighth Session of the Board.

The Nomination Committee recommends candidates for nomination to the Board, which approves the final choice of candidates, and the Board submits to the general meeting of shareholders for approval. The Board has adopted written policy for the nomination of new directors. In evaluating and selecting candidates for directorship, the criteria to be taken into account when considering the suitability of a candidate shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board, and whether he or she can facilitate the Board to effectively fulfill its responsibilities.

In addition, the Nomination Committee assessed the independence of the independent non-executive Directors; and reviewed the adequacy of time devoted by Directors in performing their duties.

The Nomination Committee also attaches importance to the diversity of Board composition, which is believed to be beneficial for the Board as well as the Company. The Company established a policy in respect of the diversity of the Board Composition. In reviewing and evaluating the Board composition and making recommendations to the Board on appointment of new Directors, the Nomination Committee shall take account of the benefits of diversity in various aspects as well as the factors including integrity of relevant persons, their accomplishments and the time they can devote to the Company, in order to maintain an appropriate scope and the balance between expertise, skills, experience and background of the Board members. The Nomination Committee will make discussion to agree upon all the measurable targets to realize the diversity of Board composition each year, including but not limited to genders, ages, culture and educational backgrounds and professional experiences, and propose relevant targets to the Board for adoption.

STRATEGY AND PLANNING COMMITTEE

The Company has set up a Strategy and Planning Committee, with specific written terms of reference and duties. Its primary duties are to conduct research and evaluation on the performance of the strategic planning of the Group's mid-and-long-term development, investment and financing plans, comprehensive budget management, brand protection, legal construction and product safety, and to make recommendations to the Board.

Since 25 August 2023, Mr. Chen Jia Fu, an executive Director, was appointed as the member of the Strategy and Planning Committee, Mr. Wang Yu Wei, former executive Director, resigned as the member of the Strategy and Planning Committee.

Since 22 January 2024, Mr. Di Shu Bing, an executive Director, was appointed as the Chairman of the Strategy and Planning Committee, Mr. Gu Hai Ou, former executive Director, resigned as the member of the Strategy and Planning Committee.

As of the end of the Reporting Period, the Strategy and Planning Committee is chaired by Mr. Gu Hai Ou, the executive Director and the Chairman of the Board, and the members comprise one executive Director, namely Mr. Chen Jia Fu, and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Ms. Chan Ching Har, Eliza and Mr. Zhan Yuan Jing.



Corporate Governance Report (Continued) 企業管治報告(續)

提名委員會在評估獨立非執行董事的獨立性時，會考慮上市規則第3.13條所載因素。

於二零二三年內，提名委員會舉行了三次會議。於二零二三年三月十六日舉行的會議上，提名委員會審閱及討論董事會的架構、人數及組成等事宜。於二零二三年六月十五日舉行的會議上，提名委員會向董事會提名及建議選舉陳加富先生出任第八屆董事會執行董事候選人。於二零二三年十二月十三日舉行的會議上，提名委員會建議選舉邱淑兵先生出任第八屆董事會執行董事候選人。

提名委員會向董事會推薦提名候選人，由董事會通過最終人選，並由董事會提交股東大會批准。董事會已採納提名新董事的書面政策。於評估及篩選董事候選人時，用於考慮候選人是否合適的標準，應視乎其能否投入足夠時間專注於本公司事務及對董事會成員多元化作出貢獻，以及使董事會能有效履行其職責等。

此外，提名委員會評估了本公司獨立非執行董事的獨立性；以及檢討董事履職時間是否充足。

提名委員會亦重視董事結構多元化，並相信多元化組成對董事會及本公司十分有利。本公司訂有董事會成員多元化政策。提名委員會在審閱及評估董事會組成，並就委任本公司新董事向董事會作出推薦建議時，會考慮於各方面多元化的裨益，及有關人士的誠信、成就以及其可投入的時間等條件，以維持適當範圍及平衡董事會成員的才能、技能、經驗及背景。提名委員會每年作出討論及協定為達致董事會成員多元化的所有可計量目標，包括(但不限於)性別、年齡、文化及教育背景及專業經驗，並向董事會建議有關目標以供採納。

戰略與規劃委員會

本公司已成立戰略與規劃委員會，並書面列明其職權及職責。其主要職責是對本集團中、長期發展戰略規劃、投融資計劃、全面預算管理、品牌保護、法治建設、產品安全等領域的表現進行研究、評估並向董事會提出建議。

二零二三年八月二十五日起，執行董事陳加富先生獲委任為戰略與規劃委員會成員，原執行董事王煜煒先生不再擔任本公司戰略與規劃委員會成員。

二零二四年一月二十二日起，執行董事邱淑兵先生獲委任為戰略與規劃委員會主席，原執行董事顧海鷗先生不再擔任戰略與規劃委員會主席。

截至報告期末，戰略與規劃委員會由執行董事及董事長顧海鷗先生任主席，成員包括一名執行董事陳加富先生和三名獨立非執行董事丁良輝先生、陳清霞女士及詹原競先生。

Corporate Governance Report (Continued) 企業管治報告(續)

During the year of 2023, two meetings were held by the Strategy and Planning Committee. At the meetings held on 22 March 2023 and 24 August 2023, the Strategy and Planning Committee reviewed and discussed matters on strategy and planning, legal system, brand protection and other special matters of the Group for annual and semi-annual work plan and reports, respectively.

DIRECTORS' AND SUPERVISORS' DEALINGS IN SECURITIES

The Company has adopted a Code of Conduct formulated on the basis of the Model Code regarding securities transactions by the Directors and Supervisors on terms no less exacting than the required standards contained in the Model Code. Having made specific enquiry to all the Directors and Supervisors, all of them confirmed that they had strictly complied with the required standards set out in the Model Code and the Code of Conduct of the Company for the year ended 31 December 2023.

INDEPENDENT AUDITOR'S REMUNERATION

PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP were the overseas auditor and domestic auditor of the Company respectively for the year ended 31 December 2023. Other than annual auditing services, they also provided non-audit services for the Company and the other members of the Group.

The independent auditors' remuneration in respect of its audit and non-audit services for the year ended 31 December 2023 is set out as follows:

Serviced rendered to the Group

為本集團所提供服務

Audit services 核數服務

Non-audit services 非核數服務

Total 總計

Non-audit services mainly include tax consultancy services.

JOINT COMPANY SECRETARIES

Due to work adjustment, Ms. Jia Ze Tao resigned as the joint company secretary of the Company with effect from 4 May 2023. At the same day, due to work adjustment, Ms. So Shuk Yi, Betty resigned as joint company secretary of the Company with effect from 4 May 2023. At the same day, Mr. Li Yijun was appointed as joint company secretary along with Ms. Yung Mei Yee, who is the vice president of SWCS Corporate Services Group (Hong Kong) Limited (an external company which provides related service for the Company). For detailed information of the above-mentioned changes, please refer to the announcement dated 27 April 2023.

The main contact person of Ms. Yung Mei Yee is Mr. Li Yijun. The biographical details of Mr. Li Yijun are set out in Directors, Supervisors and Senior Management on pages 124 to 133 of this report.

During the Reporting Period, Mr. Li Yijun and Ms. Yung Mei Yee attended no less than 15 hours of related professional training to meet the requirement of the rule 3.29 of the Listing Rules. Meanwhile, Mr. Li Yijun and Ms. Yung Mei Yee were also actively learning and updating the related professional knowledges of the Listing Rules and corporate governance, to constantly improve the special skills being the company secretary.

Corporate Governance Report (Continued) 企業管治報告(續)

二零二三年內，戰略與規劃委員共召開兩次會議。於二零二三年三月二十二日及二零二三年八月二十四日舉行的會議上，戰略與規劃委員會審閱及討論本集團戰略與規劃、法治建設、品牌保護等專題的年度／半年度工作計劃及報告。

董事及監事的證券交易

本公司已就董事及監事進行的證券交易，採納了一套根據標準守則而制定的操守守則。本公司現時採納的守則所載條款不低於標準守則的規定。經對全體董事及監事做出詳盡查詢後，彼等確認於截至二零二三年十二月三十一日止年度期間均嚴格遵守標準守則及本公司操守守則的規定。

獨立核數師酬金

羅兵咸永道會計師事務所及普華永道中天會計師事務所(特殊普通合伙)分別為本公司截至二零二三年十二月三十一日止年度之境外核數師和境內核數師。除年度核數外，其亦為本公司和本集團內其他公司提供非核數服務。

截至二零二三年十二月三十一日止年度之獨立核數師核數及非核數酬金載列如下：

	Amount 金額 RMB'000 人民幣千元
	6,160
	563
	6,723

非核數服務主要為稅務諮詢服務費。

聯席公司秘書

因工作調整，賈澤濤女士於二零二三年五月四日起不再擔任本公司聯席公司秘書。同日，因工作調整，蘇淑儀女士於二零二三年五月四日起不再擔任本公司聯席公司秘書。同日，董事會委任李一俊先生及方圓企業服務集團(香港)有限公司(本公司外聘服務機構)總監翁美儀女士為本公司聯席公司秘書。上述變更詳情請參見本公司日期為二零二三年四月二十七日之公告。

翁美儀女士的主要聯絡人為李一俊先生。李一俊先生的履歷詳情載於本報告第124頁至第133頁的董事、監事及高級管理人員中。

於報告期內，李一俊先生及翁美儀女士均已遵守上市規則第3.29條之要求參加不少於15小時的相關專業培訓。同時，李一俊先生及翁美儀女士亦積極參與學習及更新上市規則和企業管治的相關專業知識，以不斷提高其擔任公司秘書的專業技能。



Corporate Governance Report (Continued) 企業管治報告(續)

SHAREHOLDERS COMMUNICATION POLICY AND INVESTOR RELATIONS

The Group is committed to enhancing long-term shareholder value through regular communication with its shareholders, both individual and institutional. To this end, the Group strives to ensure that all shareholders have ready and timely access to all publicly available information of the Group. The Shareholders Communication Policy sets out the framework the Company has put in place to promote effective communication with shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

The Company attaches great importance to the communication with the shareholders and investors. The Company uses a number of channels to account for the performance and operations of the Company to shareholders, particularly our periodical reports such as annual and interim reports. In addition to delivering circulars, announcements and financial reports to our shareholders, the Company also publishes its corporate information on its website (www.tongrentangkj.com) by electronic means. The general meeting provides a good opportunity for the communication between the Board and Company's shareholders. The Company regards the general meeting as an important event and all Directors, Supervisors, senior management and the Chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee should make efforts to attend and answer questions raised by the shareholders. The Company made great efforts to hold conferences and/or conference calls, as well as to arrange field trips for investors.

The Company encourages the shareholders to involve in the Company's affairs and to discuss the business and prospects of the Company directly at the AGMs or EGMs.

The Company's financial reports shall be made available for shareholders' inspection at the Company not later than 21 days before the date of each AGM. Each shareholder shall be entitled to an access of a copy of the financial reports. To convene an AGM, the Company shall notify the shareholders of the time, venue and matters to be considered twenty-one (21) days prior to the meeting; and the Company shall notify the shareholders fifteen (15) days prior to an EGM.

Therefore, the Board considers that the Company's shareholder communication policy is still valid.

股東通訊政策及投資者關係

本集團致力透過與個別及機構股東定期溝通以提高股東之長遠價值。為此，本集團力求確保所有股東可隨時並及時取得本集團所有公開提供之資訊。股東通訊政策載列本公司現有之框架以促進與股東之間的有效溝通，從而讓股東積極與本公司溝通並以知情方式行使其股東權利。

本公司十分重視與股東和投資者的溝通，本公司透過多個渠道向股東交代公司的表現和運營情況，特別是年報、中期報告等定期報告。除向股東派發通函、通告及財務報告外，本公司亦透過公司網站(www.tongrentangkj.com)，以電子方式發佈公司資料。股東大會亦為董事會和股東溝通良機，本公司視其為一項重要活動，所有董事、監事、高級管理人員以及審核委員會、薪酬委員會、提名委員會主席均盡量出席，並回答股東的提問。本公司盡可能與投資者會面及／或舉行電話會議，並為投資者安排實地參觀。

本公司鼓勵股東參與本公司的事務，在股東週年大會或股東特別大會上直接討論本公司的業務和前景。

本公司的財務報告在召開股東週年大會的二十一天以前置備於本公司，供股東查閱。本公司的每個股東都有權得到財務報告的副本。本公司召開股東週年大會，將會議召開的時間、地點和審議的事項於會議召開二十一日前通知各股東，召開臨時股東大會於會議召開十五日前通知各股東。

因此，董事會認為本公司的股東通訊政策仍然有效。



Corporate Governance Report (Continued) 企業管治報告(續)

SHAREHOLDER'S RIGHTS

The Board and senior management recognise that they represent the interests of all shareholders and that they need to enhance the value of the Company in full force. The major rights enjoyed by shareholders and how to enforce them are highlighted in the chapters of "Shareholders' Rights and Obligations" and "Shareholders' General Meetings" of the Articles of Association.

Pursuant to the Articles of Association, two or more shareholders together holding 10% or more of voting shares at EGM can sign and submit one or more written requests in the same format and content to the Board to request the convening of an EGM, with the issues to be discussed clearly stated. The Board shall convene an EGM as soon as possible upon receiving such written request(s). If the Board fails to issue a convening notice within 30 days after the receipt of such written request(s), the shareholders making the request may convene an EGM on their own within 4 months after the Board's receipt of such request(s). The procedure for convening the meeting shall be consistent with that for convening shareholder meetings by the Board to the greatest extent possible.

At the general meeting convened by the Company, shareholders holding, individually or in aggregate, 3% or more of the total voting shares shall have the right to make new proposals to the Company in writing. The Company shall incorporate the issues raised in the proposal that fall within the terms of reference of the general meeting into the meeting agenda.

Enquiries may be made to the Board either by contacting the Company Secretary through office and mailing address (No. 20 Nansanhuan Zhonglu, Fengtai District, Beijing, the PRC) or by directly raising questions at the AGMs or EGMs.

股東權利

董事會和高級管理人員知悉其代表全體股東的利益及需竭盡所能提升公司價值。公司章程中「股東的權利和義務」、「股東大會」兩章重點說明了股東所享有的主要權利以及權利實現的方式。

根據公司章程的規定，合計持有在擬舉行的股東特別大會上有表決權的股份百分之十以上(含百分之十)的兩個或者兩個以上的股東，可以簽署一份或者數份同樣格式內容的書面要求，提請董事會召集股東特別大會，並闡明會議的議題，董事會在收到前述書面要求後應當盡快召集股東特別大會。如果董事會在收到前述書面要求後三十日內沒有發出召集會議的通知，提出該要求的股東可以在董事會收到該要求後四個月內自行召集會議，召集的程序應當盡可能與董事會召集股東會議的程序相同。

本公司召開股東大會，單獨或合計持有本公司有表決權的股份總數百分之三以上(含百分之三)的股東，有權以書面形式向公司提出新的議案，本公司應當將提案中屬於股東大會職責範圍內的事項，列入該次會議的議程。

如欲向董事會作出相關查詢，可透過本公司辦公及通訊地址(中國北京市豐台區南三環中路20號)聯絡公司秘書，或於股東週年大會或股東特別大會上直接提問。



Corporate Governance Report (Continued) 企業管治報告(續)

Dividend Distribution Policy

The Company has formulated a dividend distribution policy, which aims at providing sustainable and stable dividends to the Shareholders, and sets out the principles and guidelines for the Board in determining dividends.

The Company may distribute semiannual or annual dividends to shareholders in such form as the Board deemed appropriate (e.g. cash or stocks), and shall maintain the continuity and stability of the dividend distribution policy. At the same time, the following factors of the Company should be taken into account:

- a) operations and profits;
- b) actual and expected financial position;
- c) cash flow;
- d) capital expenditure;
- e) future development needs; and
- f) any other conditions or factors that the Board may consider relevant.

The Board will review this policy as necessary.

ARTICLES OF ASSOCIATION

During the Reporting Period, no amendment was made to the Articles of Association.

SUBSEQUENT EVENT

Changes of Directors

On 13 December 2023, Mr. Gu Hai Ou, tendered his resignation from the positions of executive Director, chairman of the Board, chairman of the nomination committee, chairman of the strategy and planning committee and the Authorized Representative. The resignation of Mr. Gu Hai Ou as an executive Director, chairman of the Nomination Committee, chairman of the Strategy and Planning Committee and the Authorized Representative has taken effect on 22 January 2024. Mr. Di Shu Bing was proposed as an executive Director by the Board on 13 December 2023 and then was appointed as the executive Director of the Eighth Session of the Board at the EGM held on 22 January 2024, and he was also appointed as the chairman of the Board, chairman of the Nomination Committee, chairman of the Strategy and Planning Committee and Authorized Representative of the Company on 22 January 2024, with a term commencing from 22 January 2024 up to the date of the 2023 AGM.

For details of the aforesaid changes, please refer to the announcements of the Company dated 13 December 2023 and 22 January 2024 and the circular of the Company dated 21 December 2023.

股息分配政策

本公司制定股息分配政策，旨在向股東提供持續、穩定的股息，並載列董事會釐定股息時的原則和指引。

本公司可採取董事會認為合適的方式(如，現金、股票)向股東分配半年度或年度股息，並應當保持股息分配政策的連續性及穩定性，同時應兼顧本公司如下因素：

- a) 營運及利潤；
- b) 實際及預期財務狀況；
- c) 現金流量；
- d) 資本開支；
- e) 未來發展需求；及
- f) 董事會可能認為有關的任何其他條件或因素。

董事會將在有需要時檢討本政策。

公司章程

報告期內，公司章程無變更。

期後事項

董事變更

於二零二三年十二月十三日，顧海鷗先生由於工作變動原因申請辭任執行董事、董事長、提名委員會主席及戰略與規劃委員會主席及授權代表。顧海鷗先生之辭任執行董事、董事長、提名委員會主席、戰略與規劃委員會主席及授權代表已於二零二四年一月二十二日起生效。二零二三年十二月十三日，董事會建議委任邱淑兵先生為執行董事，後其於二零二四年一月二十二日召開之股東特別大會獲委任為第八屆董事會執行董事，並於同日獲委任為董事長、提名委員會主席、戰略與規劃委員會主席及授權代表，邱淑兵先生之執行董事之任期自二零二四年一月二十二日起至二零二三年度股東週年大會之日為止。

上述變更詳見本公司日期為二零二三年十二月十三日及二零二四年一月二十二日之公告，及本公司日期為二零二三年十二月二十一日之通函。



Corporate Governance Report (Continued) 企業管治報告(續)

Continuing connected transactions — the e-commerce service cooperation framework agreement

On 11 March 2024, the Company entered into the e-commerce service cooperation framework agreement (the “**E-commerce Service Cooperation Framework Agreement**”) with Beijing Tong Ren Tang Shuzi Technology Co., Ltd. (the “**Tong Ren Tang Shuzi Technology**”, and its subsidiaries, collectively refer to as the “**Tong Ren Tang Shuzi Technology Group**”), with a term commencing from 11 March 2024 to 31 December 2024. According to the E-commerce Service Cooperation Framework Agreement, the Company agreed to engage Tong Ren Tang Shuzi Technology Group to provide the Group with e-commerce services for the “Tong Ren Tang” brand products (including but not limited to Chinese medicine products and healthcare food) on e-commerce channels such as JD Platform (京東平台) and Tmall Platform (天貓平台). The annual cap of the transactions contemplated under the E-commerce Service Cooperation Framework Agreement for the year ending 31 December 2024 is RMB20.0 million. For details, please refer to the announcement of the Company dated 11 March 2024.

Save as disclosed above, during the Reporting Period and up to the date of this announcement, no material events have occurred that would have a material impact on business operation of the Group.

持續關連交易 — 電商服務合作框架協議

二零二四年三月十一日，本公司與北京同仁堂數字科技有限公司(「同仁堂數字科技」，及其附屬公司合稱「同仁堂數字科技集團」)訂立電商服務合作框架協議(「電商服務合作框架協議」)，有效期自二零二四年三月十一日起至二零二四年十二月三十一日止。根據電商服務合作框架協議，本公司同意委託同仁堂數字科技集團向本集團提供「同仁堂」品牌產品(包括但不限於中藥產品、保健食品等)在「京東平台」、「天貓平台」等電商渠道所涉及的電商服務。電商服務合作框架協議項下截至二零二四年十二月三十一日止年度之上限金額為人民幣 20.0 百萬元。詳情請參見本公司二零二四年三月十一日之公告。

除上文所披露者外，本集團於報告期後及直至本公告日期概無發生任何對本集團業務營運產生重大影響的重大事項。



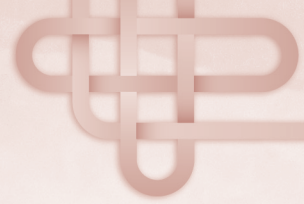
Directors, Supervisors and Senior Management 董事、監事及高級管理人員

EXECUTIVE DIRECTORS

Mr. Di Shu Bing, aged 49, a senior accountant with a master degree of public administration. Mr. Di previously served as the finance supervisor of Beijing Tong Ren Tang Medicinal Herbal Wine Branch, the deputy manager of Beijing Tong Ren Tang Medicinal Herbal Wine Branch, a member of the Party Committee and the deputy general manager of Beijing Tong Ren Tang Commercial Investment Group, the assistant to the general manager and head of economic operation department of Tong Ren Tang Holdings, a director of Beijing Tong Ren Tang Health Industry Investment Co., Ltd., the chairman of Beijing Tong Ren Tang Traditional Chinese Medicine Formula Granules Investment Co., Ltd., a director of Beijing Tong Ren Tang Biological Product Development Co., Ltd., a director of Beijing Tong Ren Tang Cosmetics Co., Ltd., the vice chairman of Beijing Entrepreneurs Association and the vice chairman of Beijing Enterprise Confederation, the deputy head of the finance department, the deputy head and head of the investment management department, the secretary of the Party Committee, a director and the general manager of Tong Ren Tang Ltd.. Mr. Di currently serves as party secretary of the Party Committee and chairman of Tong Ren Tang Ltd., the deputy general manager of Tong Ren Tang Holdings and the vice chairman of Beijing Pharmaceutical Profession Association. Mr. Di was appointed as a Director at the EGM of the Company held on 22 January 2024.

Mr. Chen Jia Fu, aged 55, a pharmacist-in-charge and a licensed pharmacist with a postgraduate degree. He formerly served as the deputy secretary to the Party Committee of the Company, the secretary to the Disciplinary Inspection Committee of the Company, the chairman of the labour committee of the Company, and the deputy general manager of the Company. He used to work as the deputy general manager of Tong Ren Tang Ltd. and used to work as the chairman of the board, the secretary of general Party branch, the director and the general manager of Beijing Tong Ren Tang Pharmaceutical Co. Ltd. He currently serves as the secretary of the Party Committee of the Company and the general manager of the Company, the director of Tong Ren Tang Tangshan Healthcare and Tong Ren Tang Technologies Tangshan. Mr. Chen joined the Company since May 2023, and was appointed as a Director at the EGM of the Company held on 25 August 2023.

Ms. Feng Zhi Mei, aged 53, holds a postgraduate degree and is a senior accountant. She served as the deputy director and the director of the finance department, the deputy chief accountant, a director, and the chief accountant at Tong Ren Tang Ltd., and the deputy general manager of Beijing Tong Ren Tang Medical Caring Industry Investment Group Co., Ltd.. She currently serves as the deputy general manager of the Company, the director of Tong Ren Tang Yanbian, Tong Ren Tang Hebei, Tong Ren Tang Hebei Industry, Tong Ren Tang Technologies Tangshan and Tong Ren Tang Liaoning. Ms. Feng joined the Company since June 2021, and was appointed as a Director at the EGM of the Company held on 16 December 2021.



Directors, Supervisors and Senior Management (Continued) 董事、監事及高級管理人員(續)

執行董事

邱淑兵先生，49歲，研究生學歷，公共管理碩士，高級會計師。邱先生曾任北京同仁堂藥酒分公司財務主管，北京同仁堂藥酒分公司副經理，北京同仁堂商業投資集團黨委委員、副總經理，集團公司總經理助理兼經濟運行部部長，北京同仁堂健康產業投資有限公司董事，北京同仁堂中藥配方顆粒投資有限公司董事長，北京同仁堂生物製品開發有限公司董事，北京同仁堂化妝品有限公司董事，北京市企業聯合會及北京市企業家協會副會長，同仁堂股份財務部副部長、投資管理部副部長、部長、黨委書記、董事、總經理。現任同仁堂股份黨委書記、董事長，集團公司副總經理及北京醫藥行業協會副會長。邱先生於本公司二零二四年一月二十二日舉行之股東特別大會（「股東特別大會」）上獲委任為董事。

陳加富先生，55歲，研究生學歷，主管藥師、執業藥劑師。曾任本公司黨委副書記、紀委書記、工會主席、副總經理，同仁堂股份副總經理，北京同仁堂製藥有限公司董事長、黨總支書記、董事、總經理。現任本公司黨委書記、總經理，同仁堂唐山保健品及同仁堂科技唐山董事。陳先生自二零二三年五月加入本公司，並於本公司二零二三年八月二十五日舉行之股東特別大會上獲委任為董事。

馮智梅女士，53歲，研究生學歷，高級會計師。曾任同仁堂股份財務部副部長、部長、副總會計師、董事、總會計師，北京同仁堂醫養產業投資集團有限公司副總經理。現任本公司副總經理，同仁堂延邊、同仁堂河北、同仁堂河北產業、同仁堂科技唐山及同仁堂遼寧董事。馮女士自二零二一年六月加入本公司，並於本公司二零二一年十二月十六日舉行之股東特別大會上獲委任為董事。



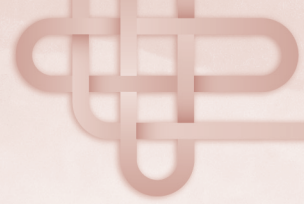
Directors, Supervisors and Senior Management (Continued) 董事、監事及高級管理人員(續)

NON-EXECUTIVE DIRECTORS

Mr. Jin Tao, aged 55, holds a postgraduate degree. Mr. Jin successively served as the deputy director of the Administrative Office of the General Office of the People's Government of Beijing Municipality, the chief of the Confidentiality Department and the chief of the Conference Department. Mr. Jin currently serves as the general manager assistant of Tong Ren Tang Holdings. Mr. Jin was appointed as a Director at the 2019 AGM of the Company.

Ms. Wang Chun Rui, aged 41, bachelor of science, professional pharmacist, and pharmacist in charge. Ms. Wang used to work as the head of the Quality Assurance Department of Tong Ren Tang Ltd.. She currently serves as the deputy director of Science and Technology Quality Department of Tong Ren Tang Holdings. Ms. Wang was appointed as a Director at the EGM of the Company held on 16 February 2023.

Ms. Feng Li, aged 48, bachelor degree, certified public accountant in China (nonpracticing). Ms. Feng used to work as a senior audit manager at PricewaterhouseCoopers Zhongtian LLP, formerly served as the manager of the Internal Audit and Legal Department, the assistant to the general manager and the manager of the Economic Operation Department of the Company's subsidiary, Tong Ren Tang Chinese Medicine, currently serves as the deputy general manager and the secretary to the board of directors of Tong Ren Tang Ltd., and the non-executive director of Tong Ren Tang Chinese Medicine, the Chairman of the Board of the Shandong Tianyi Pharmaceutical Co. Ltd.. Ms. Feng was appointed as a Director at the EGM of the Company held on 22 December 2022.



Directors, Supervisors and Senior Management (Continued) 董事、監事及高級管理人員(續)

非執行董事

金濤先生，55歲，研究生學歷。歷任北京市人民政府辦公廳行政辦公室副主任、機要保密處處長、會議處處長。現任集團公司總經理助理。金先生於本公司二零一九年度股東週年大會上獲委任為董事。

王春蕊女士，41歲，理學學士，職業藥師，主管藥師。曾任同仁堂股份品質保證部部長。現任集團公司科技質量部副部長。王女士於本公司二零二三年二月十六日舉行之股東特別大會上獲委任為董事。

馮莉女士，48歲，本科學歷，中國註冊會計師(非執業)。曾任普華永道中天會計師事務所(特殊普通合伙)高級審計經理、同仁堂國藥內審法務部部長、總經理助理兼經濟運行部部長。現任同仁堂股份之副總經理兼董事會秘書，同仁堂國藥之非執行董事，山東省天一醫藥有限公司董事長。馮女士於本公司二零二二年十二月二十二日舉行之股東特別大會上獲委任為董事。



Directors, Supervisors and Senior Management (Continued) 董事、監事及高級管理人員(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

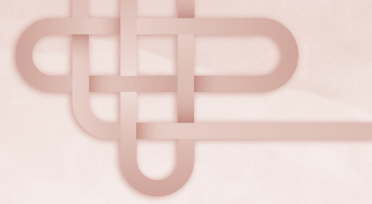
Mr. Ting Leung Huel, Stephen, aged 70, MH, FCCA, FCPA (Practising), ACA, CTA (HK), FHKIoD. He is a non-executive director of Chow Sang Sang Holdings International Limited and an independent non-executive director of other five listed companies namely Tongda Group Holdings Limited, New Silkroad Culturaltainment Limited, Computer and Technologies Holdings Limited, Dongyue Group Limited and China SCE Group Holdings Limited, respectively. Mr. Ting is an accountant by profession and has over 40 years of experience in Accounting, Auditing and Management. Mr. Ting has been appointed as an independent non-executive Director since 11 October 2000.

Dr. Chan Ching Har, Eliza, aged 67, GBS, JP, LL.D. (Hon), holds the qualifications of Barrister & Solicitor of British Columbia Supreme Court, Canada, Solicitor of the Supreme Court of England and Wales and Solicitor of the High Court of Hong Kong. Dr. Chan is a member of the Executive Council of Hong Kong. She is also a member of the National Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a standing member of the CPPCC Tianjin Committee, Foreign Economic Affairs Legal Counsel to the Tianjin Municipal People's Government, an arbitrator of China International Economic and Trade and Arbitration Commission (CIETAC) and a China-appointed Attesting Officer.

Dr. Chan previously served as a member of the Selection Committee for the selection of the First Chief Executive of Hong Kong SAR, and a member of the Election Committee for the selections of the Chief Executive of Hong Kong SAR and the Hong Kong SAR delegates to the National People's Congress. She was Chairman of Hong Kong CPPCC (Provincial) Members Association and now serves as Permanent Honorary Chairman. Dr. Chan is presently Chairperson of Women's Commission and has previously held a number of Hong Kong Government appointed positions, notably as a member of the Hong Kong Hospital Authority, member of Hong Kong Public Service Commission, member of the Hong Kong Board of Education, member of Hong Kong Examinations and Assessment Authority, Chairman of Public Complaints Committee under Hong Kong Hospital Authority, Chairman of Kowloon Hospital, Chairman of Hong Kong Eye Hospital, Chairman of Tseung Kwan O Hospital, member of the Governing Committee of Queen Elizabeth Hospital, member of the Medical Council of Hong Kong, Chairman of Pensions Appeal Panel, member of Administration Appeals Board, adjudicator of Hong Kong Immigration Tribunal, member of Disciplinary Panel of Institute of Accountants, Council member of The University of Science & Technology and Board member of Hong Kong Science and Technology Park Corporation.

Dr. Chan is a senior consultant of Chan & Jamison LLP and senior advisor of Deloitte Touche Tohmatsu. She is also an independent non-executive director of Bank of Communications (Hong Kong) Limited, China Taiping Life Insurance Co. Ltd., China Taiping Insurance (HK) Company Limited and China Overseas Land & Investment Ltd.. Dr. Chan was appointed as a Director at the 2017 AGM of the Company.

Mr. Zhan Yuan Jing, aged 80, is a senior engineer. Mr. Zhan previously served as the chairman, general manager, deputy Party Committee of Tianjin Zhongxin Pharmaceutical Group Co., Ltd., vice president of China Association of Traditional Chinese Medicine, vice president of Tianjin Medical Association, vice president of Tianjin Association of Traditional Chinese Medicine; and a visiting professor of Tianjin University. From June 2009 to May 2015, Mr. Zhan served as an independent director of Tong Ren Tang Ltd.. Mr. Zhan was appointed as a Director at the 2017 AGM of the Company.



Directors, Supervisors and Senior Management (Continued) 董事、監事及高級管理人員(續)

獨立非執行董事

丁良輝先生，70歲，MH, FCCA, FCPA (Practising)，ACA, CTA (HK)，FHKIoD。現任周生生集團國際有限公司之非執行董事，以及其他五間上市公司之獨立非執行董事，分別為通達集團控股有限公司、新絲路文旅有限公司、科聯系統集團有限公司、東岳集團有限公司及中駿集團控股有限公司。丁先生為執業會計師，彼於會計、審計及管理服務有超過40年經驗。彼自二零零零年十月十一日獲委任為獨立非執行董事。

陳清霞博士，67歲，金紫荊星章、太平紳士、榮譽法學博士，持有加拿大英屬哥倫比亞高等法院大律師及律師資格、英國及威爾士高等法院律師以及香港高等法院律師資格。陳博士是香港行政會議成員，亦是全國政協委員、天津市政協常委、天津市人民政府對外經濟事務法律顧問、中國國際經濟貿易仲裁委員會仲裁員、中國司法部委託公證人。

陳博士曾任香港特別行政區第一屆政府推選委員會委員、香港特別行政區行政長官選舉委員會委員及全國人民代表大會香港特別行政區代表選舉會議成員。她曾擔任港區省級政協委員聯誼會主席，現為該會永遠名譽主席。她擔任婦女事務委員會主席。多年來，她擔任香港特區政府委任的各項公職，主要包括：香港醫院管理局董事、香港公務員敘用委員會委員、香港教育委員會成員、香港考試評核局董事、醫管局公眾投訴委員會主席、香港九龍醫院主席、香港眼科醫院主席、香港將軍澳醫院主席、伊利沙伯醫院管治委員會成員、香港醫務委員會委員、退休金上訴委員會主席、香港行政上訴委員會委員、香港入境事務審裁庭審裁員、香港會計師公會紀律委員會委員、香港科技大學校董、香港科技園公司董事。

陳博士現任勤信律師事務所高級顧問及德勤·關黃陳方會計師行高級顧問。她為交通銀行(香港)有限公司、中國太平保險集團有限責任公司、中國太平保險(香港)有限公司及中國海外發展有限公司獨立非執行董事。陳博士於本公司二零一七年度股東週年大會上獲委任為董事。

詹原競先生，80歲，正高級工程師。曾任天津中新藥業集團股份有限公司董事長、總經理、黨委副書記，中國中藥協會副會長、天津市醫藥協會副會長、天津市中醫藥協會副會長、天津大學客座教授。二零零九年六月至二零一五年五月，曾任同仁堂股份獨立董事。詹先生於本公司二零一七年度股東週年大會上獲委任為董事。



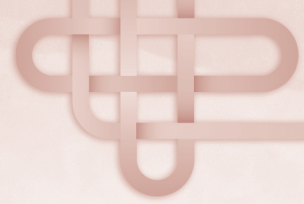
Directors, Supervisors and Senior Management (Continued) 董事、監事及高級管理人員(續)

SUPERVISORS

Ms. Su Li, aged 43, chief supervisor, is an accountant with a bachelor's degree. Ms. Su previously served as the finance supervisor and the deputy head of financial management department of Tong Ren Tang Holdings. Ms. Su currently serves as the supervisor of Beijing Tong Ren Tang Pharmaceutical Co., Ltd.. Ms. Su was appointed as a Supervisor at the 2017 AGM of the Company.

Mr. Wu Yi Gang, aged 65, holding a bachelor degree of law, was admitted as a solicitor in 1984 and started practice in the same year. Mr. Wu founded Wu Luan Zhao Yan Law Firm in Beijing in 1994 and has been the managing partner of the firm since then. He served as one of the arbitrators of the first session of the Beijing Arbitration Commission in 1995. He currently serves as the deputy director of Dedicated Working Committee for Reexamination of Disciplinary Actions Against Members of Beijing Lawyers Association, and member of the First Council of Beijing Club of Non-Party Senior Intellectuals. He was appointed as a Supervisor at the EGM of the Company on 22 October 2003.

Mr. Li Yuan Hong, aged 60, has a bachelor's degree. Mr. Li previously served as a staff member of the manufacturing department of Tong Ren Tang Holdings, a deputy business supervisor of medicinal materials department of the Company, a business supervisor of purchasing department, a deputy director of purchasing business department, a business director of medicinal material department of the raw material branch, the vice chairman of labour union and director of administration department of the Company, the supervisor of Tong Ren Tang Tangshan Healthcare, Tong Ren Tang Second Traditional Chinese Medicine Hospital, Nansanhuan Zhonglu Drugstore and Tong Ren Tang Xingtang.



Directors, Supervisors and Senior Management (Continued) 董事、監事及高級管理人員(續)

監事

蘇莉女士，43歲，本公司監事長，本科學歷，會計師。曾任集團公司財務主管、財務管理部副部長。蘇女士現任北京同仁堂製藥有限公司監事。蘇女士於本公司二零一七年度股東週年大會上獲委任為監事。

吳以鋼先生，65歲，法律學士，一九八四年取得律師資格，同年開始執業。一九九四年創建北京市吳樂趙閻律師事務所並擔任主任至今，一九九五年擔任首屆北京仲裁委員會仲裁員。現任北京市律師協會會員處分複查專門工作委員會副主任、北京市黨外高級知識分子聯誼會第一屆理事會理事。吳先生於二零零三年十月二十二日召開的本公司臨時股東大會獲委任為監事。

李元紅先生，60歲，本科學歷。歷任集團公司生產處科員，本公司藥材部業務副主管、採購部業務主管、原料分公司採購業務部副部長、藥材部部長，本公司工會副主席、行政部部長，同仁堂唐山保健品、同仁堂第二中醫醫院、同仁堂南三環中路藥店及同仁堂行唐監事。



Directors, Supervisors and Senior Management (Continued)

董事、監事及高級管理人員(續)

SENIOR MANAGEMENT

Mr. Guan Jun Wei, aged 47, is a senior engineer with a PhD degree. He formerly served as the general manager of the Harbin Pharm. Group Sanjing Yingmei Pharmaceutical Co., Ltd., the general manager of the Harbin Pharm. Group Sanjing Mingshui Health Products Trade Co., Ltd., the secretary of the Party Committee, the chairman of the board and the general manager of the Harbin Pharmaceutical Group Bio-Vaccine Co., Ltd., the director of the President's Office of the Sunflower Pharmaceutical Group Co., Ltd., the executive director, the general manager of the Liaoning Ebang Pharmaceutical Co., Ltd., and the general manager of the Harbin Zhenbao Pharmaceutical Co., Ltd. Mr. Guan Jun Wei joined the Company since January 2023, he currently serves as the executive deputy general manager of the Company.

Mr. Zhang Feng, aged 59, with a university qualification, formerly served as the secretary to the Party Committee and the manager of a logistics distribution center of the Company, the deputy general manager of the operation branch of the Company, the general manager of the marketing branch of the Company and the assistant to the general manager of the Company. Mr. Zhang Feng joined the Company since March 2000, he currently serves as the deputy general manager of the Company.

Mr. Dong Ling Yun, aged 50, is an engineer with a university qualification. He formerly served as the secretary to the Party Committee and the factory manager of Yi Zhuang branch factory of the Company and the assistant to the general manager of the Company. Mr. Dong Ling Yun joined the Company since March 2000, he currently serves as the deputy general manager of the Company.

Mr. Han Guan Zhao, aged 44, is a corporate legal adviser with a postgraduate qualification. He formerly served as the office senior legal affairs manager and manager of the legal affairs department of COFCO Feed Co. Ltd. Mr. Han Guan Zhao joined the Company since December 2019, he currently serves as deputy general manager and general legal counsel of the Company.

Mr. Zhao Shu Wu, aged 41, is an engineer with a postgraduate qualification. He formerly served as the head of the planning and technical renovation department and head of the basic work management department of the Company. Mr. Zhao Shu Wu joined the Company since August 2003, he currently serves as the deputy general manager of the Company.

Mr. Li Yijun, aged 39, holds a master of laws degree and a master of corporate governance degree and is an economist and psychological counselor. He is also an associate of The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute, and holds the certificate from the CFA Institute (Chartered Financial Analyst Institute) in ESG investing (E: Environmental, S: Social, G: Governance). Mr. Li used to serve as board secretary and joint company secretary of Excellence Commercial Property & Facilities Management Group Limited (whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 6989.HK)), head of investor relations and head of capital market management department of Shimao Group Holdings Limited (whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 813.HK)), an investor relations partner of China Vanke Co., Ltd. (whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2202.HK) and the Main Board of the Shenzhen Stock Exchange (stock code: 000002.SZ)), deputy director of the office for board of directors and the representative in Hong Kong of Sinopec Shanghai Petrochemical Company Limited (whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 338.HK), the Main Board of the Shanghai Stock Exchange (stock code: 600688.SH) and etc. Mr. Li has extensive experience in corporate governance, investor relations and ESG. He is also a recipient of a scholarship of The Hong Kong Institute of Chartered Secretaries (presently known as The Hong Kong Chartered Governance Institute) and he was nominated by IR magazine as one of the best investor relations officers in the Greater China in 2020, and the team led by him was awarded the New Fortune Best IR of HK-Listed Company in 2019. Mr. Li Yijun joined the Company since May 2023 he currently serves as the joint company secretary and the board secretary of the Company.



Directors, Supervisors and Senior Management (Continued) 董事、監事及高級管理人員(續)

高級管理人員

關俊威先生，47歲，博士，高級工程師。曾任哈藥集團三精英美製藥有限公司總經理，哈藥集團三精明水健康品經貿有限公司總經理，哈藥集團生物疫苗有限公司黨委書記、董事長、總經理，葵花藥業集團股份有限公司總裁辦主任，遼寧億邦製藥有限公司執行董事、總經理，哈爾濱珍寶製藥有限公司總經理。關俊威先生自二零二三年一月加入本公司，現任本公司常務副總經理。

張鋒先生，59歲，大學學歷。曾任本公司物流配送中心黨總支書記、經理，本公司經營公司總經理，本公司營銷分公司總經理，本公司總經理助理。張鋒先生自二零零零年三月加入本公司，現任本公司副總經理。

董凌雲先生，50歲，大學學歷，工程師。曾任本公司亦莊分廠黨總支書記、廠長，本公司總經理助理。董凌雲先生自二零零零年三月加入本公司，現任本公司副總經理。

韓貫召先生，44歲，研究生學歷，企業法律顧問。曾任中糧飼料有限公司辦公室法律事務高級經理、法律事務部經理。韓貫召先生自二零一九年十二月加入本公司，現任本公司副總經理、總法律顧問。

趙書武先生，41歲，研究生學歷，工程師。曾任本公司規劃技改辦公室主任、基礎工作管理部部長。趙書武先生自二零零三年八月加入本公司，現任本公司副總經理。

李一俊先生，39歲，法學碩士、企業管治碩士，經濟師、心理諮詢師，彼亦為英國特許公司治理公會及香港公司治理公會會士，並獲CFA協會(特許金融分析師協會)的ESG投資認證(E:環境、S:社會、G:管治)。李先生曾任卓越商企服務集團有限公司(其股份於香港聯交所主板上市(股份代號：6989.HK))董事會秘書、聯席公司秘書，世茂集團控股有限公司(其股份於香港聯交所主板上市(股份代號：813.HK))投資者關係負責人、資本市場管理部負責人，萬科企業股份有限公司(其股份於香港聯交所主板(股份代號：2202.HK)及深圳交易所主板(股份代號：000002.SZ)上市)投資者關係合夥人，中國石化上海石油化工股份有限公司(其股份於香港聯交所主板(股份代號：338.HK)、上海交易所主板(股份代號：600688.SH)上市)董秘室副主任、駐港代表等職務。李先生在企業管治、投資者關係、ESG領域具有豐富經驗，曾獲得香港特許秘書公會(現稱香港公司治理公會)獎學金、《IR Magazine》2020年大中華區最佳投資者關係官提名，其帶領的團隊被授予2019年新財富最佳IR港股公司獎。李一俊先生自二零二三年五月加入本公司，現任本公司聯席公司秘書、董事會秘書。

Independent Auditor's Report 獨立核數師報告



羅兵咸永道

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TONG REN TANG TECHNOLOGIES CO. LTD.

(incorporated in the People's Republic of China with limited liability)

OPINION

What we have audited

The consolidated financial statements of Tong Ren Tang Technologies Co. Ltd. (the **"Company"**) and its subsidiaries (the **"Group"**), which are set out on pages 144 to 264, comprise:

- the consolidated balance sheet as at 31 December 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (**"ISAs"**). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (**"IESBA Code"**), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Independent Auditor's Report (Continued) 獨立核數師報告(續)



羅兵咸永道

獨立核數師報告

致北京同仁堂科技發展股份有限公司股東
(於中華人民共和國註冊成立的有限公司)

意見

我們已審計的內容

北京同仁堂科技發展股份有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第144至264頁的合併財務報表，包括：

- 於二零二三年十二月三十一日的合併資產負債表；
- 截至該日止年度的合併利潤表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附注，包括重大會計政策信息及其他解釋信息。

我們的意見

我們認為，該等合併財務報表已根據《國際財務報告會計準則》真實而中肯地反映了貴集團於二零二三年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據《國際審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據國際會計師職業道德準則理事會頒布的《國際會計師職業道德守則(包含國際獨立性標準)》(以下簡稱「道德守則」)，我們獨立於貴集團，並已履行道德守則中的其他專業道德責任。

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Independent Auditor's Report (Continued)

獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
TONG REN TANG TECHNOLOGIES CO. LTD. (Continued)**
(incorporated in the People's Republic of China with limited liability)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

The key audit matter identified in our audit is related to realisability of inventories:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Realisability of Inventories</p> <p>Refer to Note 4 (a) "Critical Accounting Estimates and Judgments — Net realisable value of inventories", Note 15 "Inventories" to the consolidated financial statements.</p> <p>As at 31 December 2023, the gross balances of inventories were RMB4,874,585,000, against which a provision of RMB130,152,000 was set aside. Inventories are stated at the lower of cost and net realisable value, and the latter is the estimated selling price in the ordinary course of business less estimated costs to completion and those necessary to make the sale.</p> <p>We focused on this area because of the significance of inventories as at 31 December 2023 and significant judgments applied by management. In determining the appropriate level of provision for inventories, management considered the results of inspections, level of obsolescence or damage, pricing plans, etc.</p>	<p>We obtained evidence over the appropriateness of management's assumptions in determining the net realisable value of inventories by performing the following procedures:</p> <ul style="list-style-type: none">— understood the Group's controls over analysing slow-moving indicators of raw materials and finished goods, such as turnover ratios and aging profile on a monthly basis, as well as compared the sales budget against the production plan;— understood the inventory controls being operated across the Group, including inspection of raw materials and products by quality control officers, as well as notification for products close to expires;— attended physical observations on sample basis at production premises and warehouses to identify any obsolete or damaged inventories;— assessed the appropriateness and consistency of management's judgments and assumptions applied in estimating the net realisable values; and— compared the net realisable values, to the carrying cost of inventories to check for adequacy and calculations of provision. <p>Based on the above, we found that the assumptions and judgments applied by management in their assessment of the realisability of inventories were supported by the evidence we obtained.</p>

Independent Auditor's Report (Continued) 獨立核數師報告(續)



羅兵咸永道

獨立核數師報告
致北京同仁堂科技發展股份有限公司股東(續)
(於中華人民共和國註冊成立的有限公司)

關鍵審計事項

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

我們在審計中識別的關鍵審計事項是關於存貨可變現能力：

關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>存貨可變現能力</p> <p>參見合併財務報表附註4(a)「關鍵會計估計與判斷—存貨的可變現淨值」，附註15「存貨」。</p> <p>於二零二三年十二月三十一日，存貨原值為人民幣4,874,585千元，對應的存貨跌價準備為人民幣130,152千元。存貨按成本及可變現淨值兩者的較低者列賬，後者乃按其於日常業務過程中的估計售價，抵減估計至完成及銷售的必要成本。</p> <p>我們關注此領域是由於在二零二三年十二月三十一日存貨金額重大且涉及管理層重大判斷。管理層基於檢查結果、過時或損壞的程度及定價計劃等來決定存貨跌價準備的適當水準。</p>	<p>我們通過執行以下程序獲取管理層決定存貨可變現淨值所採用假設適當性的證據：</p> <ul style="list-style-type: none">— 了解貴集團月度監控原材料和產成品滯銷跡象的分析指標如周轉率和庫齡結構以及對比銷售預算和生產計劃的控制；— 了解存貨控制在集團層面的運行，包括質量管理人員對材料和產品的檢查以及臨近效期產品的提示；— 在生產車間和倉庫抽樣進行實物監盤以識別貴集團的存貨有否存在陳舊和損壞；— 評估管理層用於估計可變現淨值的判斷和假設的適當性和一致性；及— 比較可變現淨值與存貨成本，檢查準備的充分性和計算。 <p>基於以上所述，我們發現管理層對其存貨可變現能力的評估所採用的假設和判斷能夠由我們獲得的證據所支持。</p>

Independent Auditor's Report (Continued) 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
TONG REN TANG TECHNOLOGIES CO. LTD. (Continued)**
(incorporated in the People's Republic of China with limited liability)

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Independent Auditor's Report (Continued) 獨立核數師報告(續)



羅兵咸永道

獨立核數師報告
致北京同仁堂科技發展股份有限公司股東(續)
(於中華人民共和國註冊成立的有限公司)

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

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

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就合併財務報表須承擔的責任

貴公司董事須負責根據《國際財務報告會計準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會須負責監督貴集團的財務報告過程。

Independent Auditor's Report (Continued) 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
TONG REN TANG TECHNOLOGIES CO. LTD. (Continued)**
(incorporated in the People's Republic of China with limited liability)

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. We report our opinion 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report (Continued) 獨立核數師報告(續)



羅兵咸永道

獨立核數師報告

致北京同仁堂科技發展股份有限公司股東(續)

(於中華人民共和國註冊成立的有限公司)

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的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《國際審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴合併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。

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

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

Independent Auditor's Report (Continued) 獨立核數師報告(續)



羅兵咸永道

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TONG REN TANG TECHNOLOGIES CO. LTD. (Continued)

(incorporated in the People's Republic of China with limited liability)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is LEONG Kin Bong.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 22 March 2024

Independent Auditor's Report (Continued) 獨立核數師報告(續)



羅兵咸永道

獨立核數師報告

致北京同仁堂科技發展股份有限公司股東(續)

(於中華人民共和國註冊成立的有限公司)

- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

從與審核委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是梁建邦。

羅兵咸永道會計師事務所

執業會計師

香港，二零二四年三月二十二日

Consolidated Balance Sheet

合併資產負債表

As at 31 December 2023 於二零二三年十二月三十一日

		As at 31 December 於十二月三十一日	
		2023	2022
	Note 附注	RMB'000 人民幣千元	RMB'000 人民幣千元
Assets 資產			
Non-current assets 非流動資產			
Property, plant and equipment 房屋及建築物、廠房及設備	6	2,569,439	2,591,032
Right-of-use assets 使用權資產	7(a)	650,739	615,033
Intangible assets 無形資產	8	60,235	62,899
Investments accounted for using the equity method 按權益法入賬的投資	10	34,941	34,191
Financial assets at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產	12(a)	7,098	8,591
Prepayments for purchase of non-current assets 非流動資產預付款		44,707	39,858
Deferred income tax assets 遞延所得稅資產	16	81,685	60,983
		3,448,844	3,412,587
Current assets 流動資產			
Inventories 存貨	15	4,744,433	3,239,209
Trade and bills receivables 應收賬款及票據	13	888,333	1,497,249
Other financial assets at amortised cost 以攤餘成本計量的其他金融資產		53,056	36,252
Prepayments and other current assets 預付款及其他流動資產	14	188,196	153,223
Financial assets at fair value through profit or loss 以公允價值計量且其變動計入損益的金融資產		370	429
Financial assets at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產	12(b)	64,444	98,148
Term deposits placed with banks 銀行定期存款	34(b)	1,373,608	326,003
Cash and cash equivalents 現金及現金等價物	34(b)	2,746,458	3,721,668
		10,058,898	9,072,181
Total assets 資產總計		13,507,742	12,484,768
Equity and liabilities 權益及負債			
Equity attributable to owners of the Company 歸屬於本公司所有者			
Share capital 股本	17	1,280,784	1,280,784
Reserves 儲備	18	5,608,633	5,201,967
		6,889,417	6,482,751
Non-controlling interests 非控制性權益	9	2,762,468	2,534,187
Total equity 權益合計		9,651,885	9,016,938

Consolidated Balance Sheet (Continued) 合併資產負債表(續)

As at 31 December 2023 於二零二三年十二月三十一日

		As at 31 December 於十二月三十一日	
		2023	2022
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Note	附注		
Liabilities 負債			
Non-current liabilities 非流動負債			
		1,379,451	1,221,797
		96,443	74,644
		8,494	7,212
		132,584	112,534
		1,616,972	1,416,187
Current liabilities 流動負債			
		1,376,743	823,233
		58,497	58,641
		206,651	219,315
		41,202	154,708
		404,472	497,278
		76,651	250,496
		74,669	47,972
		2,238,885	2,051,643
Total liabilities 負債合計		3,855,857	3,467,830
Total equity and liabilities 權益及負債總計		13,507,742	12,484,768

The notes on pages 152 to 264 are an integral part of these financial statements.

第152至264頁的附注為合併財務報表的整體部分。

The financial statements on pages 144 to 264 were approved by the Board of Directors on 22 March 2024 and were signed on its behalf.

第144至264頁的財務報表已由董事會於二零二四年三月二十二日批准，並代表董事會簽署。

Di Shu Bing 邱淑兵
Chairman 董事長

Feng Zhi Mei 馮智梅
Director 董事

Consolidated Income Statement

合併利潤表

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

	Note 附注	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Revenue 收入	24	6,773,463	5,991,841
Cost of sales 銷售成本	26	(3,925,906)	(3,400,015)
Gross profit 毛利		2,847,557	2,591,826
Distribution expenses 銷售費用	26	(1,080,544)	(907,569)
Administrative expenses 管理費用	26	(633,875)	(483,287)
(Provision for)/reversal of impairment losses on financial assets 金融資產減值(計提)/轉回	26	(17,087)	12,807
Other income and gains/(losses), net 其他收益及利得/(損失), 淨額		162	(658)
Operating profit 營業利潤		1,116,213	1,213,119
Finance income 財務收益	25	95,351	51,861
Finance costs 財務費用	25	(49,302)	(53,798)
Finance income/(costs), net 財務收益/(費用), 淨額	25	46,049	(1,937)
Share of gains of investments accounted for using the equity method 享有按權益法入賬的投資的收益份額	10	193	811
Profit before income tax 除所得稅前利潤		1,162,455	1,211,993
Income tax expense 所得稅費用	28	(170,142)	(210,373)
Profit for the year 年度利潤		992,313	1,001,620
Profit attributable to: 利潤歸屬於:			
Owners of the Company 本公司所有者		590,188	582,888
Non-controlling interests 非控制性權益		402,125	418,732
		992,313	1,001,620
Earnings per share for profit attributable to owners of the Company during the year 年內的每股收益歸屬於本公司所有者			
— Basic and diluted 基本及攤薄每股收益	29	RMB0.46	RMB0.46

The notes on pages 152 to 264 are an integral part of these consolidated financial statements.

第152至264頁的附注為合併財務報表的整體部分。

Consolidated Statement of Comprehensive Income

合併綜合收益表

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

	Note 附注	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Profit for the year 年度利潤		992,313	1,001,620
Other comprehensive income 其他綜合收益			
<i>Items that may be reclassified to profit or loss 其後可能被重分類至損益的項目</i>			
Foreign currency translation differences 外幣折算差額			
— Group 集團		50,945	258,716
— Joint ventures and associates 合營及聯營企業		37	888
<i>Items that will not be reclassified to profit or loss 其後不能被重分類至損益的項目</i>			
Change in fair value of financial assets at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產的價值變動	12(a)	(1,608)	3,585
Other comprehensive income for the year, net of tax 本年度其他綜合收益，扣除稅項		49,374	263,189
Total comprehensive income for the year 本年度總綜合收益		1,041,687	1,264,809
Attributable to: 歸屬於：			
Owners of the Company 本公司所有者		608,149	681,083
Non-controlling interests 非控制性權益		433,538	583,726
Total comprehensive income for the year 本年度總綜合收益		1,041,687	1,264,809

The notes on pages 152 to 264 are an integral part of these consolidated financial statements.

第152至264頁的附注為合併財務報表的整體部分。

Consolidated Statement of Changes in Equity

合併權益變動表

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

	Attributable to shareholders of the Company 歸屬於本公司股東									Non-controlling interests 非控制性權益	Total equity 權益合計	
	Share capital (Note 17) (附注 17)	Capital reserve (Note 18(a)) (附注 18(a))	Statutory surplus reserve fund (Note 18(b)) (附注 18(b))	Statutory public welfare fund (Note 18(b)) (附注 18(b))	Tax reserve (Note 18(c)) (附注 18(c))	Foreign currency translation differences (Note 18(d)) (附注 18(d))	Financial assets at FVOCI reserve (Note 18(e)) (附注 18(e))	Other reserves (Note 18(e)) (附注 18(e))	Retained earnings 未分配利潤	Total 合計		
	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	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance as at 1 January 2022 於二零二二年一月一日餘額	1,280,784	412,245	624,987	45,455	102,043	(28,526)	(2,808)	132,187	3,413,112	5,979,479	2,178,923	8,158,402
Comprehensive income 綜合收益												
Profit for the year 年度利潤	-	-	-	-	-	-	-	582,888	582,888	582,888	418,732	1,001,620
Change in fair value of financial assets at fair value through other comprehensive income ("FVOCI") 以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值變動	-	-	-	-	-	-	1,364	-	1,364	1,364	2,221	3,585
Foreign currency translation differences 外幣折算差額												
— Group 集團	-	-	-	-	-	96,493	-	-	96,493	96,493	162,223	258,716
— Joint ventures and associates 合營及聯營企業	-	-	-	-	-	338	-	-	338	338	550	888
Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易												
Appropriation to statutory surplus reserve fund (Note 18(b)) 提取法定盈餘公積金(附注 18(b))	-	-	53,492	-	-	-	-	(53,492)	-	-	-	-
2021 dividends to shareholders of the Company 分派本公司股東二零二一年度股息	-	-	-	-	-	-	-	(204,925)	(204,925)	(204,925)	-	(204,925)
2021 dividends to non-controlling interests 分派非控制性權益二零二一年度股息	-	-	-	-	-	-	-	-	-	-	(271,711)	(271,711)
Transactions with non-controlling interests (Note 9(a)) 與非控制性權益進行的交易(附注 9(a))	-	-	-	-	-	-	-	27,114	-	27,114	34,273	61,387
Capital injection from non-controlling interests 非控制性權益出資	-	-	-	-	-	-	-	-	-	-	8,976	8,976
Balance as at 31 December 2022 於二零二二年十二月三十一日餘額	1,280,784	412,245	678,479	45,455	102,043	68,305	(1,444)	159,301	3,737,583	6,482,751	2,534,187	9,016,938

Consolidated Statement of Changes in Equity (Continued)

合併權益變動表(續)

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

	Attributable to shareholders of the Company 歸屬於本公司股東									Non-controlling interests 非控制性權益	Total equity 權益合計	
	Share capital 股本 (Note 17) (附注 17)	Capital reserve 資本儲備 (Note 18(a)) (附注 18(a))	Statutory surplus fund 法定盈餘公積金 (Note 18(b)) (附注 18(b))	Statutory public welfare fund 法定公益金 (Note 18(b)) (附注 18(b))	Tax reserve 免稅基金 (Note 18(c)) (附注 18(c))	Foreign currency translation differences 外幣折算差額 (Note 18(d)) (附注 18(d))	Financial assets at FVOCI reserve 金融資產重估儲備 (Note 18(e)) (附注 18(e))	Other reserves 其他儲備 (Note 18(e)) (附注 18(e))	Retained earnings 未分配利潤	Total		
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance as at 1 January 2023 於二零二三年一月一日餘額	1,280,784	412,245	678,479	45,455	102,043	68,305	(1,444)	159,301	3,737,583	6,482,751	2,534,187	9,016,938
Comprehensive income 綜合收益												
Profit for the year 年度利潤	-	-	-	-	-	-	-	590,188	590,188	402,125	992,313	
Change in fair value of financial assets at FVOCI 以公允價值計量且其變動計入其他綜合收益的 金融資產的公允價值變動	-	-	-	-	-	-	(612)	-	(612)	(996)	(1,608)	
Foreign currency translation differences 外幣折算差額												
— Group 集團	-	-	-	-	-	18,559	-	-	18,559	32,386	50,945	
— Joint ventures and associates 合營及聯營企業	-	-	-	-	-	14	-	-	14	23	37	
Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易												
Appropriation to statutory surplus reserve fund (Note 18(b)) 提取法定盈餘公積金 (附注 18(b))	-	-	51,796	-	-	-	-	(51,796)	-	-	-	
2022 dividends to shareholders of the Company 分派本公司股東二零二二年度股息	-	-	-	-	-	-	-	(204,925)	(204,925)	-	(204,925)	
2022 dividends to non-controlling interests 分派非控制性權益二零二二年度股息	-	-	-	-	-	-	-	-	-	(232,526)	(232,526)	
Transactions with non-controlling interests (Note 9(a)) 與非控制性權益進行的交易 (附注 9(a))	-	-	-	-	-	-	(3,543)	-	(3,543)	(19,181)	(22,724)	
Capital injection from non-controlling interests 非控制性權益出資	-	-	-	-	-	-	-	6,985	6,985	46,450	53,435	
Balance as at 31 December 2023 於二零二三年十二月三十一日餘額	1,280,784	412,245	730,275	45,455	102,043	86,878	(2,056)	162,743	4,071,050	6,889,417	2,762,468	9,651,885

The notes on pages 152 to 264 are an integral part of these consolidated financial statements.

第 152 至 264 頁的附注為合併財務報表的整體部分。

Consolidated Statement of Cash Flows

合併現金流量表

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

	Note	2023	2022
	附注	RMB'000 人民幣千元	RMB'000 人民幣千元
Cash flows from operating activities: 經營活動產生的現金流量：			
Cash generated from operations 經營活動收到的現金	34(a)	907,467	870,467
Interest paid 支付的利息		(49,276)	(53,798)
Income tax paid 支付的所得稅		(304,016)	(92,900)
Net cash generated from operating activities 經營活動收到的現金流量淨額		554,175	723,769
Cash flows from investing activities: 投資活動產生的現金流量：			
Purchase of property, plant and equipment 購買房屋及建築物、廠房及設備		(103,393)	(157,916)
Purchase of land use rights 購買土地使用權		-	(6,135)
Purchase of other long-term assets 購買其他長期資產		(4,321)	(8,639)
Proceeds from disposals of property, plant and equipment and other long-term assets 處置房屋及建築物、廠房及設備和其他長期資產所收到的現金		813	288
Placement of term deposits placed with banks with original maturities exceeding three months 原期限為三個月以上之銀行定期存款增加所支付的現金		(1,273,608)	(326,003)
Redemption of term deposits placed with banks with original maturities exceeding three months 原期限為三個月以上之銀行定期存款減少所收到的現金		226,003	503,040
Dividends received 收到的股息		216	108
Interest received 收到的利息		86,763	38,266
Net cash (used in)/generated from investing activities 投資活動(支付)/收到的現金流量淨額		(1,067,527)	43,009

Consolidated Statement of Cash Flows (Continued) 合併現金流量表(續)

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

		2023	2022
	Note	RMB'000	RMB'000
	附注	人民幣千元	人民幣千元
Cash flows from financing activities: 籌資活動產生的現金流量：			
Proceeds from borrowings 借款所收到的現金		235,300	1,650,600
Repayments of borrowings 償還借款所支付的現金		(251,495)	(1,670,937)
Principal elements of lease payments 租賃付款額的本金部分		(76,840)	(69,869)
Capital injection from non-controlling interests 非控制性權益出資		53,435	8,976
Dividends paid to shareholders of the Company 向本公司股東支付股息		(202,909)	(204,925)
Dividends paid to non-controlling interests 向非控制性權益支付股息		(232,526)	(272,185)
Purchase of non-controlling interests in subsidiaries 購買子公司的少數股權	9(a)	(22,724)	(2,494)
Proceeds from partial disposal of interests in subsidiaries 處置子公司部分股權所收到的現金	9(a)	-	61,387
Net cash used in financing activities 籌資活動支付的現金流量淨額		(497,759)	(499,447)
Net (decrease)/increase in cash and cash equivalents 現金及現金等價物淨(減少)/增加		(1,011,111)	267,331
Cash and cash equivalents at beginning of the year 現金及現金等價物的年初餘額		3,721,668	3,246,159
Effects of exchange rate changes on cash and cash equivalents 匯率變動對現金及現金等價物的影響		35,901	208,178
Cash and cash equivalents at end of the year 現金及現金等價物的年末餘額	34(b)	2,746,458	3,721,668

The notes on pages 152 to 264 are an integral part of these consolidated financial statements.

第152至264頁的附注為合併財務報表的整體部分。



Notes to the Consolidated Financial Statements

合併財務報表附注

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

Tong Ren Tang Technologies Co. Ltd. (the “**Company**”) was incorporated as a joint stock limited company in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”) on 22 March 2000. The address of its registered office is No. 16 Tongji Beilu, Beijing Economic and Technological Development Zone, Beijing, the PRC.

The Company and its subsidiaries are hereafter collectively referred to as the “**Group**”. The Group is principally engaged in the production and distribution of Chinese medicine and primarily operates in Mainland China and Hong Kong.

The directors of the Company (the “**Directors**”) consider China Beijing Tong Ren Tang Group Co., Ltd., a limited liability company incorporated in Beijing, the PRC, as the ultimate holding company.

The Company’s H shares have been listed on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 31 October 2000. On 9 July 2010, the Company transferred the listing from GEM to the Main Board (the “**MB**”) of the Stock Exchange.

These financial statements are presented in RMB unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 22 March 2024.

1. 一般資料

北京同仁堂科技發展股份有限公司(「**本公司**」)，是於二零零零年三月二十二日在中華人民共和國(「**中國**」)北京成立的股份有限公司。本公司的註冊地址為中國北京市北京經濟技術開發區同濟北路16號。

本公司及其子公司以下統稱為(「**本集團**」)。本集團主要業務為中藥製造和銷售，主要經營地為中國內地及香港。

本公司董事(「**董事**」)認為，在中國北京成立的中國北京同仁堂(集團)有限責任公司，為最終控股公司，其主要經營地為中國內地及香港。

本公司自二零零零年十月三十一日於香港聯合交易所有限公司(「**聯交所**」)創業板上市。於二零一零年七月九日，本公司由聯交所創業板轉至主板上市。

本財務報表以人民幣列示(除非另有說明)。

合併財務報表已於二零二四年三月二十二日經董事會批准刊發。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BASIS OF PREPARATION

The consolidated financial statements of Tong Ren Tang Technologies Co. Ltd. have been prepared in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVOCI and financial assets at fair value through profit or loss (“**FVPL**”).

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2. 編製基準

北京同仁堂科技發展股份有限公司的合併財務報表是根據國際財務報告會計準則和香港《公司條例》的披露規定編製。國際財務報告會計準則包括以下權威文獻：

- 國際財務報告會計準則
- 國際會計準則
- 由國際財務報告準則解釋委員會 (IFRIC 解釋委員會) 或其前身常設解釋委員會 (SIC 解釋委員會) 制定的解釋報告。

合併財務報表按照歷史成本法編製，並已就以公允價值計量且其變動計入其他綜合收益的金融資產和以公允價值計量且其變動計入損益的金融資產的重估作出修訂。

編製符合國際財務報告會計準則的財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團的會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性，或涉及對合併財務報表作出重大假設和估計的範疇，在附注4中披露。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BASIS OF PREPARATION (CONTINUED)

2.1 Changes in accounting policies and disclosures

2.1.1 Adoption of new standards and amendments to standards

The Group has applied the following new standards and amendments to standards which are mandatory for the financial year beginning on 1 January 2023:

IFRS 17

國際財務報告準則第17號

Amendments to IAS 1 and IFRS Practice Statement 2

國際會計準則第1號和國際財務報告準則實務說明
第2號(修改)

Amendments to IAS 8

國際會計準則第8號(修改)

Amendments to IAS 12

國際會計準則第12號(修改)

Amendments to IAS 12

國際會計準則第12號(修改)

2. 編製基準(續)

2.1 會計政策和披露的變動

2.1.1 已採納的新訂準則及準則之修訂

本集團所採納於二零二三年一月一日開始之財政年度須強制採用的新訂準則及準則之修訂如下：

Insurance Contracts

保險合同

Disclosure of Accounting Policies

會計政策的披露

Definition of Accounting Estimates

會計估計的定義

Deferred Tax related to Assets and Liabilities arising from a
Single Transaction

與單一交易產生的資產和負債相關的遞延所得稅

International Tax Reform — Pillar Two Model Rules

國際稅收改革 — 支柱二規則

The adoption of the above new standards and amendments to standards did not have any significant financial impact on these consolidated financial statements.

採納上述新訂準則及準則之修訂對該等合併財務報表並無任何重大財務影響。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BASIS OF PREPARATION (CONTINUED)

2. 編製基準(續)

2.1 Changes in accounting policies and disclosures

2.1 會計政策和披露的變動(續)

(Continued)

2.1.2 Amendments to standards which are not yet effective

2.1.2 尚未生效的準則及準則之修訂

The following are amendments to existing standards that have been published and are relevant and mandatory for the Group's accounting periods beginning on or after 1 January 2024, but have not been early adopted by the Group.

下列已頒佈現有準則之修訂與本集團於二零二四年一月一日或之後開始的會計期間有關且強制實行，惟本集團並無提早採納。

Amendments to IAS 1 國際會計準則第1號(修改)	Classification of Liabilities as Current or Non-current ⁽¹⁾ 流動/非流動負債的分類 ⁽¹⁾
Amendments to IAS 1 國際會計準則第1號(修改)	Non-current liabilities with covenants ⁽¹⁾ 附有契約條件的非流動負債 ⁽¹⁾
Amendments to IFRS 16 國際財務報告準則第16號(修改)	Lease liability in a Sale and Leaseback ⁽¹⁾ 售後租回交易中的租賃負債 ⁽¹⁾
Amendments to IAS 7 and IFRS 7 國際會計準則第7號及國際財務報告準則第7號(修改)	Supplier Finance Arrangements ⁽¹⁾ 供貨商融資安排 ⁽¹⁾
Amendments to IFRS 21 國際會計準則第21號(修改)	Lack of Exchangeability ⁽²⁾ 缺乏可兌換性 ⁽²⁾
Amendments to IFRS 10 and IAS 28 國際財務報告準則第10號及國際會計準則第28號(修改)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾ 投資者及其聯營或合營企業的資產出售或投入 ⁽³⁾

⁽¹⁾ Effective for the accounting period beginning on or after 1 January 2024

⁽¹⁾ 於二零二四年一月一日或之後開始的會計期間生效

⁽²⁾ Effective for the accounting period beginning on or after 1 January 2025

⁽²⁾ 於二零二五年一月一日或之後開始的會計期間生效

⁽³⁾ Effective date to be determined

⁽³⁾ 生效日期待定

These amendments to existing standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

現有準則之修訂預期不會對本集團在當前或未來報告期內以及對可預見的未來交易產生重大影響。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by management of each individual entity within the Group.

(a) Market risk

(i) Foreign exchange risk

The Group operates on an international basis and foreign exchange risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations, primarily with respect to the Hong Kong Dollar ("HK\$").

The Group currently does not have a foreign currency hedging policy. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates.

The foreign exchange is primarily as a result of foreign exchange gains/losses on translation of HK\$-denominated financial instruments held by group entities established in Mainland China whose currency of the primary economic environment in which the entity operates ("**functional currency**") is Renminbi and translation of Renminbi-denominated financial instruments held by entities incorporated in Hong Kong whose functional currency is HK\$. If Renminbi had strengthened/weakened by 5% against HK\$, with all other variables held constant, the profit before income tax for the year ended 31 December 2023 would increase/decrease RMB10,980,000 (2022: RMB16,817,000).

3. 財務風險管理

3.1 財務風險因素

本集團的活動承受著多種的財務風險：市場風險(包括外匯風險及利率風險)、信用風險及流動性風險。本集團的整體風險管理計劃專注於財務市場的不可預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。風險管理由本集團內每個實體的管理層實施。

(a) 市場風險

(i) 外匯風險

本集團在全球範圍內開展業務活動，外匯風險來自貿易業務、已確認的資產和負債以及境外經營淨投資，主要涉及港幣。

本集團現時並無任何外幣對沖政策。本集團主要通過密切關注匯率變動來應對外匯風險。

外匯風險主要是由於換算中國內地註冊公司(該主體經營所在的主要經濟環境的貨幣(「**功能貨幣**」)為人民幣)所持港幣計價的金融工具及中國香港註冊公司(其功能貨幣為港幣)所持人民幣計價的金融工具的外匯收益/損失所致。倘人民幣兌港幣升值/貶值5%，而所有其他變量保持不變，則截至二零二三年十二月三十一日止年度的除所得稅前利潤將增加/減少人民幣10,980,000元(二零二二年：人民幣16,817,000元)。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The interest rates and repayment terms of the Group's borrowings are disclosed in Note 20. As at 31 December 2023 and 2022, the operating cash flows are substantially independent of changes in market interest rates. The current debt level of the Group is relatively low and the exposure to the fair value interest rate risk is limited.

The management of the Group monitors the interest rate exposure regularly. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

(b) Credit risk

(i) Risk Management

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents and term deposits placed with banks, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

Cash and cash equivalents and term deposits placed with banks are deposited with high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution. As at 31 December 2023, majority of the bank deposits are placed with state-owned banks and listed financial institutions in China, which are at lower credit risk.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險

本集團的利率風險來自長期借款。以浮動利率獲得的借款令本集團承受現金流量利率風險，部分為按浮動利率持有的現金所抵銷。以固定利率獲得的借款令本集團承受公允價值利率風險。本集團借款的利率及償還條款已在附注20中予以披露。於二零二三年十二月三十一日及二零二二年十二月三十一日，經營現金流量基本不受市場利率變動的影響。本集團當前債務水平相對較低，且面對之公允價值利率風險有限。

本集團管理層定期監控利率風險。本集團並無使用利率套期來規避利率風險。

(b) 信用風險

(i) 風險管理

信用風險是按照組合方式管理。信用風險來自現金及現金等價物和銀行定期存款，亦有來自批發和零售客戶的信用風險，包括未償付的應收款和已承諾交易。

現金及現金等價物和銀行定期存款存於高信用素質的財務機構。本集團有政策限定任何財務機構的信用額度。於二零二三年十二月三十一日，主要的銀行存款均存於國有銀行和上市金融機構，該部分存款的信用風險較低。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk Management (Continued)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(i) 風險管理(續)

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
State-owned banks and listed financial institutions in China 國有銀行及上市金融機構	3,990,902	3,947,946
Other banks 其他銀行	127,967	98,201
Total cash at bank and term deposits placed with banks (Note 34(b)) 銀行活期存款及銀行定期存款(附注 34(b))	4,118,869	4,046,147

(ii) Impairment of financial assets

Trade and bills receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables.

Based on shared credit risk characteristics, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the expected loss rates are based on the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(ii) 金融資產的減值

應收賬款及票據

本集團採用國際財務報告準則第9號的簡化方法計量預期信用損失，即對所有應收賬款及票據確認整個存續期的預期損失撥備。

按照相同的信用風險特徵，以單獨基準或集體基準對應收賬款信用風險顯著上升進行評估。當按集體基準評估時，預期信用損失率基於期間發生的相應歷史信用損失確定。本集團調整了歷史信用損失率，以反映影響客戶應收款結算能力的當前和前瞻性宏觀經濟因素信息。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade and bills receivables (Continued)

- Measurement of expected credit loss on individual basis
The trade receivables relating to customers with known financial difficulties or with significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As at 31 December 2023, the balance of individually assessed receivables was RMB41,107,000 (2022: RMB5,427,000) and the loss allowance in respect of individually assessed receivables was RMB25,329,000 (2022: RMB5,427,000).

- Measurement of expected credit loss on collective basis
Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for the likelihood of loss allowance for each group. During the year ended 31 December 2023, the impairment provision of bills receivables is immaterial, because they have a low risk of default and the issuer or the bank has a strong capacity to meet its contractual cash flow obligations in the near term. Taking into account the nature of the customer, its geographical location and its ageing category, the remaining trade receivables are grouped to the following classes and applying expected credit loss rates to the respective gross carrying amounts of the trade receivables.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產的減值(續)

應收賬款及票據(續)

- 按個別基準計量預期信用損失
與已知財務困難或應收賬款收回存在重大疑慮的客戶相關的應收款項單獨評估減值準備。於二零二三年十二月三十一日，單獨評估的應收款項為人民幣RMB41,107,000元(2022：人民幣5,427,000元)，相關的損失撥備餘額為人民幣RMB25,329,000元(2022：人民幣5,427,000元)。

- 按集體基準計量預期信用損失
本集團還按照相同的信用風險特徵將剩餘應收款項分組並按組合估計預期信用損失，評估損失撥備概率。截至二零二三年十二月三十一日止年度，由於違約風險較低並且發行人或銀行具備可在短期內履行合同現金流義務的較強能力，應收票據預期信用損失不重大。在綜合考慮客戶性質、地理位置及賬齡類別後，將剩餘應收賬款分為以下組合，按照相應的應收賬款賬面價值總額採用預期信用損失率進行計算。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade and bills receivables (Continued)

- Measurement of expected credit loss on collective basis (Continued)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產的減值(續)

應收賬款及票據(續)

- 按集體基準計量預期信用損失(續)

	As at 31 December 於十二月三十一日					
	2023			2022		
	Balance of trade receivables 應收賬款 餘額 RMB'000 人民幣千元	Expected loss rate 預期 損失率	Loss allowance 損失撥備 RMB'000 人民幣千元	Balance of trade receivables 應收賬款 餘額 RMB'000 人民幣千元	Expected loss rate 預期 損失率	Loss allowance 損失撥備 RMB'000 人民幣千元
The Company and subsidiaries established in Mainland China 本公司及中國內地子公司						
Within 4 months 四個月以內	273,385	0.5%	1,270	208,815	0.5%	934
Over 4 months but within 1 year 四個月至一年	55,457	10.8%	6,014	61,804	7.1%	4,403
Over 1 year but within 2 years 一年至二年	21,519	26.3%	5,662	14,415	22.3%	3,213
Over 2 years but within 3 years 二年至三年	8,942	46.4%	4,147	4,708	47.2%	2,221
Over 3 years 三年以上	10,397	100.0%	10,397	16,151	100.0%	16,151
合計	369,700		27,490	305,893		26,922

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade and bills receivables (Continued)

- Measurement of expected credit loss on collective basis (Continued)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產的減值(續)

應收賬款及票據(續)

- 按集體基準計量預期信用損失(續)

	As at 31 December 於十二月三十一日					
	2023			2022		
	Balance of trade receivables	Expected loss rate	Loss allowance	Balance of trade receivables	Expected loss rate	Loss allowance
	應收賬款 餘額	預期 損失率	損失撥備	應收賬款 餘額	預期 損失率	損失撥備
	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
Tong Ren Tang Chinese Medicine and its subsidiaries — third parties 同仁堂國藥及其子公司 — 第三方						
Within 4 months 四個月以內	157,705	2.0%	3,202	450,379	1.7%	7,780
Over 4 months but within 1 year 四個月至一年	2,785	2.3%	63	25,878	2.0%	515
Over 1 year but within 2 years 一年至二年	172	2.3%	4	107,452	6.3%	6,817
合計	160,662		3,269	583,709		15,112

Tong Ren Tang Chinese Medicine and its subsidiaries — related parties

As at 31 December 2023, the balance of trade receivables of Tong Ren Tang Chinese Medicine and its subsidiaries due from related parties was RMB149,761,000 (31 December 2022: RMB195,762,000), and the loss allowance in respect of these receivables was RMB8,035,000 (31 December 2022: RMB164,000).

Please refer to Note 13 for details.

同仁堂國藥及其子公司 — 關聯方

於二零二三年十二月三十一日，同仁堂國藥及其子公司關聯方應收賬款餘額為人民幣149,761,000元(二零二二年十二月三十一日：人民幣195,762,000元)，相關的應收賬款損失撥備為人民幣8,035,000元(二零二二年十二月三十一日：人民幣164,000元)。

詳情請參閱附注13。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other financial assets at amortised cost

For other financial assets at amortised cost, the Group recognises a loss allowance equal to 12-month expected credit losses unless there has been a significant increase in credit risk of the financial assets since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime expected credit losses. During the year ended 31 December 2023, the impairment provision is determined based on the 12-month expected credit losses which is immaterial.

Bills receivables at FVOCI

The Group applies the IFRS 9 simplified approach which uses a lifetime expected loss allowance for bills receivables at FVOCI. During the year ended 31 December 2023, the impairment provision of bills receivables at FVOCI is not material.

(c) Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through adequate amount of committed credit facilities to meet its working capital requirements. The amounts of borrowings and undrawn credit facilities at the balance sheet date are disclosed in Note 20 and Note 36 respectively.

Trade and bills payables and other payables are normally expected to be settled within 120 days to one year after receipt of goods or services, while generally no specific credit period is granted by the suppliers.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產的減值(續)

以攤餘成本計量的其他金融資產

對於以攤餘成本計量的其他金融資產，本集團根據12個月預期信用損失進行計量，除非信用風險自初始確認後顯著增加，將按照整個存續期的預期損失計提損失撥備。截至二零二三年十二月三十一日止年度，減值撥備根據12個月預期信用損失進行計量，預期信用損失不重大。

以公允價值計量且其變動計入其他綜合收益的應收票據

本集團採用國際財務報告準則第9號的簡化方法，對以公允價值計量且其變動計入其他綜合收益的應收票據確認整個存續期的預期損失撥備。截至二零二三年十二月三十一日止年度，以公允價值計量且其變動計入其他綜合收益的應收票據預期信用損失不重大。

(c) 流動性風險

本集團的政策是持有充足的現金和現金等價物，或擁有足夠的已承諾信貸額度以獲得資金來滿足對營運資金需求的承諾。於資產負債表日，借款在附注20中予以披露，尚未使用的信貸額度在附注36中予以披露。

一般來說，供應商不會給予特定信用期，但是相應應付賬款及票據和其他應付款通常在收到貨物或者服務後的120天至一年內支付。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year 一年以內 RMB'000 人民幣千元	Over 1 year but within 2 years 一年至二年 RMB'000 人民幣千元	Over 2 years but within 5 years 二年至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 31 December 2023 二零二三年十二月三十一日					
Trade and bills payables 應付賬款及票據	1,376,743	-	-	-	1,376,743
Other payables 其他應付款	334,253	-	-	-	334,253
Borrowings 借款	115,217	1,169,275	236,304	-	1,520,796
Lease liabilities 租賃負債	81,297	62,617	30,265	8,901	183,080
	1,907,510	1,231,892	266,569	8,901	3,414,872
As at 31 December 2022 二零二二年十二月三十一日					
Trade and bills payables 應付賬款及票據	823,233	-	-	-	823,233
Other payables 其他應付款	406,437	-	-	-	406,437
Borrowings 借款	292,107	104,977	1,166,848	-	1,563,932
Lease liabilities 租賃負債	48,209	33,935	37,721	8,109	127,974
	1,569,986	138,912	1,204,569	8,109	2,921,576

The carrying amounts of the Group's financial liabilities are not materially different to their fair values as the impact of discounting is not significant.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險(續)

下表顯示本集團的金融負債，按照相關的到期組別，根據由資產負債表日至合同到期日的剩餘期間進行分析。在表內披露的金額為未經貼現的合同現金流量。

本集團的金融負債的賬面價值與其公允價值差異不重大，因為折現影響並不重大。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, provide returns for shareholders, issue new shares or sell assets to repay borrowings.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity. Total borrowings included "current and non-current borrowings" as shown in the consolidated balance sheet. Total equity was shown in the consolidated balance sheet.

3. 財務風險管理(續)

3.2 資本風險管理

本集團的資本管理政策，是保障本集團能繼續營運，以為股東提供回報和為其他權益持有人提供利益為目標，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東的股利數額、向股東退還資本、發行新股或出售資產以減低債務。

本集團利用負債比率監察其資本。此比率按照借款總額除以權益總額計算。借款總額包括合併資產負債表所列的「流動及非流動借款」。權益總額為合併資產負債表所列。

	As at 31 December 於十二月三十一日 2023 RMB'000 人民幣千元		2022 RMB'000 人民幣千元
Total borrowings 借款總額	1,456,102		1,472,293
Total equity 權益總額	9,651,885		9,016,938
Gearing ratio 負債比率	15.1%		16.3%

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The Group's financial assets include cash and cash equivalents, term deposits placed with banks, receivables, financial assets at FVOCI and financial assets at FVPL. Financial liabilities include payables, short-term borrowings, long-term borrowings and lease liabilities. The carrying amount of the financial assets and financial liabilities are not materially different to their fair values.

Below analyses the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk, in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) and for instruments where ESG risk gives rise to a significant unobservable adjustment (level 3).

Financial assets at FVPL is denominated in RMB. The fair value is within level 1 of the fair value hierarchy. Details on the fair value measurement for financial assets at FVOCI are set out in Note 12.

During 2023, there were no transfers between different levels.

3. 財務風險管理(續)

3.3 公允價值估計

本集團金融資產的賬面值包括現金及現金等價物、銀行定期存款、應收款項、以公允價值計量且其變動計入其他綜合收益的金融資產和以公允價值計量且其變動計入損益的金融資產，而金融負債包括應付款項、短期借款、長期借款和租賃負債。本集團的金融資產和金融負債的賬面價值均與其公允價值差異不重大。

以下根據在評估公允價值的估值技術中所運用到的輸入的層級，分析本集團按公允價值入賬的金融工具。這些輸入按照公允價值層級歸類為如下三層：

- 相同資產或負債在活躍市場的報價，已經包含了市場對經濟環境變化的假設，如利率上升和通貨膨脹，以及ESG風險帶來的變化(第1層)。
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)，以及ESG風險導致重大不可觀察調整的工具(第3層)。

以公允價值計量且其變動計入損益的金融資產以人民幣計價。公允價值在公允價值層級的第一層內。以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值詳情載列於附注12。

於二零二三年度，無不同層級之間的轉換。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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 JUDGMENTS

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

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

(a) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to completion and those necessary to make the sale. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in consumer preferences and competitor actions in response to severe industry cycles. Management reassesses these estimations by each balance sheet date.

(b) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions used are disclosed in Note 3.1(b).

4. 關鍵會計估計與判斷

估計和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信對未來事件的合理預測。

本集團對未來作出估計和假設。所得的會計估計如其定義，很少會與其實際結果相同。很大機會導致下個財政年度的資產和負債的賬面值作出重大調整的估計和假設討論如下：

(a) 存貨的可變現淨值

存貨的可變現淨值乃按其於日常業務過程中的估計售價，抵減估計至完成及銷售的必要成本。該等估計乃基於目前市場狀況及製造與銷售同類產品以往經驗。但可能會因為消費喜好的改變及競爭對手為應對嚴峻行業形勢而採取的行動出現重大變化。管理層於每個會計年度結算日前重新評估該等估計。

(b) 金融資產減值

金融資產損失撥備是基於對違約風險和預期損失率的假設而計算的。本集團在做出假設和選擇計算的輸入值時，按照本集團以往經驗、現有市場條件以及於各報告期末的前瞻性估計進行判斷。本集團所使用的關鍵假設詳情披露於附注3.1(b)。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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 JUDGMENTS

(CONTINUED)

(c) Income taxes

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

5. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision-maker. The Board of Directors has determined the operating segments for the purposes of allocating resources and assessing performance.

The reportable operating segments derive their revenue primarily from (i) the manufacture and sale of Chinese medicine of the Company in Mainland China ("The Company" Segment), and (ii) Tong Ren Tang Chinese Medicine and its subsidiaries engaged in manufacturing, retail and wholesale of Chinese medicine products and healthcare products, and provision of Chinese medical consultation and treatments outside Mainland China and wholesale of healthcare products in Mainland China ("Tong Ren Tang Chinese Medicine" Segment).

Other companies are engaged in processing and purchasing of Chinese medicinal raw materials, sales of medicinal products, medical services and advertising, etc. They do not form separate reportable segments as they do not meet the quantitative thresholds required by IFRS 8.

The Board of Directors assesses the performance of the operating segments based on revenue and profit after income tax of each segment.

4. 關鍵會計估計與判斷(續)

(c) 所得稅

本集團需要在多個司法權區繳納所得稅。在釐定全球所得稅撥備時，需要作出重大判斷。有許多交易和計算所涉及的最終稅務釐定都是不確定的。本集團根據對是否需要繳付額外稅款的估計，就預期稅務審計項目確認負債。如此等事件的最終稅務後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的當期及遞延所得稅資產和負債。

5. 分部信息

董事會為本集團的主要決策者。為分配資源及評估業績，董事會釐定了經營分部。

報告經營分部的收益主要來自於：(i)本公司在中國內地製造和銷售中藥產品(「本公司」分部)，(ii)同仁堂國藥及其子公司在中國內地以外地區從事中藥產品和保健品的生產、零售及批發並提供中醫診療服務，在中國內地批發保健品(「同仁堂國藥」分部)。

其他公司從事生產加工及收購中藥材、藥品銷售、醫療服務和廣告等業務。由於不符合國際財務報告準則第8號規定的定量披露要求，因而不作為單獨的報告分部。

董事會根據收入和稅後利潤評估各經營分部的表現。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Board of Directors for the reportable segments for the year ended 31 December 2023 is as follows:

5. 分部信息(續)

截至二零二三年十二月三十一日止年度，向董事會提供有關報告分部的分部資料如下：

	The Company 本公司 RMB'000 人民幣千元	Tong Ren Tang Chinese Medicine 同仁堂國藥 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue 分部收入	4,074,111	1,376,532	2,390,155	7,840,798
Inter-segment revenue 分部間收入	(94,322)	3,072	(976,085)	(1,067,335)
Revenue from external customers 來自外部客戶的收入	3,979,789	1,379,604	1,414,070	6,773,463
Timing of revenue recognition 收入確認的時間				
At a point in time 在某一時點確認	3,979,789	1,373,306	1,402,783	6,755,878
Over time 在某一時段內確認	-	6,298	11,287	17,585
	3,979,789	1,379,604	1,414,070	6,773,463
Profit for the year 年度利潤	361,367	534,618	96,328	992,313
Interest income 利息收入	19,080	65,461	6,587	91,128
Interest expense 利息支出	(43,304)	(5,272)	(700)	(49,276)
Depreciation of property, plant and equipment 房屋及建築物、廠房及設備折舊	(98,607)	(13,844)	(65,424)	(177,875)
Depreciation of right-of-use assets 使用權資產折舊	(25,371)	(56,640)	(9,021)	(91,032)
Amortisation of other long-term assets 其他長期資產攤銷	(4,189)	(3,030)	(1,020)	(8,239)
Provision for impairment of inventories 存貨跌價準備計提	(17,351)	(327)	(618)	(18,296)
Reversal of/(provision for) impairment of receivables 應收款項壞賬準備轉回/(計提)	1,213	(16,688)	(1,612)	(17,087)
Share of profit/(losses) of investments accounted for using the equity method 享有按權益法入賬的投資的收益/(虧損)份額	1,489	(1,296)	-	193
Income tax expense 所得稅費用	(65,627)	(87,589)	(16,926)	(170,142)
Segment assets and liabilities 分部資產和負債				
Total assets 總資產	6,850,003	3,973,543	2,684,196	13,507,742
Investments accounted for using the equity method 按權益法入賬的投資	21,231	13,710	-	34,941
Additions to non-current assets ⁽¹⁾ 非流動資產的增加 ⁽¹⁾	150,710	100,430	45,965	297,105
Total liabilities 總負債	2,712,456	357,593	785,808	3,855,857

⁽¹⁾ Excluding investments accounted for using the equity method, financial instruments and deferred income tax assets.

⁽¹⁾ 不包括按權益法入賬的投資、金融工具和遞延所得稅資產。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Board of Directors for the reportable segments for the year ended 31 December 2022 is as follows:

5. 分部信息(續)

截至二零二二年十二月三十一日止年度，向董事會提供有關報告分部的分部資料如下：

	The Company 本公司 RMB'000 人民幣千元	Tong Ren Tang Chinese Medicine 同仁堂國藥 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue 分部收入	3,491,666	1,495,315	1,904,434	6,891,415
Inter-segment revenue 分部間收入	(41,987)	(63,988)	(793,599)	(899,574)
Revenue from external customers 來自外部客戶的收入	3,449,679	1,431,327	1,110,835	5,991,841
Timing of revenue recognition 收入確認的時間				
At a point in time 在某一時點確認	3,449,679	1,424,719	1,099,223	5,973,621
Over time 在某一時段內確認	-	6,608	11,612	18,220
	3,449,679	1,431,327	1,110,835	5,991,841
Profit for the year 年度利潤	329,472	595,004	77,144	1,001,620
Interest income 利息收入	17,949	19,510	6,266	43,725
Interest expense 利息支出	(48,382)	(4,022)	(1,394)	(53,798)
Depreciation of property, plant and equipment 房屋及建築物、廠房及設備折舊	(94,473)	(11,259)	(64,852)	(170,584)
Depreciation of right-of-use assets 使用權資產折舊	(24,686)	(51,124)	(6,698)	(82,508)
Amortisation of other long-term assets 其他長期資產攤銷	(4,982)	(2,733)	(915)	(8,630)
Provision for impairment of inventories 存貨跌價準備計提	(23,929)	(364)	-	(24,293)
Reversal of/(provision for) impairment of receivables 應收款項壞賬準備轉回/(計提)	12,049	(5,538)	6,296	12,807
Share of profit/(losses) of investments accounted for using the equity method 享有按權益法入賬的投資的收益/(虧損)份額	871	(60)	-	811
Income tax expense 所得稅費用	(70,651)	(116,193)	(23,529)	(210,373)
Segment assets and liabilities 分部資產和負債				
Total assets 總資產	6,207,899	3,704,062	2,572,807	12,484,768
Investments accounted for using the equity method 按權益法入賬的投資	19,221	14,970	-	34,191
Additions to non-current assets ⁽¹⁾ 非流動資產的增加 ⁽¹⁾	84,015	57,722	52,598	194,335
Total liabilities 總負債	2,316,608	422,491	728,731	3,467,830

⁽¹⁾ Excluding investments accounted for using the equity method, financial instruments and deferred income tax assets.

⁽¹⁾ 不包括按權益法入賬的投資、金融工具和遞延所得稅資產。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SEGMENT INFORMATION (CONTINUED)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the income statement.

The amounts provided to the Board of Directors with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Revenues from external customers are derived from the sales of medicine and provision of services. The breakdown of sales of medicine by region is provided in Note 24.

The total of the non-current assets other than financial instruments and deferred income tax assets located in Mainland China is RMB2,849,699,000 (2022: RMB2,882,589,000), and the total of these non-current assets located outside Mainland China is RMB510,362,000 (2022: RMB460,424,000).

During 2023, revenue from one (2022: one) customer accounted for ten percent or more of the Group's total external revenue. These revenues are primarily attributable to the Company Segment and Tong Ren Tang Chinese Medicine Segment. The revenues from these customers are summarised below:

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Entities under control of the ultimate holding company (excluding the Group) 最終控股公司所控制的實體(不包括本集團)	1,600,741	1,579,847

5. 分部信息(續)

分部之間的銷售是按公允交易原則進行。向董事會報告的外部收入按與利潤表內的收入一致的核算方式。

向董事會提供有關總資產和總負債的金額，是按照與財務報表一致的核算方式。此等資產根據分部的經營和資產所處的地域進行分配。

來自外部客戶的收入源自藥品銷售及服務提供。藥品銷售分地區分析如附注24所示。

位於中國內地的除金融資產及遞延所得稅資產之外的非流動資產總額為人民幣2,849,699,000元(二零二二年：人民幣2,882,589,000元)，而中國內地以外的此等非流動資產總額則為人民幣510,362,000元(二零二二年：人民幣460,424,000元)。

二零二三年，有一名(二零二二年：一名)客戶收入佔本集團來自外部客戶的總收入百分之十或以上。該等收入主要來自本公司分部及同仁堂國藥分部。來自該等客戶的收入概述如下：

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. PROPERTY, PLANT AND EQUIPMENT

6. 房屋及建築物、廠房及設備

	Buildings and freehold land 樓宇及永久 產權土地 RMB'000 人民幣千元	Equipment and machinery 機器設備 RMB'000 人民幣千元	Motor vehicles 運輸工具 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Construction in progress ("CIP") 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2022						
於二零二二年一月一日						
Cost 成本	2,170,009	1,292,234	46,451	103,283	66,933	3,678,910
Accumulated depreciation 累計折舊	(355,884)	(591,610)	(33,972)	(71,237)	-	(1,052,703)
Accumulated impairment 減值準備	-	(11,122)	-	(354)	-	(11,476)
Net book amount 賬面淨值	1,814,125	689,502	12,479	31,692	66,933	2,614,731
Year ended 31 December 2022						
截至二零二二年十二月三十一日止年度						
Opening net book amount 期初賬面淨值	1,814,125	689,502	12,479	31,692	66,933	2,614,731
Additions 增加	31,190	7,003	1,102	12,819	86,483	138,597
Transferred from CIP 在建工程轉入	6,516	52,108	657	3,266	(62,547)	-
Disposals 減少	(162)	(1,396)	(121)	(59)	(1,203)	(2,941)
Depreciation 折舊	(55,467)	(99,835)	(3,609)	(12,256)	-	(171,167)
Exchange differences 匯兌差額	10,181	1,061	100	470	-	11,812
Closing net book amount 期末賬面淨值	1,806,383	648,443	10,608	35,932	89,666	2,591,032
As at 31 December 2022						
於二零二二年十二月三十一日						
Cost 成本	2,221,426	1,331,426	45,355	114,932	89,666	3,802,805
Accumulated depreciation 累計折舊	(415,043)	(671,574)	(34,747)	(78,635)	-	(1,199,999)
Accumulated impairment 減值準備	-	(11,409)	-	(365)	-	(11,774)
Net book amount 賬面淨值	1,806,383	648,443	10,608	35,932	89,666	2,591,032

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

6. 房屋及建築物、廠房及設備(續)

	Buildings and freehold land 樓宇及永久 產權土地 RMB'000 人民幣千元	Equipment and machinery 機器設備 RMB'000 人民幣千元	Motor vehicles 運輸工具 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Construction in progress ("CIP") 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Year ended 31 December 2023 截至二零二三年十二月三十一日止年度						
Opening net book amount 期初賬面淨值	1,806,383	648,443	10,608	35,932	89,666	2,591,032
Additions 增加	8,407	9,830	702	19,714	121,106	159,759
Transferred from CIP 在建工程轉入	67,991	58,961	227	5,283	(132,462)	-
Disposals 減少	(243)	(2,964)	(212)	(239)	(2,648)	(6,306)
Depreciation 折舊	(58,002)	(102,225)	(3,504)	(14,497)	-	(178,228)
Exchange differences 匯兌差額	2,816	173	28	165	-	3,182
Closing net book amount 期末賬面淨值	1,827,352	612,218	7,849	46,358	75,662	2,569,439
As at 31 December 2023 於二零二三年十二月三十一日						
Cost 成本	2,301,627	1,347,487	42,061	137,063	75,662	3,903,900
Accumulated depreciation 累計折舊	(474,275)	(723,991)	(34,212)	(90,533)	-	(1,323,011)
Accumulated impairment 減值準備	-	(11,278)	-	(172)	-	(11,450)
Net book amount 賬面淨值	1,827,352	612,218	7,849	46,358	75,662	2,569,439

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

CIP represents property, plant and equipment in the course of construction or pending installation and is stated at cost less any recognised impairment losses. Cost includes the costs of construction of property, plant and equipment, and interest charges arising from borrowings used to these assets during the period of construction or installation and testing. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	8–50 years
Equipment and machinery	3–15 years
Motor vehicles	4–10 years
Office equipment	2.5–15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. See Note 39.5 for the other accounting policies relevant to property, plant and equipment.

Depreciation expenses were charged to the consolidated income statements as follows:

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Cost of sales 銷售成本	147,810	148,255
Distribution expenses 銷售費用	7,463	4,576
Administrative expenses 管理費用	22,602	17,753
	177,875	170,584

6. 房屋及建築物、廠房及設備(續)

所有房屋及建築物、廠房及設備按歷史成本減折舊列賬。歷史成本包括購買該等項目直接應佔的開支。

在建工程指興建中的房屋及建築物、廠房及安裝測試中的設備，按成本減累計減值後列賬。成本包括房屋及建築物的建造成本、廠房及設備成本，以及建造或安裝及測試期間為此等資產提供資金的借款所產生的利息支出。在建工程竣工並可投入使用後，有關成本轉為固定資產的相關類別並按上述固定資產折舊的會計政策計算折舊。

折舊以直線法計算，以於估計可使用年期將其成本分配至剩餘價值，有關估計可使用年期如下：

樓宇	8–50年
機器設備	3–15年
運輸工具	4–10年
辦公設備	2.5–15年

資產的剩餘價值及可使用年期在每個資產負債表日進行測試，及在適當時調整。房屋及建築物、廠房及設備相關的其他會計政策詳見附注39.5。

折舊費用在合併利潤表中列示如下：

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The remaining depreciation expenses capitalised in CIP was RMB353,000 in 2023 (2022: RMB583,000).

As at 31 December 2022, bank borrowing of AUD10,000 (equivalent to RMB47,000) was secured against the Group's buildings and freehold land with carrying value of AUD1,807,000 (equivalent to RMB8,448,000). The loan was fully repaid during 2023 (Note 20).

7. LEASES

(a) Right-of-use assets

	Buildings 樓宇 RMB'000 人民幣千元	Leasehold land 租賃土地 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2022 於二零二二年一月一日	116,379	526,675	643,054
Year ended 31 December 2022 截至二零二二年十二月三十一日止年度			
Opening net book amount 期初賬面淨值	116,379	526,675	643,054
Additions 增加	35,936	6,135	42,071
Disposals 減少	(391)	(13)	(404)
Depreciation 折舊	(63,066)	(19,442)	(82,508)
Exchange differences 匯兌差額	5,877	6,943	12,820
Closing net book amount 期末賬面淨值	94,735	520,298	615,033
Year ended 31 December 2023 截至二零二三年十二月三十一日止年度			
Opening net book amount 期初賬面淨值	94,735	520,298	615,033
Additions 增加	124,622	101	124,723
Disposals 減少	(1,027)	-	(1,027)
Depreciation 折舊	(71,449)	(19,583)	(91,032)
Exchange differences 匯兌差額	1,893	1,149	3,042
Closing net book amount 期末賬面淨值	148,774	501,965	650,739

6. 房屋及建築物、廠房及設備(續)

二零二三年度，剩餘折舊費用資本化計入在建工程的金額為人民幣353,000元(2022：人民幣583,000元)。

於二零二二年十二月三十一日，銀行借款澳大利亞元10,000元(相當於人民幣47,000元)以本集團賬面價值為澳大利亞元1,807,000元(相當於人民幣8,448,000)的樓宇及永久產權土地作為抵押。二零二三年該筆借款已全部償還(附注20)。

7. 租賃

(a) 使用權資產

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. LEASES (CONTINUED)

(b) Lease liabilities

7. 租賃(續)

(b) 租賃負債

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Current 流動	74,669	47,972
Non-current 非流動	96,443	74,644
	171,112	122,616

(e) The total cash outflow for leases in 2023 was RMB126,391,000 (2022: RMB101,490,000).

(e) 二零二三年度因租賃發生的現金流出合計為人民幣126,391,000元(二零二二年: 人民幣101,490,000元)。

(d) The Group's leasing activities and how these are accounted for

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

(d) 本集團的租賃活動和租賃會計處理

在本集團可使用租賃資產時，確認一項使用權資產和相應的負債。

The Group leases various property, plant and land use rights. Rental contracts are typically made for fixed periods of 6 months to 50 years, but may have extension options.

本集團租賃了不動產、廠房和土地使用權。租賃合同通常是固定期限，6個月至50年不等，還可能包含續租選擇權。

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

使用權資產一般在資產的使用壽命與租賃期兩者孰短的期間內按直線法計提折舊。如本集團合理確定會行使購買權，則在標的資產的使用壽命期間內對使用權資產計提折舊。

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

與短期租賃和低價值資產租賃相關的付款額按照直線法確認為費用，計入損益。短期租賃是指租賃期限為12個月或不足12個月的沒有購買選擇權的租賃。

See Note 39.19 for the other accounting policies relevant to leases.

租賃相關的其他會計政策詳見附注39.19。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

8. INTANGIBLE ASSETS

8. 無形資產

	Goodwill (Note (a)) 商譽 (附注(a)) RMB'000 人民幣千元	Contractual customer relationships and others 客戶合同 關係及其他 RMB'000 人民幣千元	Patented technology, trademark licence and computer software 專利技術、 商標權及 計算機軟件 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2022 於二零二二年一月一日				
Cost 成本	43,538	28,639	38,486	110,663
Accumulated amortisation and impairment 累計攤銷和減值準備	(2,135)	(25,273)	(20,312)	(47,720)
Net book amount 賬面淨值	41,403	3,366	18,174	62,943
Year ended 31 December 2022 截至二零二二年十二月三十一日止年度				
Opening net book amount 期初賬面淨值	41,403	3,366	18,174	62,943
Additions 增加	-	-	2,900	2,900
Amortisation 攤銷費用 (Note (b)) (附注(b))	-	(1,122)	(6,398)	(7,520)
Exchange differences 匯兌差額	3,741	272	563	4,576
Closing net book amount 期末賬面淨值	45,144	2,516	15,239	62,899
As at 31 December 2022 於二零二二年十二月三十一日				
Cost 成本	47,279	30,490	42,078	119,847
Accumulated amortisation and impairment 累計攤銷和減值準備	(2,135)	(27,974)	(26,839)	(56,948)
Net book amount 賬面淨值	45,144	2,516	15,239	62,899
Year ended 31 December 2023 截至二零二三年十二月三十一日止年度				
Opening net book amount 期初賬面淨值	45,144	2,516	15,239	62,899
Additions 增加	-	-	4,026	4,026
Amortisation 攤銷費用 (Note (b)) (附注(b))	-	(1,171)	(6,272)	(7,443)
Exchange differences 匯兌差額	638	29	86	753
Closing net book amount 期末賬面淨值	45,782	1,374	13,079	60,235
As at 31 December 2023 於二零二三年十二月三十一日				
Cost 成本	47,917	32,357	46,237	126,511
Accumulated amortisation and impairment 累計攤銷和減值準備	(2,135)	(30,983)	(33,158)	(66,276)
Net book amount 賬面淨值	45,782	1,374	13,079	60,235

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

8. INTANGIBLE ASSETS (CONTINUED)

- (a) The Group's goodwill primarily arising from the acquisitions of Honour Essence in 2015, which is principally engaged in the distribution of Chinese medicine products in Hong Kong. As at 31 December 2023, the goodwill allocated to this Honour Essence cash generating units ("CGUs") within Tong Ren Tang Chinese Medicine Segment was RMB44,784,000.

The recoverable amount of the CGU is determined by management based on value-in-use calculations. The key assumptions adopted in the value-in-use calculation are based on management's best estimates and past performance.

The calculation uses cash flow projections based on a five-year financial budget approved by management, with five-year sales growth rate ranging between -16% to 1% (2022: 1% to 8%). Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 1% (2022: 3%). A pre-tax discount rate of 16% (2022: 16%) is used which reflects the specific risks relating to the relevant operating segment.

- (b) The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method of ten years over the expected life of the contractual customer relationships.

There are two types of other intangible assets: management contract and exclusive supply contract. These intangible assets have finite useful lives and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over their expected useful lives.

Patented technology, trademark licence and computer software development costs are recognised as intangible assets and are amortised over their estimated useful lives, which do not exceed ten years.

During 2023, amortisation expenses amounting to RMB7,188,000 (2022: RMB6,408,000) were charged to the administrative expenses and cost of sales in the consolidated income statements (Note 26).

8. 無形資產(續)

- (a) 本集團的商譽主要來自二零一五年收購大宏貿易，其主要業務為於香港從事分銷中藥產品。於二零二三年十二月三十一日，被分配到同仁堂國藥分部大宏貿易現金產出單元的商譽為人民幣44,784,000元。

現金產生單位的可收回金額是管理層根據使用價值計算法而釐定。用於計算使用價值的關鍵假設是基於管理層的最佳估計和過去的經驗而釐定。

使用價值計算是基於管理層批准的五年財政預算，五年期銷售增長率為-16%至1%(2022: 1%至8%)。五年期以後之財政預算使用1%(2022: 3%)的估計增長率推算。所採用的稅前貼現率為16%(2022: 16%)，反映有關分部之特定風險。

- (b) 客戶合同關係有限定的可使用年期，並按成本減累計攤銷列賬。攤銷是按客戶合同關係的十年預計可使用年期利用直線法分攤計算。

其他無形資產中，管理合同及獨家供貨合同均有限定的可使用年期，並按成本減累計攤銷列賬。攤銷是按其預計可使用年期利用直線法分攤計算。

確認為資產的專利技術、商標權和計算機軟件開發成本按估計可使用年期(不超過十年)攤銷。

2023年，人民幣7,188,000元(二零二二年：人民幣6,408,000元)的攤銷費用在合併利潤表內計入管理費用和營業成本(附注26)。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

(a) Subsidiaries

The following is a list of principal subsidiaries as at 31 December 2022 and 2023:

9. 子公司、合營公司及聯營公司

(a) 子公司

下文載列於二零二二年及二零二三年十二月三十一日的主要子公司：

Name 公司名稱	Place/date of incorporation/ kind of legal entity 成立地點、日期 及法人類別	Effective equity interest held 所持實際權益		Issued/registered/ paid-up capital 已發行/ 註冊/實收資本	Principal activities/ place of operation 主營業務和經營地
		2023	2022		
Beijing Tong Ren Tang Henan Technological development of Chinese Medicinal Raw Materials Co., Limited ("Tong Ren Tang Henan")	Henan, PRC 24 October 2001 Limited liability company	51%*	51%*	RMB4,000,000	Cultivating, selling and technological development of Chinese medicinal raw materials Henan, PRC
北京同仁堂河南中藥材科技開發有限公司(「同仁堂河南」)	中國河南 2001年10月24日 有限責任公司			人民幣4,000,000元	中藥材種植、銷售、中藥材技術開發 中國河南
Beijing Tong Ren Tang Hubei Chinese Medicinal Raw Materials Co., Limited ("Tong Ren Tang Hubei")	Hubei, PRC 26 October 2001 Limited liability company	51%*	51%*	RMB3,000,000	Cultivating, purchasing and selling of Chinese medicinal raw materials Hubei, PRC
北京同仁堂湖北中藥材有限公司(「同仁堂湖北」)	中國湖北 2001年10月26日 有限責任公司			人民幣3,000,000元	中藥材種植、收購、銷售 中國湖北
Beijing Tong Ren Tang Zhejiang Chinese Medicinal Raw Materials Co., Limited ("Tong Ren Tang Zhejiang")	Zhejiang, PRC 31 October 2001 Limited liability company	51%*	51%*	RMB10,000,000	Cultivating, purchasing and selling of Chinese medicinal raw materials Zhejiang, PRC
北京同仁堂浙江中藥材有限公司(「同仁堂浙江」)	中國浙江 2001年10月31日 有限責任公司			人民幣10,000,000元	中藥材種植、收購、銷售 中國浙江
Beijing Tong Ren Tang Hebei Technological development of Chinese Medicinal Raw Materials Co., Limited ⁽³⁾ ("Tong Ren Tang Hebei")	Hebei, PRC 19 November 2001 Limited liability company	100%*	51%*	RMB110,000,000	Cultivating, purchasing and selling of Chinese medicinal raw materials Hebei, PRC
北京同仁堂河北中藥材科技開發有限公司(「同仁堂河北」) ⁽³⁾	中國河北 2001年11月19日 有限責任公司			人民幣110,000,000元	中藥材種植、收購、銷售 中國河北

* Effective equity interests directly held by the Company

* 由本公司直接持有的實際權益

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

9. 子公司、合營公司及聯營公司 (續)

(a) Subsidiaries (Continued)

(a) 子公司(續)

Name 公司名稱	Place/date of incorporation/ kind of legal entity 成立地點、日期 及法人類別	Effective equity interest held		Issued/registered/ paid-up capital 已發行/ 註冊/實收資本	Principal activities/ place of operation 主營業務和經營地
		2023	2022		
Beijing Tong Ren Tang Tongke Pharmaceutical Company Limited (Tong Ren Tang Tongke) 北京同仁堂通科藥業有限責任公司 (「同仁堂通科」)	Beijing, PRC 4 November 2003 Limited liability company 中國北京 2003年11月4日 有限責任公司	95%*	95%*	RMB75,000,000 人民幣75,000,000元	Production of ointment, medical research and development Beijing, PRC 製造膏劑、醫藥技術開發 中國北京
Beijing Tong Ren Tang Technologies (Tangshan) Co., Ltd (Tong Ren Tang Technologies Tangshan) 北京同仁堂科技發展(唐山)有限公司 (「同仁堂科技唐山」)	Hebei, PRC 17 June 2015 Limited liability company 中國河北 2015年6月17日 有限責任公司	100%*	100%*	RMB850,000,000 人民幣850,000,000元	Production (including extraction) of Chinese medicine, food and healthcare products Hebei, PRC 生產製造中成藥(含中藥提 取)、食品及保健品 中國河北
Beijing Tong Ren Tang Technologies Chengdu Co., Ltd (Tong Ren Tang Chengdu) 北京同仁堂科技發展成都有限公司 (「同仁堂成都」)	Sichuan, PRC 26 February 2003 Limited liability company 中國四川 2003年2月26日 有限責任公司	51%*	51%*	RMB53,061,200 人民幣53,061,200元	Production and processing of biochemical products and Chinese medicine, extraction and processing of plants Sichuan, PRC 生產、加工生化製品和中藥製 劑及天然植物加工與提取 中國四川
Beijing Tong Ren Tang Chinese Medicine Company Limited ⁽¹⁾ (Tong Ren Tang Chinese Medicine) 北京同仁堂國藥有限公司 ⁽¹⁾ (「同仁堂國藥」)	Hong Kong, PRC 18 March 2004 Limited liability company 中國香港 2004年3月18日 有限責任公司	38.05%*	38.05%*	HK\$938,789,000 港幣938,789,000元	Manufacturing, retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments Hong Kong, PRC 中藥產品和保健品的生產、零 售及批發並提供中醫診療 中國香港

* Effective equity interests directly held by the Company

* 由本公司直接持有的實際權益

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(a) Subsidiaries (Continued)

9. 子公司、合營公司及聯營公司 (續)

(a) 子公司(續)

Name 公司名稱	Place/date of incorporation/ kind of legal entity 成立地點、日期 及法人類別	Effective equity interest held		Issued/registered/ paid-up capital 已發行/ 註冊/實收資本	Principal activities/ place of operation 主營業務和經營地
		2023	2022		
Beijing Tong Ren Tang Second Traditional Chinese Medicine Hospital Co., Ltd ⁽²⁾ ("Second Traditional Chinese Medicine Hospital")	Beijing, PRC 12 September 2000 Limited liability company	51%*	51%*	RMB10,492,914	Internal and external surgery, medical examination, traditional Chinese medicine department and hospital management Beijing, PRC
北京同仁堂第二中醫醫院有限責任公司 ⁽²⁾ ([「第二中醫醫院」])	中國北京 2000年9月12日 有限責任公司			人民幣10,492,914元	內外科、醫學檢驗、中醫科以 及醫院管理 中國北京
Beijing Tong Ren Tang Nansanhuan Zhonglu Drugstore Co., Limited ⁽²⁾ ("Nansanhuan Zhonglu Drugstore")	Beijing, PRC 28 April 2004 Limited liability company	51%*	51%*	RMB500,000	Sales of medicinal products Beijing, PRC
北京同仁堂南三環中路藥店有限公司 ⁽²⁾ ([「南三環中路藥店」])	中國北京 2004年4月28日 有限責任公司			人民幣500,000元	藥品銷售 中國北京
Beijing Tong Ren Tang Yanbian Chinese Medicinal Raw Materials Co., Limited ("Tong Ren Tang Yanbian")	Jilin, PRC 24 September 2004 Limited liability company	51%*	51%*	RMB4,000,000	Cultivating and selling of Chinese medicinal raw materials Jilin, PRC
北京同仁堂延邊中藥材基地有限公司 ([「同仁堂延邊」])	中國吉林 2004年9月24日 有限責任公司			人民幣4,000,000元	中藥材種植、銷售 中國吉林
Beijing Tong Ren Tang Anhui Chinese Medicinal Raw Materials Co., Limited ("Tong Ren Tang Anhui")	Anhui, PRC 18 October 2004 Limited liability company	51%*	51%*	RMB24,000,000	Cultivating, purchasing and selling of Chinese medicinal raw materials Anhui, PRC
北京同仁堂安徽中藥材有限公司 ([「同仁堂安徽」])	中國安徽 2004年10月18日 有限責任公司			人民幣24,000,000元	中藥材種植、收購、銷售 中國安徽

* Effective equity interests directly held by the Company

* 由本公司直接持有的實際權益

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

9. 子公司、合營公司及聯營公司 (續)

(a) Subsidiaries (Continued)

(a) 子公司(續)

Name 公司名稱	Place/date of incorporation/ kind of legal entity 成立地點、日期 及法人類別	Effective equity interest held 所持實際權益		Issued/registered/ paid-up capital 已發行/ 註冊/實收資本	Principal activities/ place of operation 主營業務和經營地
		2023	2022		
Beijing Tong Ren Tang WM Dianorm Biotech Co., Limited ⁽⁴⁾ ("Tong Ren Tang WM")	Beijing, PRC 20 February 2001 Sino-foreign equity joint venture	45%* 30%**	60%* 40%**	US\$4,000,000	Technological development and sales of biological products, Chinese and western medicines, cosmetics and healthcare products Beijing, PRC
北京同仁堂麥爾海生物技術有限公司 (「同仁堂麥爾海」) ⁽⁴⁾	中國北京 2001年2月20日 中外合資企業			美元4,000,000元	生物製品、中西藥、化妝品和保健食品的技術開發及銷售 中國北京
Beijing Tong Ren Tang Chinese Medicine (Hong Kong) Group Co., Ltd. ("Chinese Medicine Group") 北京同仁堂國藥(香港)集團有限公司 (「國藥集團」)	Hong Kong, PRC 1 March 2012 Limited liability company 中國香港 2012年3月1日 有限責任公司	53.09%*	53.09%*	HK\$75,000,000 港幣75,000,000元	Investment holding Hong Kong, PRC 投資控股 中國香港
Beijing Tong Ren Tang Xing An Healthcare Technologies Co., Limited ("Tong Ren Tang Xing An Healthcare")	Beijing, PRC 14 April 2004 Limited liability company	51%*	51%*	RMB69,000,000	Cultivating, purchasing and selling of Chinese medicinal raw materials, production and selling of tea drinks product series and foot care product series Beijing, PRC
北京同仁堂興安保健科技有限責任公司 (「同仁堂興安保健」)	中國北京 2004年4月14日 有限責任公司			人民幣69,000,000元	中藥材種植、收購、銷售；茶類產品及足浴類產品生產、銷售 中國北京
Beijing Tong Ren Tang Century Advertising Co., Limited ("Tong Ren Tang Century Advertising") 北京同仁堂世紀廣告有限公司 (「同仁堂世紀廣告」)	Beijing, PRC 25 September 2013 Limited liability company 中國北京 2013年9月25日 有限責任公司	100%*	100%*	RMB1,000,000 人民幣1,000,000元	Advertisement services Beijing, PRC 廣告策劃服務 中國北京

* Effective equity interests directly held by the Company

* 由本公司直接持有的實際權益

** Effective equity interests directly held by Tong Ren Tang Chinese Medicine

** 由同仁堂國藥直接持有的實際權益

北京同仁堂科技發展股份有限公司
二零二三年年報

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

9. 子公司、合營公司及聯營公司 (續)

(a) Subsidiaries (Continued)

(a) 子公司(續)

Name 公司名稱	Place/date of incorporation/ kind of legal entity 成立地點、日期 及法人類別	Effective equity interest held		Issued/registered/ paid-up capital 已發行/ 註冊/實收資本	Principal activities/ place of operation 主營業務和經營地
		2023	2022		
Beijing Tong Ren Tang (Tangshan) Nutrition and Healthcare Co., Ltd ("Tong Ren Tang Tangshan Healthcare") 北京同仁堂(唐山)營養保健品有限公司 ("同仁堂唐山保健品")	Hebei, PRC 13 September 2010 Limited liability company 中國河北 2010年9月13日 有限責任公司	74%*	74%*	RMB170,000,000 人民幣170,000,000元	Production and sales of healthcare products and Chinese medicine Hebei, PRC 保健品及中藥生產及銷售 中國河北
Beijing Tong Ren Tang Technologies (Liaoning) Pharmaceutical Company Limited ("Tong Ren Tang Liaoning") 北京同仁堂(遼寧)科技藥業有限公司 ("同仁堂遼寧")	Liaoning, PRC 25 July 2018 Limited liability company 中國遼寧 2018年7月25日 有限責任公司	51%*	51%*	RMB136,000,000 人民幣136,000,000元	Production and sales of deer series Chinese medicine and healthcare food Liaoning, PRC 鹿系列中成藥 及保健食品生產 及銷售 中國遼寧
Beijing Tong Ren Tang Technologies (Xingtang) Donkey Industry Company Limited ("Tong Ren Tang Xingtang") 北京同仁堂科技發展(行唐)驢業有限公司 ("同仁堂行唐")	Hebei, PRC 15 March 2019 Limited liability company 中國河北 2019年3月15日 有限責任公司	51%*	51%*	RMB66,000,000 人民幣66,000,000元	Cultivation technology development, production and sales of food Hebei, PRC 養殖技術開發、 食品加工及銷售 中國河北
Tongyao (Suzhou) Pharmaceutical Company Limited ("Tongyao (Suzhou)") 同耀(蘇州)醫藥有限公司("同耀蘇州")	Jiangsu, PRC 25 March 2022 Limited liability company 中國江蘇 2022年3月25日 有限責任公司	51%*	51%*	RMB18,000,000 人民幣18,000,000元	Wholesale and retail of medicine products Jiangsu, PRC 批發及零售藥品 中國江蘇
Beijing Tong Ren Tang Hebei Chinese Medicinal Industry Co., Ltd ("Tong Ren Tang Hebei Industry") 北京同仁堂河北中藥材產業有限公司 ("同仁堂河北產業")	Hebei, PRC 11 August 2022 Limited liability company 中國河北 2022年8月11日 有限責任公司	51%*	51%*	RMB8,000,000 人民幣8,000,000元	Cultivating, purchasing and selling of Chinese medicinal raw materials Hebei, PRC 中藥材種植、收購、銷售 中國河北

* Effective equity interests directly held by the Company

* 由本公司直接持有的實際權益

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

9. 子公司、合營公司及聯營公司 (續)

(a) Subsidiaries (Continued)

(a) 子公司(續)

Name 公司名稱	Place/date of incorporation/ kind of legal entity 成立地點、日期 及法人類別	Effective equity interest held 所持實際權益 2023 2022	Issued/registered/ paid-up capital 已發行/ 註冊/實收資本	Principal activities/ place of operation 主營業務和經營地
Tong Ren Jiu Zhou (Suzhou) Pharmaceutical Company Limited ("Tong Ren Jiu Zhou") 同仁九州(蘇州)醫藥有限公司(「同仁九州」)	Jiangsu, PRC 28 December 2022 Limited liability company 中國江蘇 2022年12月28日 有限責任公司	51%*	– RMB18,000,000 人民幣18,000,000元	Wholesale and retail of medicine products Jiangsu, PRC 批發及零售藥品 中國江蘇
Beijing Tong Ren Tang International Natural-Pharm Co., Ltd. ("Tong Ren Tang International Natural-Pharm") 北京同仁堂國際藥業有限公司 (「同仁堂國際藥業」)	Beijing, PRC 6 March 2006 Limited liability company 中國北京 2006年3月6日 有限責任公司	100%**	100%** HK\$10,000,000 港幣10,000,000元	Sales and distribution of Chinese medicine products and healthcare products Beijing, PRC 銷售及分銷中藥產品與保健品 中國北京
Beijing Tong Ren Tang (Macau) Company Limited ("Tong Ren Tang Macau") 北京同仁堂(澳門)有限公司(「同仁堂澳門」)	Macau, PRC 28 October 2002 Limited liability company 中國澳門 2002年10月28日 有限責任公司	51%**	51%** MOP1,000,000 澳門元1,000,000元	Wholesale and retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments Macau, PRC 批發及零售中藥產品與保健品 以及提供中醫診療服務 中國澳門
Honour Essence Trading Limited ("Honour Essence") 大宏貿易有限公司(「大宏貿易」)	Hong Kong, PRC 10 March 1997 Limited liability company 中國香港 1997年3月10日 有限責任公司	51%**	51%** HK\$2,000 港幣2,000元	Wholesale of Chinese medicine products and healthcare products Hong Kong, PRC 批發中藥產品與保健品 中國香港

* Effective equity interests directly held by the Company

* 由本公司直接持有的實際權益

** Effective equity interests directly held by Tong Ren Tang Chinese Medicine

** 由同仁堂國藥直接持有的實際權益

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(a) Subsidiaries (Continued)

- (1) Tong Ren Tang Chinese Medicine was incorporated in Hong Kong in 2004, and the shares of which were listed on the GEM of the Stock Exchange in May 2013. Tong Ren Tang Chinese Medicine then transferred listing of its shares to the MB of the Stock Exchange in May 2018 (stock code: 3613.HK). Beijing Tong Ren Tang Company Limited ("Tong Ren Tang Ltd.") held 33.62% equity interest in Tong Ren Tang Chinese Medicine. Although the Group holds less than half of the equity interest, an aggregate 71.67% of the voting rights at the general meeting of the stockholders of Tong Ren Tang Chinese Medicine has been secured by virtue of a concert party agreement with Tong Ren Tang Ltd.. Consequently, the Group consolidates Tong Ren Tang Chinese Medicine.
- (2) On 31 August 2022 and 30 November 2022, the Company disposed of 49% equity interests in Nansanhuan Zhonglu Drugstore and 49% equity interests in Second Traditional Chinese Medicine Hospital to Beijing Tong Ren Tang Medical Caring Industry Investment Group, Co., Ltd. ("Tong Ren Tang Medical Caring") at a consideration of RMB19,376,000 and RMB42,011,000 respectively. The interest in the share of the identified net assets of Nansanhuan Zhonglu Drugstore and Second Traditional Chinese Medicine Hospital on the respective dates were RMB14,394,000 and RMB19,879,000 respectively. Subsequent to the disposals, the Group holds 51% equity interests in Nansanhuan Zhonglu Drugstore and 51% equity interests in Second Traditional Chinese Medicine Hospital.
- (3) On 31 October 2023, the Company acquired 49% equity interests in Tong Ren Tang Hebei from non-controlling interests at a consideration of RMB22,724,000. The carrying amount of Tong Ren Tang Hebei's net assets at the transaction date was RMB39,146,000. The Company owns 100% interests in Tong Ren Tang Hebei after the transaction.
- (4) On 31 March 2023, a third party made unilateral investment of RMB33,345,000 to obtain 25% equity interest of Tong Ren Tang WM, which resulted in the equity interest held by the Company was diluted from 60% to 45% and the equity interest held by Tong Ren Tang Chinese Medicine was diluted from 40% to 30%. The carrying amount of Tong Ren Tang WM's net assets on investment date was RMB62,890,000.

Material non-controlling interests

As at 31 December 2023, the total non-controlling interest was RMB2,762,468,000 (31 December 2022: RMB2,534,187,000), of which RMB2,310,341,000 (31 December 2022: RMB2,114,697,000) was for Tong Ren Tang Chinese Medicine. The remaining non-controlling interest is not material.

Set out below are the summarised financial information for Tong Ren Tang Chinese Medicine that has non-controlling interests that are material to the Group.

9. 子公司、合營公司及聯營公司 (續)

(a) 子公司(續)

- (1) 同仁堂國藥於二零零四年在中國香港註冊成立，其股票於二零一三年五月在聯交所創業板掛牌上市，並於二零一八年五月轉至聯交所主板上市(股票代碼：3613.HK)。北京同仁堂股份有限公司(「同仁堂股份」)持有同仁堂國藥33.62%的股權。雖然本集團所持股份小於50%，但是本集團與同仁堂股份已簽署一致行動協議有能力取得股東大會合計71.67%的表決權，所以本集團將同仁堂國藥納入合併範圍。
- (2) 於二零二二年八月三十一日和二零二二年十一月三十日，本公司分別以人民幣19,376,000元和人民幣42,011,000元的對價向北京同仁堂醫養產業投資集團有限公司(「同仁堂醫養」)轉讓了南三環中路藥店49%的股權及第二中醫醫院49%的股權。南三環中路藥店及同仁堂第二中醫醫院於轉讓日的享有的可辨認淨資產份額分別為人民幣14,394,000元及人民幣19,879,000元。處置交易完成後，本公司持有南三環中路藥店及第二中醫醫院各51%的股權。
- (3) 於二零二三年十月三十一日，本公司用人民幣22,724,000元的對價向非控股權益收購了同仁堂河北49%的股權。同仁堂河北於交易日的淨資產賬面價值為人民幣39,146,000元。交易完成後，本公司持有同仁堂河北100%股權。
- (4) 於二零二三年三月三十一日，某第三方向同仁堂麥爾海單方面投資人民幣33,345,000元，取得了25%的股權，同時導致本公司的持股比例從60%稀釋為45%，同仁堂國藥的持股比例從40%稀釋為30%。同仁堂麥爾海於投資日的淨資產賬面價值為人民幣62,890,000元。

重大的非控制性權益

於二零二三年十二月三十一日，非控制性權益的總額為人民幣2,762,468,000元(二零二二年十二月三十一日：人民幣2,534,187,000元)，其中人民幣2,310,341,000元(二零二二年十二月三十一日：人民幣2,114,697,000元)屬同仁堂國藥，其他的非控制性權益不重大。

以下所載為對本集團重大的非控制性權益同仁堂國藥的財務數據摘要。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(a) Subsidiaries (Continued)

Material non-controlling interests (Continued)

Summarised balance sheet

9. 子公司、合營公司及聯營公司 (續)

(a) 子公司(續)

重大的非控制性權益(續)

資產負債表摘要

Tong Ren Tang Chinese Medicine 同仁堂國藥		
As at 31 December 於十二月三十一日		
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Current 流動		
Assets 資產	3,483,724	3,290,087
Liabilities 負債	(298,969)	(373,911)
Current net assets 流動淨資產	3,184,755	2,916,176
Non-current 非流動		
Assets 資產	534,769	484,354
Liabilities 負債	(75,974)	(60,666)
Non-current net assets 非流動淨資產	458,795	423,688
Net assets 淨資產	3,643,550	3,339,864
Non-controlling interests 非控制性權益	139,715	119,976

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(a) Subsidiaries (Continued)

Material non-controlling interests (Continued)

Summarised statement of comprehensive income

9. 子公司、合營公司及聯營公司 (續)

(a) 子公司(續)

重大的非控制性權益(續)

綜合收益表摘要

	Tong Ren Tang Chinese Medicine 同仁堂國藥	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Revenue 收入	1,376,532	1,495,315
Profit before income tax 除所得稅前利潤	619,767	712,640
Income tax expense 所得稅費用	(87,589)	(116,193)
Profit for the year 年度利潤	532,178	596,447
Other comprehensive income 其他綜合收益	48,570	258,571
Total comprehensive income 綜合收益合計	580,748	855,018
Total comprehensive income allocated to non-controlling interests 綜合收益分配至非控制性權益	377,991	547,581
Dividends paid to non-controlling interests 股息支付予非控制性權益	182,347	263,556

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(a) Subsidiaries (Continued)

Material non-controlling interests (Continued)

Summarised statement of cash flows

9. 子公司、合營公司及聯營公司 (續)

(a) 子公司(續)

重大的非控制性權益(續)

現金流量表摘要

	Tong Ren Tang Chinese Medicine 同仁堂國藥	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Cash generated from operations 經營活動收到的現金	623,441	488,828
Income tax paid 支付的所得稅	(208,186)	(16,533)
Net cash generated from operating activities 經營活動收到的現金流量淨額	415,255	472,295
Net cash (used in)/generated from investing activities 投資活動(支付)/收到的現金流量淨額	(971,855)	292,036
Net cash used in financing activities 籌資活動支付的現金流量淨額	(335,371)	(464,600)
Net (decrease)/increase in cash and cash equivalents 現金及現金等價物的淨(減少)/增加	(891,971)	299,731
Cash and cash equivalents at beginning of the year 現金及現金等價物的年初餘額	1,778,529	1,357,465
Effects of exchange rate changes on cash and cash equivalents 匯率變動對現金及現金等價物的影響	19,473	121,333
Cash and cash equivalents at end of the year 現金及現金等價物的年末餘額	906,031	1,778,529

The information above is the amount before inter-company eliminations. 以上財務數據摘要均為公司間抵銷前金額。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(b) Joint ventures and associates

The following is a list of principal joint ventures and associates as at 31 December 2022 and 2023:

9. 子公司、合營公司及聯營公司 (續)

(b) 合營企業及聯營企業

下文載列於二零二二及二零二三年十二月三十一日的主要合營企業和聯營企業：

Name 公司名稱	Place/date of incorporation/ kind of legal entity 成立地點、 日期及法人類別	Effective equity interest held 所持實際權益 2023 2022	Issued/registered/ paid-up capital 已發行/ 註冊/實收資本	Principal activities 主營業務
Joint ventures 合營企業：				
Peking Tongrentang (M) SDN. BHD. ⁽¹⁾ ("Tong Ren Tang Malaysia") 北京同仁堂(馬)有限公司 ⁽¹⁾ (「同仁堂馬來西亞」)	Kuala Lumpur, Malaysia 19 January 2001 Limited liability company 馬來西亞吉隆坡 2001年1月19日 有限責任公司	60%**	60%** MYR1,900,000 馬來西亞林吉特 1,900,000元	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及提供中醫診療服務
Beijing Tong Ren Tang (Thailand) Co., Ltd. ⁽¹⁾ ("Tong Ren Tang Thailand") 北京同仁堂(泰國)有限公司 ⁽¹⁾ (「同仁堂泰國」)	Bangkok, Thailand 23 March 2000 Limited liability company 泰國曼谷 2000年3月23日 有限責任公司	49%**	49%** THB38,000,000 泰銖38,000,000元	Wholesale and retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品以及提供中醫診療服務
Union Health International Limited ("Tong Ren Tang Fook Ming Tang") 耀康國際有限公司 (「同仁堂福明堂」)	Hong Kong, PRC 3 May 2004 Limited liability company 中國香港 2004年5月3日 有限責任公司	50%**	50%** HK\$10,000 港幣10,000元	Retail of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及提供中醫診療服務

** Effective equity interests directly held by Tong Ren Tang Chinese Medicine

** 由同仁堂國藥直接持有的實際權益

⁽¹⁾ The directors of the Company consider that these entities are joint ventures of the Group because decisions about their operating, investing and financing activities are jointly controlled by the Group and the joint venture partners in accordance with the joint venture agreements rather than under the unilateral control or significant influence of the Group.

⁽¹⁾ 由於根據合營協議，該等實體的經營、投資及融資活動決定均由本集團及合營夥伴共同控制，而非由本集團單方面控制或發揮重大影響，故本公司董事認為該等實體乃本集團的合營企業。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

9 子公司、合營公司及聯營公司 (續)

(b) Joint ventures and associates (Continued)

(b) 合營企業及聯營企業(續)

Name 公司名稱	Place/date of incorporation/ kind of legal entity 成立地點、 日期及法人類別	Effective equity interest held 所持實際權益 2023 2022	Issued/registered/ paid-up capital 已發行/ 註冊/實收資本	Principal activities 主營業務
Associates: 聯營企業：				
Tong Ren Tang Shanxi Sheye Co., Ltd. ("Tong Ren Tang Sheye") 北京同仁堂陝西麝業有限公司 (「同仁堂麝業」)	Shanxi, PRC 14 December 2015 Limited liability company 中國陝西 2015年12月14日 有限責任公司	29%*	29%* RMB30,000,000 人民幣30,000,000元	Manufacturing and breed of musk, production and sales of related products 林麝養殖、繁育及相關產品 生產銷售
Beijing Tong Ren Tang Shuzi Technology Co., Ltd. ("Tong Ren Tang Shuzi Technology") 北京同仁堂數字科技有限公司 (「同仁堂數科」)	Beijing, PRC 25 May 2021 Limited liability company 中國北京 2021年5月25日 有限責任公司	25%*	25%* RMB50,000,000 人民幣50,000,000元	Pharmaceutical e-commerce 醫藥電商服務

* Effective equity interests directly held by the Company

* 由本公司直接持有的實際權益

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

10. 按權益法入賬的投資

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Joint ventures (Note(a)) 合營企業(附注(a))	13,711	14,969
Associates (Note(b)) 聯營企業(附注(b))	21,230	19,222
	34,941	34,191

(a) Interests in joint ventures

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the movement of the carrying amount of the Group's interests in these joint ventures, and its share of results, other comprehensive income and commitments of these joint ventures.

(a) 於合營企業之權益

本集團擁有若干個別不重大的合營企業的權益。下表分析本集團合共所持該等合營企業的權益賬面值變動和應佔該等合營企業的業績、其他綜合收益及承擔。

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
As at 1 January 於一月一日	14,969	14,142
Share of losses for the year 應佔年度損失的份額	(1,295)	(61)
Exchange differences 匯兌差額	37	888
As at 31 December 於十二月三十一日	13,711	14,969

Notes:

- (i) The joint ventures are private companies and there are no quoted market prices available for their shares.
- (ii) There are no contingent liabilities relating to the Group's interests in the joint ventures.
- (iii) Details of the joint ventures are set out in Note 9 to the consolidated financial statements.

附注：

- (i) 合營企業為非上市公司，其股份沒有市場報價。
- (ii) 並無有關本集團持有合營企業權益的或有負債。
- (iii) 合營企業的詳細資料已在合併財務報表附注9中予以披露。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(CONTINUED)

(b) Interests in associates

The Group has interests in a number of individually immaterial associates.

10. 按權益法入賬的投資(續)

(b) 於聯營企業之權益

本集團擁有若干個別不重大的聯營公司的權益。

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
As at 1 January 於一月一日	19,222	19,759
Share of profits for the year 應佔年度利潤的份額	1,488	872
Unrealised inter-company transaction gains/(losses) to eliminate 抵銷未實現內部交易利潤/(虧損)	520	(1,496)
Dividends proposed 應收股息	-	87
As at 31 December 於十二月三十一日	21,230	19,222

Notes:

- (i) The associates are private companies and there are no quoted market prices available for their shares.
- (ii) There are no contingent liabilities relating to the Group's interests in the associates.
- (iii) Details of the associates are set out in Note 9 to the consolidated financial statements.

附注：

- (i) 聯營企業為非上市公司，其股份沒有市場報價。
- (ii) 並無有關本集團持有聯營企業權益的或有負債。
- (iii) 聯營企業的詳細資料已在合併財務報表附注9中予以披露。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL INSTRUMENTS BY CATEGORY

11. 金融工具(按類別)

	As at 31 December 於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Financial assets 金融資產		
Financial assets at amortised cost 以攤餘成本計量的金融資產		
Trade and bills receivables 應收賬款及票據	888,333	1,497,249
Other financial assets at amortised cost 以攤餘成本計量的其他金融資產	53,056	36,252
Term deposits placed with banks 銀行定期存款	1,373,608	326,003
Cash and cash equivalents 現金及現金等價物	2,746,458	3,721,668
Financial assets at fair value through profit or loss 以公允價值計量且其變動計入損益的金融資產	370	429
Financial assets at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產	71,542	106,739
	5,133,367	5,688,340

	As at 31 December 於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Financial liabilities 金融負債		
Liabilities at amortised cost 以攤餘成本計量的負債		
Trade and bills payables 應付賬款及票據	1,376,743	823,233
Other payables 其他應付款	334,253	406,437
Borrowings 借款	1,456,102	1,472,293
Lease liabilities 租賃負債	171,112	122,616
	3,338,210	2,824,579

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVOCI comprise:

- (a) Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

12. 以公允價值計量且其變動計入其他綜合收益的金融資產

以公允價值計量且其變動計入其他綜合收益的金融資產包括：

- (a) 本集團在初始確認時已不可撤銷地選擇在此分類中予以確認的非交易性權益證券。這些金融資產屬策略性投資，並且本集團認為這一分類更恰當。

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
At 1 January 於一月一日	8,591	4,466
(Losses)/profits recognised in other comprehensive income (虧損)/收益計入至其他綜合收益	(1,608)	3,585
Exchange differences 匯兌差額	115	540
At 31 December 於十二月三十一日	7,098	8,591

The equity investments at FVOCI is denominated in HK\$. The fair value is within level 1 of the fair value hierarchy (Note 3.3).

以公允價值計量且其變動計入其他綜合收益的權益投資以港幣計價。公允價值在公允價值層級的第一層內(附注3.3)。

- (b) Certain bills receivables, where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling of these assets.

- (b) 部分應收票據，其合同現金流量僅為本金及利息，且本集團業務模式為持有以收取合同現金流量及出售該部分應收票據。

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Bills receivables 應收票據	64,444	98,148

The bills receivables at FVOCI is denominated in RMB. The fair value is within level 3 of the fair value hierarchy (Note 3.3).

以公允價值計量且其變動計入其他綜合收益的應收票據以人民幣計價。公允價值在公允價值層級的第三層內(附注3.3)。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

13. TRADE AND BILLS RECEIVABLES 13. 應收賬款及票據

	As at 31 December 於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Trade receivables 應收賬款		
— third parties 第三方	453,049	820,226
— related parties (Note 35 (d)) 關聯方(附注35(d))	268,181	270,565
	721,230	1,090,791
Bills receivables 應收票據	231,226	454,083
	952,456	1,544,874
Less: provision for impairment 減：減值準備		
— third parties 第三方	(51,835)	(43,742)
— related parties (Note 35(d)) 關聯方(附注35(d))	(12,288)	(3,883)
	(64,123)	(47,625)
Trade and bills receivables, net 應收賬款及票據，淨值	888,333	1,497,249

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b) for a description of the Group's impairment policies.

The carrying amounts of trade and bills receivables approximate their fair values.

應收賬款按公允價值進行初始確認，一般根據其可無條件獲得的對價金額進行初始確認，除非當其包含重大融資成分時。本集團持有應收賬款的目的是收取合同現金流量，因此後續使用實際利率法按攤餘成本計量應收賬款。關於本集團的減值政策，請參見附注3.1(b)。

應收賬款及票據的賬面值接近其公允價值。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

13. TRADE AND BILLS RECEIVABLES (CONTINUED)

Retail sales at the Group's stores are usually made in cash or by debit or credit cards. For wholesale to distributors, the Group normally grants a credit period ranging from 30 days to 180 days and is therefore classified as current. As at 31 December 2023 and 2022, the ageing analysis of trade and bills receivables based on invoice date was as follows:

13. 應收賬款及票據(續)

本集團零售銷售一般以現金、借記卡或信用卡結賬，對於經銷商通常給予30日至180日的賬期，因此所有應收賬款均分類為流動資產。於二零二三年十二月三十一日及二零二二年十二月三十一日，應收賬款及票據根據發票日期的賬齡分析如下：

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Within 4 months 四個月以內	658,952	1,256,595
Over 4 months but within 1 year 四個月至一年	74,853	125,553
Over 1 year but within 2 years 一年至二年	150,854	136,440
Over 2 years but within 3 years 二年至三年	55,475	4,708
Over 3 years 三年以上	12,322	21,578
	952,456	1,544,874

Movements in the provision for impairment of receivables were as follows:

應收款減值準備的變動如下：

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
As at 1 January 於一月一日	47,625	63,486
Provision for/(reversal or written off of) impairment 減值計提/(轉回或核銷)	16,410	(16,342)
Exchange differences 匯兌差額	88	481
As at 31 December 於十二月三十一日	64,123	47,625

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

13. TRADE AND BILLS RECEIVABLES (CONTINUED)

The maximum exposure to credit risk at the reporting date is the carrying value of trade and bills receivables mentioned above. The Group does not hold any collateral as security.

The carrying amounts of the Group's trade and bills receivables are denominated in the following currencies:

13. 應收賬款及票據(續)

在報告日期，信貸風險的最高風險承擔為上述每類應收賬款及票據的賬面價值。本集團不持有任何作為質押的抵押品。

本集團應收賬款及票據的賬面價值以下列的貨幣計值：

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
RMB 人民幣	799,503	1,117,472
HK\$ 港幣	148,107	414,430
United States Dollar 美元	3,048	9,860
Others 其他	1,798	3,112
	952,456	1,544,874

14. PREPAYMENTS AND OTHER CURRENT ASSETS

14. 預付款及其他流動資產

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Indirect taxes to be deducted 待抵扣間接稅	107,691	53,450
Prepayments to suppliers 預付供應商款項	39,560	54,736
Prepayments for salaries 預付工資	9,718	22,119
Others 其他	31,227	22,918
	188,196	153,223

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. INVENTORIES

15. 存貨

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Raw materials 原材料	2,494,315	1,642,034
Work-in-progress 在產品	954,820	571,305
Finished goods 產成品	1,425,450	1,175,687
	4,874,585	3,389,026
Less: provision for impairment 減：減值準備	(130,152)	(149,817)
	4,744,433	3,239,209

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

存貨按成本及可變現淨值兩者的較低者列賬。成本利用加權平均法釐定。產成品及在產品的成本包括原材料、直接勞工、其他直接成本和相關的間接生產費用(依據正常營運能力)。這不包括借款成本。可變現淨值為在日常經營活動中的估計銷售價，抵減估計至完成及銷售的必要成本。

Movements in the provision for impairment of inventories were as follows:

存貨減值準備的變動如下：

	As at 31 December 2022 於二零二二年 十二月三十一日 RMB'000 人民幣千元	Provision for/ (reversal of) impairment 跌價準備 計提/(轉回) RMB'000 人民幣千元	Decrease in impairment 跌價準備減少 RMB'000 人民幣千元	As at 31 December 2023 於二零二三年 十二月三十一日 RMB'000 人民幣千元
Raw materials 原材料	62,341	5,826	(12,170)	55,997
Work-in-progress 在產品	29,700	(1,677)	(3,253)	24,770
Finished goods 產成品	57,776	14,147	(22,538)	49,385
	149,817	18,296	(37,961)	130,152

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. DEFERRED INCOME TAX

Deferred income tax is calculated on temporary differences under the liability method using the tax rates which are expected to apply at the time of reversal of the temporary differences.

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

16. 遞延所得稅

遞延所得稅是按負債法下的暫時差異以預期撥暫時差異時適用的稅率計算。

遞延所得稅資產與遞延所得稅負債的分析如下：

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Deferred income tax assets: 遞延所得稅資產：		
— Deferred income tax assets to be recovered after 12 months 超過十二個月後收回的遞延所得稅資產	46,682	36,774
— Deferred income tax assets to be recovered within 12 months 在十二個月內收回的遞延所得稅資產	67,787	48,183
	114,469	84,957
Set-off of deferred income tax liabilities pursuant to set-off provisions 按照抵銷規定所抵銷的遞延所得稅負債	(32,784)	(23,974)
Deferred income tax assets, net 淨遞延所得稅資產	81,685	60,983
Deferred income tax liabilities: 遞延所得稅負債：		
— Deferred income tax liabilities to be settled after 12 months 超過十二個月後支付的遞延所得稅負債	(27,263)	(20,638)
— Deferred income tax liabilities to be settled within 12 months 在十二個月內支付的遞延所得稅負債	(14,015)	(10,548)
	(41,278)	(31,186)
Set-off of deferred income tax assets pursuant to set-off provisions 按照抵銷規定所抵銷的遞延所得稅資產	32,784	23,974
Deferred income tax liabilities, net 淨遞延所得稅負債	(8,494)	(7,212)
Deferred income tax, net 遞延所得稅淨額	73,191	53,771

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. DEFERRED INCOME TAX (CONTINUED)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

(a) Deferred income tax assets

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Beginning of the year 年初餘額	84,957	92,999
Credited/(charged) to income statement 貸記/(借記)損益	28,928	(10,032)
Exchange differences 匯兌差額	584	1,990
End of the year 年末餘額	114,469	84,957

16. 遞延所得稅(續)

年內遞延所得稅資產和負債(沒有考慮結餘可在同一徵稅區內抵銷)的變動如下:

(a) 遞延所得稅資產

	Provision for termination benefits 離崗員工 相關費用 RMB'000 人民幣千元	Other provisions, depreciation and amortisation 資產 減值準備 與折舊攤銷 RMB'000 人民幣千元	Unrealised profit arising from intragroup transactions 集團內部 交易產生的 未實現利潤 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2022						
於二零二二年一月一日	27	38,702	21,578	26,938	5,754	92,999
(Charged)/credited to income statement (借記)/貸記損益	(27)	(3,211)	(5,340)	(5,137)	3,683	(10,032)
Exchange differences 匯兌差額	-	63	949	952	26	1,990
As at 31 December 2022						
於二零二二年十二月三十一日	-	35,554	17,187	22,753	9,463	84,957
Credited to income statement 貸記損益	-	245	15,450	8,935	4,298	28,928
Exchange differences 匯兌差額	-	15	143	384	42	584
As at 31 December 2023						
於二零二三年十二月三十一日	-	35,814	32,780	32,072	13,803	114,469

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. DEFERRED INCOME TAX (CONTINUED)

(b) Deferred income tax liabilities

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Beginning of the year 年初餘額	31,186	33,272
Charged/(credited) to income statement 借記/(貸記)損益	9,617	(3,602)
Exchange differences 匯兌差額	475	1,516
End of the year 年末餘額	41,278	31,186

16. 遞延所得稅(續)

(b) 遞延所得稅負債

	Accelerated tax depreciation allowance 稅法之 加速折舊提存 RMB'000 人民幣千元	Deferred income tax liabilities arising from business combination 業務合併產生的 遞延所得稅負債 RMB'000 人民幣千元	Right-of- use assets 使用權資產 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2022 於二零二二年一月一日	6,784	892	25,596	33,272
Charged/(credited) to income statement 借記/(貸記)損益	1,780	(111)	(5,271)	(3,602)
Exchange differences 匯兌差額	611	-	905	1,516
As at 31 December 2022 於二零二二年十二月三十一日	9,175	781	21,230	31,186
Charged/(credited) to income statement 借記/(貸記)損益	781	(108)	8,944	9,617
Exchange differences 匯兌差額	118	-	357	475
As at 31 December 2023 於二零二三年十二月三十一日	10,074	673	30,531	41,278

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of RMB12,202,000 (2022: RMB13,403,000) in respect of losses amounting to RMB66,987,000 (2022: RMB71,829,000) at 31 December 2023. As at 31 December 2023, these tax losses have no expiry dates except for the tax losses of RMB32,462,000 (2022: RMB35,627,000) which will expire between 2024 and 2040 (2022: between 2023 and 2040).

對可抵扣虧損確認為遞延所得稅資產的數額，是按透過很可能產生的未來應課稅利潤而實現的相關稅務利益而確認。於二零二三年十二月三十一日，本集團並無就稅務虧損人民幣66,987,000元(二零二二年：人民幣71,829,000元)確認遞延所得稅資產人民幣12,202,000元(二零二二年：人民幣13,403,000元)。於二零二三年十二月三十一日，除人民幣32,462,000元(二零二二年：人民幣35,627,000元)的稅務虧損將於二零二四年至二零四零年(二零二二年：二零二三年至二零四零年)到期外，其餘稅務虧損並無到期日。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SHARE CAPITAL

17. 股本

	As at 31 December 於十二月三十一日			
	2023	Nominal value	2022	Nominal value
	Number of shares	RMB'000	Number of shares	RMB'000
	股份數目	人民幣千元	股份數目	人民幣千元
Total share capital 總股本	1,280,784,000	1,280,784	1,280,784,000	1,280,784
Issued and fully paid 已發行並已繳足之股本				
— Domestic shares with a par value of RMB1 per share 內資股，每股面值人民幣1元	652,080,000	652,080	652,080,000	652,080
— H shares with a par value of RMB1 per share H股，每股面值人民幣1元	628,704,000	628,704	628,704,000	628,704
	1,280,784,000	1,280,784	1,280,784,000	1,280,784

	2023			2022		
	Domestic shares	H shares	Total	Domestic shares	H shares	Total
	內資股	H股	合計	內資股	H股	合計
	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
At 1 January 於一月一日	652,080	628,704	1,280,784	652,080	628,704	1,280,784
At 31 December 於十二月三十一日	652,080	628,704	1,280,784	652,080	628,704	1,280,784

Domestic shares are not freely traded in the market. All domestic shares and H shares are ranked pari passu in all respects.

上述所有內資股均為非流通股，內資股與H股在重大方面均享有相等權益。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附注(續)

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

18. RESERVES

(a) Capital reserve

Capital reserve represents the difference between the amount of share capital issued by the Company and the historical net value of the assets, liabilities and interests transferred to the Company upon its establishment and net premium on issue of shares upon listing of the Company and issuance of additional shares.

(b) Statutory reserves

The Company sets aside 10% of its net profit after income tax as stated in the financial statements prepared under China Accounting Standards to the statutory surplus reserve fund every year. Approximately RMB51,796,000 (2022: RMB53,492,000), being 10% of the net profit after income tax as stated in the financial statements prepared under China Accounting Standards, was transferred to the statutory surplus reserve fund as at 31 December 2023.

In accordance with the amendment of the Company Law of the PRC on 27 October 2005 effective from 1 January 2006, it is not required to accrue for statutory public welfare fund since the year 2006. The balance together with statutory surplus reserve fund can be used to offset accumulated losses or convert as share capital of the Company.

(c) Tax reserve

According to the preferential enterprise income tax policy for new technology enterprises ("NTE") under the old PRC Enterprise Income Tax ("EIT") regulation (effective before 1 January 2008), an NTE located in the designated area of Beijing Economic and Technological Development Zone was subject to EIT at a preferential income tax rate of 15%. Moreover, upon approval by the relevant local tax bureau, the Company was entitled to full exemption from EIT from 2000 to 2002 and 50% reduction from 2003 to 2005. The amounts of exemption and reduction was appropriated to this non-distributable tax reserve. However, the utilisation of the exempted tax is restricted to production development and not distributable to shareholders.

18. 儲備

(a) 資本儲備

資本儲備反映本公司發行的股本金額與於成立時轉入的資產、負債和權益的歷史淨值的差額，本公司上市時和上市後發行新股產生的資本公積淨額。

(b) 法定儲備

本公司每年根據中國企業會計準則報告之淨利潤的10%撥入法定盈餘公積金。於二零二三年十二月三十一日，本公司根據中國企業會計準則報告按稅後淨利潤的10%提取法定盈餘公積金，約為人民幣51,796,000元(二零二二年：人民幣53,492,000元)。

根據於二零零五年十月二十七日修訂並於二零零六年一月一日起施行的《中華人民共和國公司法》，本公司從二零零六年起不再計提法定公益金。本公司法定公益金結餘，與法定盈餘公積金一併用於彌補虧損或轉增公司資本。

(c) 免稅基金

根據中國舊所得稅法下(於二零零八年一月一日以前有效)對高新技術企業所得稅優惠政策的有關規定，位於北京經濟技術開發區指定地點內的高新技術企業適用的所得稅優惠稅率為15%。且經有關地方稅務局批准，本公司自二零零零年度至二零零二年度免繳企業所得稅，二零零三年度至二零零五年度減半繳納企業所得稅。但是上述三免三減半政策所免稅款需轉為不可分配的免稅基金，必須用於發展生產並不得用於派發股息。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

18. RESERVES (CONTINUED)

(d) Foreign currency translation differences

Foreign currency translation differences reserve arises from translations of group entities that have a functional currency different from the RMB being translated into the Group's presentation currency of RMB.

(e) Other reserve

Other reserve primarily includes reserves arising from the issuance of additional shares by subsidiaries and transactions with non-controlling interests without change in control.

19. DEFERRED INCOME — GOVERNMENT GRANTS

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Beginning of the year 年初餘額	112,534	151,346
Government grants received 本年收到的政府補助	43,663	23,855
Amortisation in the income statement (Note 26) 確認收益金額(附注26)	(23,613)	(62,667)
End of the year 年末餘額	132,584	112,534

The ending balance of the government grants are relating to:

年末政府補助餘額與以下項目相關：

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Research and development projects 研究開發項目	4,351	5,815
Property, plant and equipment 房屋及建築物、廠房及設備	31,115	34,904
Land use rights 土地使用權	62,760	66,803
Other expenditures 其他支出	34,358	5,012
	132,584	112,534

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BORROWINGS

20. 借款

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Non-current 非流動		
Bank borrowings and government loans 銀行借款及政府借款		
— Unsecured 無抵押	1,347,151	1,221,797
Borrowings from a related party (Note 35(d)) 從關聯方借入的款項(附注 35(d))	32,300	—
	1,379,451	1,221,797
Current 流動		
Bank borrowings 銀行借款		
— Guaranteed 擔保	—	3,000
— Unsecured 無抵押	3,000	200,000
Add: Current portion of non-current unsecured borrowings 增加：無抵押非流動借款的即期部分	73,651	15,149
Add: Current portion of non-current secured borrowings (Note (i)) 增加：抵押非流動借款的即期部分(附注 (i))	—	47
Borrowings from a related party (Note 35(d)) 從關聯方借入的款項(附注 35(d))	—	32,300
	76,651	250,496
Total borrowings 借款總額	1,456,102	1,472,293

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BORROWINGS (CONTINUED)

(a) As at 31 December 2023 and 2022, the Group's borrowings would be repayable as follows:

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Within 1 year 一年以內	76,651	250,496
Between 1 and 2 years 一年至二年	1,146,651	71,649
Between 2 and 5 years 二年至五年	232,800	1,150,148
	1,456,102	1,472,293

(b) The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
RMB 人民幣	1,455,800	1,471,800
Macanese Pataca (Note (iii)) 澳門元(附注(iii))	302	446
Australian Dollar (Note (i)) 澳大利亞元(附注(i))	-	47
	1,456,102	1,472,293

Notes:

(i) At 31 December 2022, the bank borrowing was secured by the freehold land and building of the Group with a carrying value of RMB8,448,000 (Note 6).

The bank borrowing carried interest at 1.5% plus the bank bill rate in Australia per annum (2022: same) and was fully paid in 2023.

(ii) The government loans were provided by Economic Bureau of the Macau government under a special assistance scheme for small-medium corporations affected by typhoon and by the Macau governments under the scheme related to COVID-19. The loan is unsecured, interest free, and repayable in 2025 (2022: same). The loan is denominated in Macao Pataca.

The carrying amounts of borrowings are not materially different to their fair value.

20. 借款(續)

(a) 於二零二三年十二月三十一日及二零二二年十二月三十一日，本集團借款的償還期如下：

(b) 本集團借款的賬面值以下列貨幣為單位：

附注：

(i) 於2022年12月31日，銀行借款由本集團以人民幣8,448,000元的永久產權土地及樓宇做抵押(附注6)。

銀行借款按澳大利亞的銀行票據利率加1.5%按年計算(二零二二年：相同)，且銀行借款已於二零二三年全部償還。

(ii) 政府借款為澳門經濟局受颱風影響中小企業特別援助計劃下的款項以及其他關於新冠肺炎疫情的政府借款。此無息借款無抵押並需於二零二五年償還(二零二二年：相同)。借款以澳門元計價。

借款的賬面價值與其公允價值差異不重大。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BORROWINGS (CONTINUED)

(c) The average interest rates (per annum) are as follows:

	2023	2022
RMB 人民幣	2.783%	3.104%
Australian Dollar 澳大利亞元	6.156%	4.761%

20. 借款(續)

(c) 平均年利率如下：

21. TRADE AND BILLS PAYABLES

21. 應付賬款及票據

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Trade payables 應付賬款		
— third parties 第三方	1,299,444	797,845
— related parties (Note 35(d)) 關聯方(附注 35(d))	77,299	25,388
	1,376,743	823,233
Bills payables 應付票據	—	—
Trade and bills payables 應付賬款及票據	1,376,743	823,233

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

21. TRADE AND BILLS PAYABLES (CONTINUED)

As at 31 December 2023 and 2022, the ageing analysis of trade and bills payables based on invoice date was as follows:

21. 應付賬款及票據(續)

於二零二三年十二月三十一日及二零二二年十二月三十一日，應付賬款及票據根據發票日期的賬齡分析如下：

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Within 4 months 四個月以內	1,215,948	725,107
Over 4 months but within 1 year 四個月至一年	148,201	92,490
Over 1 year but within 2 years 一年至二年	8,640	1,824
Over 2 years but within 3 years 二年至三年	383	2
Over 3 years 三年以上	3,571	3,810
	1,376,743	823,233

Trade payables are unsecured and are usually paid within 120 days of recognition.

應付賬款無擔保，並通常在確認120天內予以支付。

The carrying amounts of trade and bills payables are considered to be the same as their fair values, due to their short-term nature.

由於期限較短，應付賬款及票據賬面價值被視為與其公允價值相等。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

22. OTHER PAYABLES

22. 其他應付款

	As at 31 December 於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Other payables 其他應付款		
— third parties 第三方	371,351	464,049
— related parties (Note 35(d)) 關聯方(附注 35(d))	33,121	33,229
	404,472	497,278

	As at 31 December 於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Sales discount and promotion payable 銷售折讓及宣傳推廣費	145,373	202,493
Refundable advances from customers 可退還的預收款	52,196	67,832
Indirect taxes payable 應交間接稅	35,302	65,347
Labour-union expenditure and education funds 工會經費及職工教育經費	25,988	25,494
Service fee payable 應付服務費	22,844	21,626
Deposits received 應付保證金	22,302	21,363
Payable to vendors of construction, machinery and equipment 應付設備工程款	26,761	20,365
Accruals for travel expenses 預提差旅費	6,913	6,810
Research and development payable 應付研究開發費	5,805	6,079
Non-controlling interests payable 應付少數股東款項	2,443	2,256
Dividends payable 應付股利	2,016	—
Others 其他	56,529	57,613
	404,472	497,278

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. SALARY AND WELFARE PAYABLES

23. 應付工資及福利費

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Salary payable 應付工資	55,581	56,196
Welfare payable 應付福利費	2,182	337
Retirement benefits payable 應付退休福利	734	2,108
	58,497	58,641

24. REVENUE

24. 收入

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Sales of Chinese medicine products 中藥產品銷售收入		
— Mainland China 於中國內地	5,495,458	4,848,999
— Outside Mainland China 除中國內地以外	1,213,177	1,080,363
	6,708,635	5,929,362
Advertising services income 廣告服務收入		
— Mainland China 於中國內地	11,150	14,570
Services income 服務收入		
— Mainland China 於中國內地	6,494	5,605
— Outside Mainland China 除中國內地以外	46,788	41,598
	53,282	47,203
Royalty fee income 品牌使用權收入		
— Outside Mainland China 除中國內地以外	396	706
	6,773,463	5,991,841

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

24. REVENUE (CONTINUED)

(a) The Group has recognised the following assets and liabilities related to contract with customers:

	As at 31 December 於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Contract liabilities — Sales of goods 合同負債 — 產品銷售	204,147	214,186
Contract liabilities — Services income 合同負債 — 服務收入	2,504	5,129
	206,651	219,315

The Group did not recognise any contract assets related to contract with customers as at 31 December 2023 and 2022.

Contract liabilities primarily arise from the advance payments made by customers while the goods have not been delivered. Management expects that most of the contract liabilities as of 31 December 2023 will be recognised as revenue during the next reporting period.

(b) Revenue recognised in relation to contract liabilities

The following table shows revenue recognised in relation to contract liabilities in the year ended 31 December 2023 and 2022 related to carried forward contract liabilities at the beginning of the year.

	As at 31 December 於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the year 於年初已確認的與合同負債有關的收入	210,427	222,373

24. 收入(續)

(a) 本集團已確認以下與客戶合同有關的資產和負債：

於二零二三年十二月三十一日和二零二二年十二月三十一日，本集團未確認與客戶合同有關的合同資產。

合同負債主要為已簽訂合同訂單但尚未交付產品的預收貨款。管理層預期於二零二三年十二月三十一日確認的合同負債大部分將於一年內履行完畢並轉為收入。

(b) 已確認的與合同負債有關的收入

下表所示為截至二零二三年十二月三十一日及二零二二年十二月三十一日止年度已確認的與合同負債有關的收入中與年初已結轉合同負債有關的收入金額。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

24. REVENUE (CONTINUED)

(c) Accounting policies of revenue recognition

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

Sale of goods — wholesale

The Group manufactures and sells a range of healthcare products and Chinese medicines to wholesalers. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

After signing contracts with wholesalers and receiving orders, the Group recognizes the amount of contract consideration received from the wholesalers as contract liabilities before delivering products to wholesalers.

24. 收入(續)

(c) 收入確認的會計政策

本集團在商品或服務的控制權被轉移至客戶，履約義務得以滿足時確認收入。

貨物銷售 — 批發

本集團生產中藥產品和保健品並銷售予經銷商。當產品控制權已轉移，產品已交付予經銷商，經銷商對銷售產品的渠道和價格擁有完全決定權，且不存在可能影響經銷商對產品接收的未履行債務時，本集團即確認產品銷售收入。當產品已運至指定地點，過期和損失風險已轉讓予經銷商，而經銷商已根據銷售合同接收產品、或所有驗收條款已失效，或本集團有客觀證據顯示所有接收條款已經履行後，才算滿足貨品已交付的條件。

銷售收入是根據合同約定的價格扣除估計的折扣後確認。並且僅當極可能不會發生重大轉回時才確認收入。

本集團在貨品交付時確認應收款，因為此時收回對價的權利是無條件的，本集團僅需等待客戶付款。

本集團在與經銷商簽訂合同並收到訂單但未向經銷商交付產品之前，將已從經銷商收取的合同對價金額確認為合同負債。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

24. REVENUE (CONTINUED)

(c) Accounting policies of revenue recognition (Continued)

Sale of goods — retail

The Group also sells products to individual customers through its retail outlets. Revenue from the sale of goods is recognised when a group entity sells a product to the customer.

For retail sales, the Group operates a chain of retail outlets for selling products. Sales of goods are recognised when a group entity sells a product to the customer. Payment of the transaction price is due immediately. Retail sales are usually in cash or by credit card.

Advertising services

Revenue from providing advertising services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the stage of completion of service according to contractual agreement or by the reference to the percentage of completion method. Under this method, the percentage of completion is identified with proportion of incurred contract costs to estimated total cost. Advertising services have been completed within the reporting period.

Services income

The Group primarily provides Chinese medical consultation and treatments in retail outlets. Service income is recognised at a point in time when the service is provided to the customer and it is settled in cash or by credit card.

Royalty fee income

Royalty fee income is based on pre-determined rates on the total turnover of entities outside Mainland China for them to use the “Tong Ren Tang” brand name. Royalty fee is recognised on an accrual basis upon sales recognised by the entities outside Mainland China.

24. 收入(續)

(c) 收入確認的會計政策(續)

貨物銷售 — 零售

本集團還透過連鎖零售商鋪銷售產品予個人消費者。集團實體在產品出售給客戶時確認產品銷售收入。

零售方面，本集團透過連鎖零售商鋪銷售產品。銷售貨品於集團實體向客戶銷售產品時確認，並應立即支付交易價款。零售通常以現金或信用卡結付。

廣告服務

提供廣告服務的收入於提供服務的會計期間內確認。對於固定價格合同，由於客戶接受服務的同時亦使用服務，本集團按截至報告期末實際提供的服務所佔將提供的全部服務的比例確認收入。該比例是基於合同約定的完成服務的階段或參照完工百分比(根據已發生成本費用佔預計總成本費用的比例來確定完工進度)來確定。廣告服務均已在報告期內完成。

服務收入

本集團於其零售商鋪提供中醫診療。服務收益於向客戶提供服務時確認，以現金或信用卡結付。

品牌使用費收入

品牌使用費收入乃就中國內地以外實體使用「同仁堂」品牌，根據其營業額按預定費率收取，品牌使用費於中國內地以外實體確認銷售時按應付基準確認收入。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

24. REVENUE (CONTINUED)

(c) Accounting policies of revenue recognition (continued)

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

24. 收入(續)

(c) 收入確認的會計政策(續)

融資因素

本集團預計合同中承諾向客戶交付貨品或提供服務的時間與客戶付款的時間間隔不會超過一年。因此，本集團不因貨幣時間價值而調整任何交易價格。

25. FINANCE INCOME AND COSTS

25. 財務收益及費用

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Finance income 財務收益		
Interest income 利息收入	91,128	44,221
Exchange gains, net 匯兌收益，淨額	-	3,871
Others 其他	4,223	3,769
	95,351	51,861
Finance costs 財務費用		
Interest on bank borrowings 銀行借款利息	(41,018)	(47,537)
Interest on lease liabilities 租賃負債利息	(8,258)	(6,261)
Exchange losses, net 匯兌損失，淨額	(26)	-
	(49,302)	(53,798)
Finance income/(costs), net 財務收益/(費用)，淨額	46,049	(1,937)

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. EXPENSES BY NATURE

Operating profit was arrived at after charging/(crediting) the following:

26. 按照性質對費用進行列示

下列各項已借記/(貸記)稅前利潤：

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Raw materials, merchandise and consumables used 原材料、商品及消耗品消耗	3,169,287	2,347,266
Changes in inventories of finished goods and work-in-progress 產成品及在產品的存貨變動	(633,278)	(204,196)
Employee benefit expenses (Note 27) 員工福利開支(附注 27)	1,103,686	980,611
Depreciation of property, plant and equipment (Note 6) 房屋及建築物、廠房及設備折舊(附注 6)	177,875	170,584
Depreciation of right-of-use assets (Note 7) 使用權資產折舊(附注 7)	91,032	82,508
Amortisation of intangible assets (Note 8) 無形資產攤銷(附注 8)	7,188	6,408
Amortisation of other long-term assets 其他長期資產攤銷	1,051	2,222
Provision for impairment of inventories 存貨跌價準備計提	18,296	24,293
Provision for/(reversal of) impairment of receivables 應收款項壞賬準備計提/(轉回)	17,087	(12,807)
Expenses relating to short-term leases 短期租賃費用	39,226	25,345
Variable lease payments not included in the measurement of lease liabilities (Note (i)) 可變租賃付款額費用(不包含於租賃負債)(附注 (i))	2,067	133
COVID-19-related rent concessions 新型冠狀病毒肺炎相關租金減讓	-	(118)
Auditors' remuneration 核數師酬金		
— Audit services 核數服務		
— PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP 羅兵咸永道及普華永道中天會計師事務所(特殊普通合伙)	6,160	6,159
— Other auditors 其他審計師	1,696	1,918
— Non-audit services 非核數服務		
— PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP 羅兵咸永道及普華永道中天會計師事務所(特殊普通合伙)	563	480
— Other auditors 其他審計師	1,586	357
Advertising and promotion expenses 廣告及宣傳推廣費	447,419	377,391
Processing costs 加工費	307,804	297,093
Utilities 燃料及供暖支出	158,381	139,869
Research and development costs (Note (iii)) 研究開發費用(附注 (iii))	117,556	78,433
Repair and maintenance 維修及保養	76,524	66,761
Amortisation of deferred income — government grants (Note 19) 遞延收入 — 政府補助的攤銷(附注 19)	(23,613)	(62,667)
Transportation costs 運輸費	50,281	43,642
Other taxes 其他稅金	5,597	5,229
Losses on disposal of non-current assets 非流動資產清理損失	2,871	1,445

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. EXPENSES BY NATURE (CONTINUED)

Notes:

- (i) Variable lease payments represented the amounts which are determined based on the percentages of revenue generated by certain retail outlets that exceeded the corresponding fixed rentals.
- (ii) Research and development costs do not include employee benefit expenses, depreciation and amortisation expenses. The research and development costs including employee benefit expenses, depreciation and amortisation expenses were RMB185,469,000 (2022: RMB134,194,000).

26. 按照性質對費用進行列示(續)

附注：

- (i) 可變租賃付款額費用是根據若干零售店產生的收入按百分比計算後超出其固定租金的金額。
- (ii) 上述研究開發費用不包括員工福利開支、折舊及攤銷費用，包括該等費用的研究開發費用為人民幣185,469,000元(二零二二年：人民幣134,194,000元)。

27. EMPLOYEE BENEFIT EXPENSES

27. 員工福利開支

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Salaries and wages 工資	794,840	694,960
Contributions to pension schemes (Note 32) 退休金供款(附注32)	156,703	146,022
Housing fund (Note 33) 住房公積金(附注33)	63,733	58,990
Staff welfare 福利費	58,620	52,220
Contribution to supplementary retirement schemes (Note 32) 補充退休後福利計劃(附注32)	29,790	28,419
	1,103,686	980,611

During the years ended 31 December 2022 and 2023, there was no forfeited contributions of the Group utilised and available at the year-end to reduce future contributions.

截至二零二二年及二零二三年十二月三十一日止年度，本集團沒有動用沒收的供款，年末也沒有可用來減少未來供款的沒收供款。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

The five individuals whose emoluments before individual income tax were the highest in the Group for the year include one (2022: one) director whose emoluments are reflected in the analysis presented in Note 31. The emoluments payable to the remaining four (2022: four) individuals during the year are as follows:

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Basic salaries and allowances 基本酬金及津貼	3,613	3,310
Bonuses 獎金	1,915	2,474
Contribution to pension scheme 退休金供款	438	265
	5,966	6,049

The emoluments of these individuals fell within the following band:

	2023	2022
HK\$1,000,001–HK\$1,500,000 (Equivalent to RMB901,101–RMB1,351,650) 港幣 1,000,001–1,500,000 元(相等於人民幣 901,101–1,351,650 元)	–	1
HK\$1,500,001–HK\$2,000,000 (Equivalent to RMB1,351,651–RMB1,802,200) 港幣 1,500,001–2,000,000 元(相等於人民幣 1,351,651–1,802,200 元)	4	2
HK\$2,000,001–HK\$2,500,000 (Equivalent to RMB1,802,201–RMB2,252,750) 港幣 2,000,001–2,500,000 元(相等於人民幣 1,802,201–2,252,750 元)	–	1

The emoluments of the above four (2022: four) individuals were paid by Tong Ren Tang Chinese Medicine and its subsidiary for the year.

None of the four highest paid individuals of the Group waived any emoluments and no emoluments were paid by the Group to any of such individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

27. 員工福利開支(續)

本年度本集團個人所得稅前薪金最高的五位人士包括一位(二零二二年：一位)董事，而董事的酬金在附注31的分析中反映。本年度支付予其餘四位(二零二二年：四位)人士的酬金如下：

此等人士的酬金在以下範圍的人數為：

本年度上述四位(二零二二年：四位)人士的薪酬由同仁堂國藥及其子公司支付。

上述四位最高薪人士並未放棄任何酬金。本集團並無向四位最高薪人士支付酬金作為邀請彼等加入本集團的酬金，或失去職位的賠償。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. INCOME TAX EXPENSE

Pursuant to the Corporate Income Tax Law of the PRC effective from 1 January 2008, enterprises with a High/New Technology Enterprise (“HNTE”) status are able to enjoy a preferential tax rate of 15%. For the entities without the HNTE status, the PRC income tax rate is 25% (2022: 25%). As of 31 December 2023 and 2022, the Company and certain of its subsidiaries have obtained the HNTE certificate. Consequently, their applicable income tax rate in 2023 is 15% (2022: 15%).

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the year.

Income tax on other countries and regions (excluding Mainland China and Hong Kong) profits has been calculated on the estimated assessable profit for the year at the income tax rates prevailing in the tax jurisdictions in which the Group operates.

28. 所得稅費用

根據自二零零八年一月一日執行的中國企業所得稅法規定，高新技術企業能夠享有15%的所得稅優惠稅率。對於非高新技術企業，所得稅稅率為25%(二零二二年：25%)。截至二零二三年十二月三十一日及二零二二年十二月三十一日，本公司及部分子公司已取得高新技術企業證書。因此，該部分公司二零二三年適用所得稅稅率為15%(二零二二年：15%)。

按照本年度估計應課稅利潤，中國香港地區盈利之稅款適用所得稅稅率為16.5%(二零二二年：16.5%)。

除中國內地及中國香港以外的國家或地區盈利之稅款按照本年度估計應課稅利潤依照本集團經營業務所在國家或地區之現行稅率計算。

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Current income tax expense 當期所得稅費用		
— Mainland China 中國內地	83,442	93,819
— Hong Kong 中國香港	95,256	97,877
— Other countries and regions (excluding Mainland China and Hong Kong) 除中國內地及中國香港以外的國家或地區	10,755	12,247
	189,453	203,943
Deferred income tax (credit)/charge 遞延所得稅(貸項)/借項	(19,311)	6,430
	170,142	210,373

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. INCOME TAX EXPENSE (CONTINUED)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average income tax rate of 20.0% (2022: 22.0%) to profits of the consolidated entities as follows:

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Profit before income tax 除所得稅前利潤	1,162,455	1,211,993
Tax calculated at domestic tax rates applicable to profits in the respective countries or regions 在各有關國家或地區的盈利按適用的當地稅率計算的稅項	232,196	267,152
Tax effects of: 稅項影響：		
— Effect of preferential income tax treatments 所得稅優惠政策的影響	(55,972)	(56,703)
— Income not subject to tax 無需納稅之收入	(10,542)	(4,257)
— Expenses not deductible for tax purposes 不可抵稅之費用	4,766	4,894
— Tax losses and temporary differences for which no deferred income tax assets were recognised 未確認遞延所得稅資產的稅務虧損及暫時性差異	661	452
— Previously unrecognised tax losses used to reduce deferred tax expense 使用前期末確認遞延所得稅資產的稅務虧損	(197)	(713)
— Over provision for taxation for the prior years 往年多計撥備	(884)	(462)
— Others 其他	114	10
Income tax expense 所得稅費用	170,142	210,373

The Group applies Pillar Two model rules issued by the Organisation for Economic Co-operation and Development ("OECD"), which took effect on January 1, 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exemption to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Due to the complexities in applying the legislation and calculating the Global Anti-Base Erosion Proposal income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group is currently assessing the impact of applying the legislation.

28. 所得稅費用(續)

本集團就除所得稅前利潤的稅項，與採用合併主體利潤適用的加權平均稅率 20.0% (二零二二年：22.0%) 而應產生的理論稅額的差額如下：

本集團適用經濟合作與發展組織(OECD)頒佈的支柱二規則，並於2024年1月1日生效。由於支柱二立法在報告日尚未生效，本集團沒有相關的當期稅務風險敞口。根據2023年5月發佈的《國際會計準則第12號》(修改)，本集團將豁免適用於確認和披露與第二支柱所得稅相關的遞延所得稅資產和負債的信息。

由於適用立法和計算全球反稅基侵蝕收入的複雜性，制定或實質性制定立法的定量影響尚不能合理估計。本集團目前正在評估實施立法的影響。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company of approximately RMB590,188,000 by the weighted average number of 1,280,784,000 shares in issue during the year.

The Company had no dilutive potential shares in 2023 and 2022.

29. 每股收益

每股基本收益按本公司所有者應佔淨利潤約人民幣590,188,000元，除以當期已發行普通股的加權平均數目1,280,784,000股來計算的。

本公司於二零二三年及二零二二年並無潛在之攤薄股份。

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Profit attributable to owners of the Company 利潤歸屬於本公司所有者	590,188	582,888
Weighted average number of ordinary shares in issue (thousands) 加權平均已發行普通股股數(千股)	1,280,784	1,280,784
Earnings per share 每股收益	RMB0.46	RMB0.46

30. DIVIDENDS

The dividends approved for the year 2023 and 2022 were RMB204,925,000 (RMB0.16 (including tax) per share) and RMB204,925,000 (RMB0.16 (including tax) per share) respectively.

On 22 March 2024, the Board of Directors proposed a dividend in respect of the year ended 31 December 2023 of RMB0.18 (including tax) per share, amounting to a total of RMB230,541,000, which is subject to the shareholders' approval at the 2023 annual general meeting. These financial statements do not reflect this dividend payable.

30. 股息

二零二三年及二零二二年內宣告派發的股息分別為人民幣204,925,000元(每股人民幣0.16元(含稅))及人民幣204,925,000元(每股人民幣0.16元(含稅))。

於二零二四年三月二十二日，董事會建議按每股人民幣0.18元(含稅)派發截至二零二三年十二月三十一日止年度股息，總額為人民幣230,541,000元。該股息分配預案需經二零二三年度股東周年大會批准。本財務報表未反映此項應付股息。

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Proposed final dividend of RMB0.18 (including tax) (2022: RMB0.16 (including tax)) per ordinary share 擬派末期股息，每股人民幣0.18元(含稅)(二零二二年：每股人民幣0.16元(含稅))	230,541	204,925

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

Directors' and supervisors' emoluments

For the year ended 31 December 2023:

31. 董事及監事的利益和權益

董事及監事薪酬

截至二零二三年十二月三十一日止年度：

	Emoluments paid or receivable in respect of a person's services as a director/supervisor, whether of the Company or its subsidiary undertaking 作為董事/監事(不管是本公司或其子公司企業)提供服務而支付或應收的酬金		Emoluments paid or receivable in respect of director's/supervisor's other services in connection with the management of the affairs of the Company or its subsidiary undertaking 就管理本公司或其子公司企業的事務提供其他董事/監事服務而支付或應收的酬金			
	Fees 袍金 RMB'000 人民幣千元	Salary 薪金 RMB'000 人民幣千元	Discretionary bonuses ⁽¹⁾ 酌情獎金 ⁽¹⁾ RMB'000 人民幣千元	Allowances and benefits ⁽²⁾ 津貼及福利 ⁽²⁾ RMB'000 人民幣千元	Employer's contribution to a retirement benefit scheme 退休福利計劃的僱主供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Chairman 董事長						
Mr. Di Shu Bing ⁽³⁾ 鄧淑兵先生 ⁽³⁾	-	-	-	-	-	-
Mr. Gu Hai Ou ⁽⁴⁾ 顧海鷗先生 ⁽⁴⁾	-	-	-	-	-	-
Executive directors 執行董事						
Mr. Chen Jia Fu ⁽⁵⁾ 陳加富先生 ⁽⁵⁾	-	274	256	22	53	605
Mr. Wang Yu Wei ⁽⁶⁾ 王煜煒先生 ⁽⁶⁾	-	278	892	22	50	1,242
Ms. Feng Zhi Mei 馮智梅女士	-	276	579	41	102	998
Non-Executive directors 非執行董事						
Mr. Jin Tao 金濤先生	-	-	-	-	-	-
Ms. Guo Ya Qing ⁽⁷⁾ 郭雅卿女士 ⁽⁷⁾	-	-	-	-	-	-
Ms. Wang Chun Rui ⁽⁸⁾ 王春蕊女士 ⁽⁸⁾	-	-	-	-	-	-
Ms. Feng Li 馮莉女士	-	-	-	-	-	-
Independent non-executive directors 獨立非執行董事						
Mr. Ting Leung Huel, Stephen 丁良輝先生	260	-	-	-	-	260
Ms. Chan Ching Har, Eliza 陳清霞女士	260	-	-	-	-	260
Mr. Zhan Yuan Jing 詹原競先生	120	-	-	-	-	120
Supervisors 監事						
Ms. Su Li 蘇莉女士	-	-	-	-	-	-
Mr. Wu Yi Gang 吳以鋼先生	120	-	-	-	-	120
Mr. Li Yuan Hong 李元紅先生	-	236	382	-	94	712

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(CONTINUED)

Directors' and supervisors' emoluments (Continued)

For the year ended 31 December 2023 (Continued):

Notes:

- (1) Bonuses are estimated according to current year's results, which will be paid in the following year after approval by the Board of Directors.
- (2) Include housing and travel allowance.
- (3) Mr. Di Shu Bing, executive director and Chairman of the Company, the appointment was effective from 22 January 2024.
- (4) Mr. Gu Hai Ou resigned as executive director and Chairman of the Company on 13 December 2023, the resignation was effective from 22 January 2024.
- (5) Mr. Chen Jia Fu, executive director and General manager of the Company, the appointment as General Manager and executive director was effective from 15 June 2023 and 25 August 2023, respectively.
- (6) Mr. Wang Yu Wei resigned as executive director and General manager of the Company on 15 June 2023, the resignation as General Manager and executive director was effective from 15 June 2023 and 25 August 2023, respectively.
- (7) Ms. Guo Ya Qing resigned as non-executive director of the Company on 14 December 2022, the resignation was effective from 16 February 2023.
- (8) Ms. Wang Chun Rui, non-executive director of the Company, the appointment was effective from 16 February 2023.

31. 董事及監事的利益和權益(續)

董事及監事薪酬(續)

截至二零二三年十二月三十一日止年度(續)：

附注：

- (1) 本公司根據當年業績預提高級管理人員獎金，並於次年經董事會批准後發放。
- (2) 包括房屋津貼及交通補貼。
- (3) 邱淑兵先生為本公司執行董事、董事長，其獲委任自二零二四年一月二十二日起生效。
- (4) 顧海鷗先生於二零二三年十二月十三日辭任本公司執行董事、董事長，其辭任自二零二四年一月二十二日起生效。
- (5) 陳加富先生為本公司執行董事、總經理，其獲委任為總經理和執行董事分別自二零二三年六月十五日起和二零二三年八月二十五日起生效。
- (6) 王煜煒先生於二零二三年六月十五日辭任本公司執行董事、總經理，其辭任總經理和執行董事分別自二零二三年六月十五日起和二零二三年八月二十五日起生效。
- (7) 郭雅卿女士於二零二二年十二月十四日辭任本公司非執行董事，自二零二三年二月十六日起生效。
- (8) 王春蕊女士為本公司非執行董事，其獲委任於自二零二三年二月十六日起生效。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

Directors' and supervisors' emoluments (Continued)

For the year ended 31 December 2022:

31. 董事及監事的利益和權益(續)

董事及監事薪酬(續)

截至二零二二年十二月三十一日止年度：

	Emoluments paid or receivable in respect of a person's services as a director/supervisor, whether of the Company or its subsidiary undertaking 作為董事/監事(不管是本公司或其子公司企業)提供服務而支付或應收的酬金		Emoluments paid or receivable in respect of director's/supervisor's other services in connection with the management of the affairs of the Company or its subsidiary undertaking 就管理本公司或其子公司企業的事務提供其他董事/監事服務而支付或應收的酬金			
	Fees 袍金 RMB'000 人民幣千元	Salary 薪金 RMB'000 人民幣千元	Discretionary bonuses ⁽¹⁾ 酌情獎金 ⁽¹⁾ RMB'000 人民幣千元	Allowances and benefits ⁽²⁾ 津貼及福利 ⁽²⁾ RMB'000 人民幣千元	Employer's contribution to a retirement benefit scheme 退休福利計劃的僱主供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Chairman 董事長						
Mr. Gu Hai Ou 顧海鵬先生	-	-	-	-	-	-
Executive directors 執行董事						
Mr. Wang Yu Wei ⁽³⁾ 王煜煒先生 ⁽³⁾	-	562	1,274	43	94	1,973
Ms. Feng Zhi Mei 馮智梅女士	-	285	418	41	94	838
Non-Executive directors 非執行董事						
Mr. Jin Tao 金濤先生	-	-	-	-	-	-
Mr. Ma Guan Yu ⁽⁴⁾ 馬觀宇先生 ⁽⁴⁾	-	-	-	-	-	-
Ms. Guo Ya Qing 郭雅卿女士	-	-	-	-	-	-
Ms. Feng Li ⁽⁵⁾ 馮莉女士 ⁽⁵⁾	-	-	-	-	-	-
Independent non-executive directors 獨立非執行董事						
Mr. Ting Leung Huel, Stephen 丁良輝先生	248	-	-	-	-	248
Ms. Chan Ching Har, Eliza 陳清霞女士	248	-	-	-	-	248
Mr. Zhan Yuan Jing 詹原競先生	120	-	-	-	-	120
Supervisors 監事						
Ms. Su Li 蘇莉女士	-	-	-	-	-	-
Mr. Wu Yi Gang 吳以鋼先生	120	-	-	-	-	120
Mr. Li Yuan Hong 李元紅先生	-	257	382	-	94	733

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(CONTINUED)

Directors' and supervisors' emoluments (Continued)

For the year ended 31 December 2022 (Continued):

Notes:

- (1) Bonuses are estimated according to current year's results, which will be paid in the following year after approval by the Board of Directors.
- (2) Include housing and travel allowance.
- (3) Mr. Wang Yu Wei was General manager of the Company.
- (4) Mr. Ma Guan Yu resigned as non-executive director of the Company on 24 August 2022, effective from 22 December 2022.
- (5) Ms. Feng Li was non-executive director of the Company, the appointment was effective from 22 December 2022.

No directors and supervisors waived any emoluments and no emoluments were paid by the Group to any of the directors and supervisors as an inducement to join or upon joining the Group or as compensation for loss of position.

No payments or benefits in respect of termination or retirement of directors' and supervisors' services were paid or made, directly or indirectly, to or receivable by any director or supervisor; nor are any payable.

No consideration was provided to or receivable by third parties for making available directors' or supervisors' services.

31. 董事及監事的利益和權益(續)

董事及監事薪酬(續)

截至二零二二年十二月三十一日止年度(續)：

附注：

- (1) 本公司根據當年業績預提高級管理人員獎金，並於次年經董事會批准後發放。
- (2) 包括房屋津貼及交通補貼。
- (3) 王煜煒先生為公司總經理。
- (4) 馬觀宇先生於二零二二年八月二十四日辭任本公司非執行董事，自二零二二年十二月二十二日起生效。
- (5) 馮莉女士為本公司非執行董事，其獲委任於自二零二二年十二月二十二日起生效。

本公司並無董事及監事放棄任何酬金，本集團亦無向本公司任何董事及監事支付任何酬金，作為吸引加入本集團之獎勵或在加入時獎勵或作為離職補償。

本年度內並無直接或間接因董事及監事終止提供服務或退休而向其支付(或其應收)的款額。

本年度內並無因董事及監事提供服務而向第三方支付或收取的款額。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附注(續)

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. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(CONTINUED)

Directors' and supervisors' emoluments (Continued)

There are no loans, quasi-loans or other dealings in favour of the directors and supervisors, their controlled bodies corporate and connected entities.

Saved as disclosed in Note 35 and elsewhere in these financial statements, none of the directors and supervisors had a material interest, either directly or indirectly, in any transactions, arrangements and contracts of significance relating to the business of the Group, to which the Company or any of its subsidiaries was a party, and which was subsisting at the end of the year or at any time during the year.

32. RETIREMENT AND TERMINATION BENEFITS

Pursuant to the PRC laws and regulations, the Group is required to make monthly contributions to various retirement benefit schemes organised by the relevant provincial and municipal governments for the Group's employees in Mainland China at rates ranging from 22% to 24% (2022: 22% to 24%) of the employees' standard salaries, of which 14% to 16% (2022: 14% to 16%) is borne by the Group and the remaining portion is borne by the employees.

Apart from the statutory requirement of contribution to the government-sponsored retirement benefit schemes mentioned above, the Group voluntarily established a supplementary retirement schemes for its employees in Beijing. The Group makes contributions based specified rates on the salaries of the employees during the period in which employees provide services. The Group has no legal or constructive obligation to pay further contributions after the specific contributions. For the year ended 31 December 2023, the Group made contributions totaling RMB29,790,000 (2022: RMB28,419,000).

31. 董事及監事的利益和權益(續)

董事及監事薪酬(續)

本年度內並無董事及監事、董事及監事控制企業、董事關聯實體之貸款、准貸款以及其他交易相關信息。

如反映在附注35及本財務報表其他部分，本年度內或年結時，本集團概無簽訂任何涉及本集團之業務而本公司之董事及監事直接或間接在其中擁有重大權益之重要交易、安排或合同。

32. 退休福利及離崗報酬

根據中國有關法律法規之規定，本集團應當為境內員工按月向政府代理機構繳納基本養老保險。提交基礎為當地政府制定的標準工資的22%至24%之間(二零二二年：22%至24%之間)，其中由本集團承擔的比例為14%至16%(二零二二年：14%至16%)，其餘部分由員工承擔。

除以上政府要求的基本養老保險外，本集團為北京地區的員工實施了一項補充退休後福利計劃。在職工提供服務的期間，將按照工資總額的一定比例計算應繳納的金額。在繳存特定費用後，本集團不再承擔進一步支付義務。截至二零二三年十二月三十一日止年度，本集團為此等年金計劃共承擔約人民幣29,790,000元(二零二二年：人民幣28,419,000元)。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

32. RETIREMENT AND TERMINATION BENEFITS (CONTINUED)

The Group's subsidiaries in Hong Kong participate in a Mandatory Provident Fund scheme (the "MPF scheme") in accordance with the Mandatory Provident Fund Scheme Ordinance of Hong Kong (the "MPF Ordinance"). The only obligation of the Group with respect to the MPF scheme is to make the required contributions under the scheme. These defined contribution schemes are responsible for the pension liabilities of the employees. The Group's contributions to these defined contribution schemes are expensed as incurred.

The Group provides termination benefits to certain employees up to their normal retirement age as set out in Note 39.16(c). The carrying amount of the relevant provision as at 31 December 2023 was nil (2022: RMB3,000).

33. HOUSING FUND

The Group's full-time employees in the Mainland China participate in a state-sponsored housing fund ("Fund"). The housing fund can be used by the Group's employees for purchasing houses, or withdrawn upon their retirement. The Group is required to make annual contributions to the Fund based on certain percentages of the employees' salaries. The Group's liability in respect of the housing fund is limited to the contributions payable in each period. For the year ended 31 December 2023, the Group contributed approximately RMB63,733,000 (2022: RMB58,990,000) to the Fund.

32. 退休福利及離崗報酬(續)

本集團位於中國香港的子公司根據香港強制性公積金條例(「強積金條例」)參與強制性公積金計劃(「強積金計劃」)。在強積金計劃內，本集團之責任僅為向計劃作出所需供款。該等員工退休後之養老金由強積金計劃負擔。本集團對政府代理機構的供款於發生時費用化。

此外，本集團為某些僱員因提前退休而計提其至正常退休年齡之前的離崗報酬(附注39.16(c))。於二零二三年十二月三十一日該項計提的餘額為零元(二零二二年：人民幣3,000元)。

33. 住房公積金

所有本集團的中國內地全職員工有權參加國家資助的住房公積金計劃(「公積金計劃」)。本集團員工可用公積金購買房屋或於退休時一次性支取。本集團每年按員工工資一定百分比向公積金計劃供款。就此等公積金而言，本集團的責任只限於在每一期間作出供款。截至二零二三年十二月三十一日止年度，本集團為此等公積金共承擔約人民幣63,733,000元(二零二二年：約人民幣58,990,000元)。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. CASH FLOW INFORMATION

(a) Reconciliation from profit before income tax to cash generated from operations:

34. 現金流量表信息

(a) 除所得稅前利潤與經營活動收到現金流量淨額調節表：

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Profit before income tax 除所得稅前利潤	1,162,455	1,211,993
Adjustments for: 調整項目：		
Depreciation of property, plant and equipment (Note 6) 房屋及建築物、廠房及設備折舊(附注6)	177,875	170,584
Depreciation of right-of-use assets (Note 7) 使用權資產折舊(附注7)	91,032	82,508
Amortisation of intangible assets (Note 8) 無形資產攤銷(附注8)	7,188	6,408
Amortisation of other long-term assets 其他長期資產攤銷	1,051	2,222
Provision for impairment of inventories 存貨跌價準備計提	18,296	24,293
Provision for/(reversal of) impairment of receivables 應收款項減值計提/(轉回)	17,087	(12,807)
Losses on disposal of non-current assets 非流動資產清理損失	2,871	1,445
Amortisation of deferred income — government grants (Note 19) 遞延收入 — 政府補助的攤銷(附注19)	(23,613)	(62,667)
Interest income (Note 25) 利息收入(附注25)	(91,128)	(44,221)
Interest expense (Note 25) 利息支出(附注25)	49,276	53,798
Exchange losses/(gains) (Note 25) 匯兌損失/(收益)(附注25)	26	(3,871)
Share of profits of investments accounted for using the equity method (Note 10) 享有按權益法入賬的投資的收益份額(附注10)	(193)	(811)
Other (income and gains)/losses, net 其他(收益及利得)/損失·淨額	(162)	658
Operating profit before working capital changes 營運資金變動前之經營利潤	1,412,061	1,429,532
Changes in: 變動：		
Inventories 存貨	(1,514,086)	(386,467)
Trade and bills receivables 應收賬款及票據	539,983	(316,628)
Other financial assets at amortised cost 以攤餘成本計量的其他金融資產	(12,435)	(3,662)
Prepayments and other current assets 預付款及其他流動資產	(34,973)	49,003
Financial assets at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產	33,704	13,405
Trade and bills payables 應付賬款及票據	553,510	(70,481)
Contract liabilities 合同負債	(12,664)	(3,813)
Other current liabilities 其他流動負債	(101,296)	135,723
Proceeds from government grants 遞延收入 — 政府補助	43,663	23,855
Cash generated from operations 經營活動收到的現金	907,467	870,467

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. CASH FLOW INFORMATION

(CONTINUED)

(b) Analysis of the balances of cash and cash equivalents and term deposits placed with banks

As at 31 December, cash and cash equivalents were denominated in the following currencies:

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Cash at bank and in hand 現金及銀行活期存款		
RMB 人民幣	1,772,900	1,962,406
HK\$ 港幣	774,002	1,596,822
Macanese Pataca 澳門元	79,206	68,061
United States Dollar 美元	47,675	21,091
Canadian Dollar 加拿大元	19,258	15,667
Australian Dollar 澳大利亞元	15,703	16,574
Singapore Dollar 新加坡元	14,563	17,412
New Zealand Dollar 新西蘭元	12,431	15,033
Other currencies 其他貨幣	10,720	8,602
	2,746,458	3,721,668

Bank deposits with original maturities of over three months were classified as term deposits placed with banks and denominated in the following currencies:

34. 現金流量表信息(續)

(b) 現金及現金等價物和銀行定期存款

於十二月三十一日，現金及現金等價物按幣種列示如下：

原始存款期限超過三個月的銀行存款列示為銀行定期存款，按幣種列示如下：

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Term deposits placed with banks 銀行定期存款		
HK\$ 港幣	1,203,180	189,470
RMB 人民幣	124,068	100,000
Singapore Dollar 新加坡元	12,539	8,893
Canadian Dollar 加拿大元	9,652	15,344
Other currencies 其他貨幣	24,169	12,296
	1,373,608	326,003

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. CASH FLOW INFORMATION

(CONTINUED)

(b) Analysis of the balances of cash and cash equivalents and term deposits placed with banks

(Continued)

As at 31 December 2023, the cash in hand balance of the Group was RMB1,197,000 (2022: RMB1,524,000). Cash at bank and term deposits placed with banks balance of the Group was RMB4,118,869,000 (2022: RMB4,046,147,000). Management did not expect any losses from non-performance by those banks.

(c) Reconciliation of cash flows from financing activities

This section sets out an analysis of cash flows of financial liabilities from financing activities and its movement for each of the year presented.

34. 現金流量表信息(續)

(b) 現金及現金等價物和銀行定期存款(續)

於二零二三年十二月三十一日，本集團庫存現金餘額為人民幣1,197,000元(二零二二年：人民幣1,524,000元)。本集團銀行存款及銀行定期存款餘額為人民幣4,118,869,000元(二零二二年：人民幣4,046,147,000元)。管理層認為該等存款餘額信用風險較低。

(c) 籌資活動所產生的現金流量調節

本節載列每個期間內所列示的籌資活動所產生的現金流量的分析和變動。

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Gross debt — fixed interest rates 總債務 — 固定利率	(1,093,802)	(899,946)
Gross debt — variable interest rates 總債務 — 浮動利率	(362,300)	(572,347)
Lease liabilities 租賃負債	(171,112)	(122,616)
	(1,627,214)	(1,594,909)

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. CASH FLOW INFORMATION

(CONTINUED)

(c) Reconciliation of cash flows from financing activities (Continued)

34. 現金流量表信息(續)

(c) 籌資活動所產生的現金流量調節(續)

	Borrowings due within 1 year 一年內到期借款 RMB'000 人民幣千元	Borrowings due after 1 year 一年後到期借款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Liability from financing activity as at 1 January 2022				
於二零二二年一月一日籌資活動的負債	(760,692)	(732,153)	(150,877)	(1,643,722)
Cash flows 現金流量	525,392	(505,055)	69,869	90,206
Acquisition — leases 增加 — 租賃	-	-	(29,589)	(29,589)
Foreign exchange adjustments 匯率調整	-	(40)	(6,185)	(6,225)
Other changes ⁽¹⁾ 其他變動 ⁽¹⁾	(15,196)	15,451	(5,834)	(5,579)
Liability from financing activity as at 31 December 2022				
於二零二二年十二月三十一日籌資活動的負債	(250,496)	(1,221,797)	(122,616)	(1,594,909)
Cash flows 現金流量	247,496	(231,301)	76,840	93,035
Acquisition — leases 增加 — 租賃	-	-	(112,974)	(112,974)
Foreign exchange adjustments 匯率調整	-	(4)	(377)	(381)
Other changes ⁽²⁾ 其他變動 ⁽²⁾	(73,651)	73,651	(11,985)	(11,985)
Liability from financing activity as at 31 December 2023				
於二零二三年十二月三十一日籌資活動的負債	(76,651)	(1,379,451)	(171,112)	(1,627,214)

⁽¹⁾ During 2022, other changes are non-cash movements, primarily including non-current borrowings of RMB15,196,000 reclassified to current portion.

⁽¹⁾ 二零二二年度，其他變動為非現金變動，主要包括人民幣15,196,000元長期借款重分類至流動借款。

⁽²⁾ During 2023, other changes are non-cash movements, primarily including non-current borrowings of RMB73,651,000 reclassified to current portion.

⁽²⁾ 二零二三年度，其他變動為非現金變動，主要包括人民幣73,651,000元長期借款重分類至流動借款。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. CASH FLOW INFORMATION (CONTINUED)

(d) Non-cash investing and financing activities

Non-cash investing and financing activities primarily include acquisition of right-of-use assets, please refer to Note 7 for details.

35. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

Related parties include the ultimate holding company and its subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence in making financial and operating decisions and key management personnel of the Company as well as their close family members.

During the year, the Group had the following material transactions with related parties, which were entered into at terms mutually agreed with these related parties in the ordinary course of business.

(a) Transactions with the ultimate holding company

Transactions with the ultimate holding company during the year are summarised as follows:

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Trademark licence fee (Note (i)) 商標使用費(附注(i))	4,450	4,150
Property leasing expense (Note (ii)) 物業租賃費用(附注(ii))	846	838
Additions to right-of-use assets 新增的使用權資產		
— Property, plant and equipment (Note (ii)) 房屋及建築物、廠房及設備(附注(ii))	35,023	844
Interest on lease liabilities 租賃負債利息支出		
— Property, plant and equipment (Note (ii)) 房屋及建築物、廠房及設備(附注(ii))	1,387	434
— Land use right (Note (iii)) 土地使用權(附注(iii))	1,002	1,305

34. 現金流量表信息(續)

(d) 非現金投資和籌資活動

非現金投資和籌資活動主要包括使用權資產的增加，詳情請參閱附注7。

35. 關聯方交易

關聯方是指一方有能力控制另一方或在其財務和經營決策上施加重大影響。任何受到相同控制的人士亦屬於關聯方。

關聯方包括最終控股公司及其下屬子公司、其他本公司有能力對其財務和經營決策實施控制或施加重大影響之公司以及本公司關鍵管理人員及他們關係密切的家庭成員。

本年度本集團與關聯公司有如下重大交易。這些交易是於一般業務過程中按與關聯公司議定的條款進行的。

(a) 與最終控股公司交易

本年度與最終控股公司的交易如下：

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with the ultimate holding company (Continued)

Notes:

- (i) A licence agreement was entered on 28 February 2018 between the Company and the ultimate holding company whereby the Company is allowed to use certain trademarks and trademark logos (collectively, "Trademarks") of the ultimate holding company. The licence agreement is effective from 1 March 2018 to 31 March 2021. The annual licence agreement fee is RMB3,000,000 with an annual increase of RMB300,000 thereafter.

During 2021, the Company renewed the licence agreements with the ultimate holding company with similar terms, for a term from 1 April 2021 to 31 December 2024. The annual licence agreement fee for 2023 is RMB4,450,000.

- (ii) On 30 December 2022, the Company renewed the property leasing framework agreement with the ultimate holding company, for a term of three years from 1 January 2023 to 31 December 2025. The continuing connected transactions under the Property Leasing Framework Agreement was entered into in accordance with the pricing policies below: (1) The relevant market price. (2) Where the market price is not available, then the contracted price, which shall be determined after arm's length negotiation between the parties of the agreement based on the principle of cost plus a fair and reasonable profit ratio and by reference to the historical rentals. The reasonable cost shall be determined by reference to the size of the premises provided by the ultimate holding company, and the cost of premises management.
- (iii) On 26 March 2021, a land use right leasing agreement was entered into between the Company and the ultimate holding company, with a lease period of 5 years commencing from 6 October 2020. The annual rental expense is about RMB8,373,000.

35. 關聯方交易 (續)

(a) 與最終控股公司交易 (續)

附注：

- (i) 本公司已於二零一八年二月二十八日與最終控股公司訂立一份商標使用許可合同，據此，本公司可使用最終控股公司的商標及商標圖樣（統稱「商標」）。商標使用期限自二零一八年三月一日起至二零二一年三月三十一日止。二零一八年度商標使用許可合同金額為人民幣300萬元，以後每年定增人民幣30萬元。

於二零二一年，本公司與最終控股公司以相似的條款先後續訂商標使用許可合同，使用期限從二零二一年四月一日至二零二四年十二月三十一日，二零二三年度商標使用許可合同金額為人民幣445萬元。

- (ii) 於二零二二年十二月三十日，本公司與最終控股公司續訂物業租賃框架協議，為期三年，自二零二三年一月一日起至二零二五年十二月三十一日止。物業租賃框架協議項下持續關連交易根據以下定價政策訂立：(1) 相關市價。(2) 倘不能獲取市價，則訂約價應由協議雙方根據成本加公平合理利潤比率原則並參考過往租金，經公平磋商後釐定。合理成本應根據最終控股公司提供的物業規模，以及物業管理費用而釐定。
- (iii) 本公司於二零二一年三月二十六日與最終控股公司簽訂一份土地使用權租賃協議。租賃期自二零二零年十月六日起，為期五年。年租金約為人民幣8,373,000元。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. RELATED PARTY TRANSACTIONS (CONTINUED) 35. 關聯方交易 (續)

(b) Transactions with the subsidiaries and joint ventures of the ultimate holding company

(b) 與最終控股公司的子公司及合營企業的交易

	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Sales of Chinese medicine related products (Note (i)) 銷售中藥相關產品(附注(i))	1,590,404	1,565,323
Purchases of Chinese medicine related products (Note (ii)) 採購中藥相關產品(附注(ii))	187,476	220,171
Purchases of products for exclusive distributorship (Note (iii)) 採購獨家經銷產品(附注(iii))	31,678	17,266
Advertising services income (Note (iv)) 廣告服務收入(附注(iv))	10,337	14,524
Additions to right-of-use assets (Note (a)(ii)) 新增的使用權資產(附注(a)(ii))	11,803	2,284
Interest on lease liabilities (Note (a)(iii)) 租賃負債利息支出(附注(a)(iii))	594	139
Disposal of partial equity of subsidiaries (Note (v)) 處置子公司部分股權(附注(v))	-	61,387

Notes:

(i) On 16 October 2019, the Company entered into the distribution framework agreement with the ultimate holding company. Pursuant to the renewed agreement, the price of the products to be sold by the Group to the ultimate holding company's subsidiaries and joint ventures shall not be lower than that charged by the Group to other independent third parties and shall be determined in accordance with a reasonable cost plus a fair and reasonable profit margin. The renewed agreement was approved at the extraordinary general meeting of the Company on 16 December 2019 and for a term of three years from 1 January 2020 to 31 December 2022.

On 28 November 2022, the Company and the ultimate holding company renewed the distribution framework agreement with similar price policies. The renewal agreement was approved at the extraordinary general meeting of the Company on 22 December 2022 and for a term of three years from 1 January 2023 to 31 December 2025.

附注：

(i) 於二零一九年十月十六日，本公司與最終控股公司簽訂銷售框架性協議，根據該協議，本集團將銷售予最終控股公司的子公司及合營企業之產品價格將不低於本集團向其他獨立第三方銷售之價格，並按合理成本加公平合理利潤率釐定。該續訂協議已獲本公司二零一九年十二月十六日召開的股東特別大會批准，為期三年，從二零二零年一月一日至二零二二年十二月三十一日。

於二零二二年十一月二十八日，本公司與最終控股公司以相似的價格政策續訂該銷售框架性協議。該續訂協議已獲本公司二零二二年十二月二十二日召開的股東特別大會批准，為期三年，從二零二三年一月一日至二零二五年十二月三十一日。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with the subsidiaries and joint ventures of the ultimate holding company (Continued)

Notes (Continued):

- (ii) On 16 October 2019, the Company entered into the master procurement agreement with the ultimate holding company. Pursuant to the agreement, the subsidiaries and joint ventures of the ultimate holding company can supply to the Group the products that are required for the Group's production, sale and distribution. The price procured by the Group from the ultimate holding company's subsidiaries and joint ventures shall be negotiated by the parties on an arm's length basis. The renewed agreement was approved at the extraordinary general meeting of the Company on 16 December 2019 and for a term of three years from 1 January 2020 to 31 December 2022.

On 28 November 2022, the Company renewed the procurement agreement with the ultimate holding company. The terms and conditions procured by the Group from the ultimate holding company's subsidiaries and joint ventures shall not be inferior to the price of the procurement from any independent third party or fair market conditions (whichever is better). The renewal agreement was approved at the extraordinary general meeting of the Company on 22 December 2022 and for a term of three years from 1 January 2023 to 31 December 2025.

- (iii) On 6 November 2020, Tong Ren Tang Chinese Medicine renewed the exclusive distributorship frame-work agreement with Tong Ren Tang Ltd., with an effective period from 1 January 2021 to 31 December 2023, pursuant to which, Tong Ren Tang International Natural-Pharm, a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine, is appointed as the sole distributor outside Mainland China of the Tong Ren Tang Ltd., for the purpose of the distribution of the relevant Tong Ren Tang branded products supplied by Tong Ren Tang Ltd. ("Relevant Products") outside Mainland China. The price of the Relevant Products supplied shall not be higher than the wholesale price of the Relevant Products sold to the wholesale customers in Mainland China. The renewed agreement has been approved by the extraordinary general meeting of Tong Ren Tang Chinese Medicine on 17 December 2020.

On 29 November 2023, Tong Ren Tang Chinese Medicine renewed this exclusive distributorship frame-work agreement with Tong Ren Tang Ltd. with similar price policies. The renewed agreement has been approved by the extraordinary general meeting of Tong Ren Tang Chinese Medicine on 27 December 2023 and for a term of three years from 1 January 2024 to 31 December 2026.

35. 關聯方交易 (續)

(b) 與最終控股公司的子公司及合營企業的交易(續)

附注(續):

- (ii) 本公司於二零一九年十月十六日與最終控股公司簽訂一份採購框架性協議。據此，最終控股公司的子公司及合營企業可向本集團供應本集團生產、銷售及分銷所需之產品。本集團向最終控股公司的子公司及合營企業採購的價格將按公平原則進行磋商。該續訂協議已獲本公司二零一九年十二月十六日召開的股東特別大會批准，為期三年，從二零二零年一月一日至二零二二年十二月三十一日。

於二零二二年十一月二十八日，本公司與最終控股公司續訂該採購框架性協議。本集團向最終控股公司的子公司及合營企業採購的條款及條件不得遜於向任何獨立第三方採購的價格或公允市場條件(以兩者較優者為準)。該續訂協議已獲本公司二零二二年十二月二十二日召開的股東特別大會批准，為期三年，從二零二三年一月一日至二零二五年十二月三十一日。

- (iii) 於二零二零年十一月六日，同仁堂國藥與同仁堂股份續訂獨家經銷協議，有效期從二零二一年一月一日至二零二三年十二月三十一日。根據協議，同仁堂國藥的全資子公司同仁堂國際藥業作為同仁堂股份中國內地以外獨家經銷商，可以於中國內地以外地區銷售同仁堂股份供應之有關同仁堂品牌產品(「相關產品」)。同仁堂股份提供相關產品的價格將不高於其銷售予中國內地經銷商的批發價格。該協議已獲於二零二零年十二月十七日召開的同仁堂國藥股東特別大會批准。

於二零二三年十一月二十九日，同仁堂國藥與同仁堂股份以相似的政策續訂該獨家經銷協議。該續訂協議已獲於二零二三年十二月二十七日召開的同仁堂國藥股東特別大會批准，為期三年，從二零二四年一月一日至二零二六年十二月三十一日。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with the subsidiaries and joint ventures of the ultimate holding company (Continued)

Notes (Continued):

- (iv) On 28 February 2020, Tong Ren Tang Century Advertising renewed the advertising agency framework agreement with the ultimate holding company for a term of three years from 1 January 2020 to 31 December 2022. Accordingly, the fees for the provision of specific services by Tong Ren Tang Century Advertising to the ultimate holding company or its subsidiaries and joint ventures under individual implementation agreement shall be determined with reference to the actual quotation offered by third-party advertising providers on the basis of their published price lists, plus a reasonable fee for the advertising agency service provided by Tong Ren Tang Century Advertising (generally not higher than 10% of the quote offered by third-party advertising providers).

On 22 March 2023, Tong Ren Tang Century Advertising and the ultimate holding company renewed the advertising agency agreement with similar price policies for a term of three years from 1 January 2023 to 31 December 2025.

- (v) On 31 August 2022 and 30 November 2022, the Company disposed 49% equity interests in Nansanhuan Zhonglu Drugstore and 49% equity interests in Second Traditional Chinese Medicine Hospital to Tong Ren Tang Medical Caring at a consideration of RMB19,376,000 and RMB42,011,000 respectively. Details of the transactions are set out in Note 9(a).

35. 關聯方交易 (續)

(b) 與最終控股公司的子公司及合營企業的交易 (續)

附注(續):

- (iv) 於二零二零年二月二十八日，同仁堂世紀廣告與最終控股公司續訂廣告代理框架協議，為期三年，有效期從二零二零年一月一日至二零二二年十二月三十一日。據此，同仁堂世紀廣告向最終控股公司及其子公司或合營企業就具體執行協議項下所提供的具體服務之費用乃經參考第三方廣告提供商在其廣告刊例價的基礎上提供的實際報價以及同仁堂世紀廣告的合理服務費用（一般不高於第三方廣告提供商報價的10%）。

於二零二三年三月二十二日，同仁堂世紀廣告與最終控股公司以相似的價格政策續訂廣告代理框架協議，為期三年，有效期從二零二三年一月一日至二零二五年十二月三十一日。

- (v) 於二零二二年八月三十一日和二零二二年十一月三十日，本公司分別以人民幣19,376,000元和人民幣42,011,000元的對價向同仁堂醫養轉讓了南三環中路藥店49%的股權及同仁堂第二中醫醫院49%的股權。詳情請參見附注9(a)。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management compensation

Key management includes directors (executive and non-executive) and senior management. The compensation paid or payable to key management for employee services is shown below:

	As at 31 December 於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Salaries and other short-term employee benefits 薪金和其他短期僱員福利	9,816	9,171
Pension costs — defined contribution plans 退休金成本 — 定額供款計劃	903	838
	10,719	10,009

(d) Balances with related parties

As at 31 December, balances with related parties consisted of:

	As at 31 December 於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Amounts due from related parties (Note(i)): 應收關聯公司款項(附注(i))		
Ultimate holding company 最終控股公司		
Trade receivables, net 應收賬款, 淨值	-	13
Other financial assets at amortised cost 以攤餘成本計量的其他金融資產	698	736
	698	749
Subsidiaries and joint ventures of the ultimate holding company 最終控股公司的子公司及合營企業		
Trade receivables, net 應收賬款, 淨值	255,893	266,669
Prepayments 預付賬款	3,635	1,489
Other financial assets at amortised cost 以攤餘成本計量的其他金融資產	3,354	866
	262,882	269,024

35. 關聯方交易 (續)

(c) 主要管理人員薪酬

主要管理人員包括執行及非執行董事和高級管理人員。就僱員服務向主要管理人員支付或應付的酬金如下：

(d) 關聯公司往來餘額

於十二月三十一日，關聯公司往來餘額為：

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. RELATED PARTY TRANSACTIONS (CONTINUED) 35. 關聯方交易 (續)

(d) Balances with related parties (Continued)

(d) 關聯公司往來餘額(續)

	As at 31 December 於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Amounts due to related parties (Note(i)): 應付關聯公司款項(附注(i)) :		
Subsidiaries and joint ventures of the ultimate holding company 最終控股公司的子公司及合營企業		
Trade payable 應付賬款	77,299	25,388
Other payables 其他應付款	33,121	33,229
Contract liabilities 合同負債	1,631	8,498
	112,051	67,115
Lease liabilities: 租賃負債 :		
Ultimate holding company or its subsidiaries (Note (a)(ii)), (Note (a)(iii)) 最終控股公司及其子公司(附注(a)(ii))、附注(a)(iii)	40,763	23,422
Borrowings from a related party (Note(ii)): 從關聯公司借入的款項(附注(ii)) :		
Ultimate holding company 最終控股公司	32,300	32,300

Notes:

附注:

- (i) The amounts due from/to related parties are unsecured, interest-free and recoverable or repayable within twelve months.
- (ii) As at 31 December 2023, borrowings from a related party are in the form of entrusted loans which are unsecured, bear interest by reference to benchmark lending interest rate published by the People's Bank of China with moderate decrease and repayable within three years (2022: one year).

- (i) 應收/應付關聯公司餘額為免息、無設定擔保款項，並在十二個月內結算。
- (ii) 於二零二三年十二月三十一日，關聯公司借款為無設定擔保款項的委託貸款，貸款利率參考中國人民銀行同期貸款基準利率適度下浮，並在三年內(二零二二年：一年內)結算。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BANKING FACILITIES

As at 31 December 2023, the Group had aggregated banking facilities of RMB1,831,300,000 (2022: RMB1,837,910,000) for loan and other trade financing. As at 31 December 2023, the unutilised banking facilities amounted to RMB nil (2022: RMB6,565,000).

37. COMMITMENTS

(a) Capital commitments

As at 31 December, the Group had the following capital commitments which were contracted but not provided for:

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Property, plant and equipment 房屋及建築物、廠房及設備	42,618	65,787

(b) Lease commitments

As at 31 December 2023, undiscounted future lease payments amounted to RMB23,555,000 (2022: RMB3,559,000) were committed by the Group but the relevant lease periods had not commenced, including the short-term and low-value leases amounted to RMB16,849,000 (2022: RMB2,839,000) and lease commitments to be recognised as right-of-use assets upon the lease commencement date in 2024 amounted to RMB6,706,000 (2022: RMB720,000).

36. 銀行融資

於二零二三年十二月三十一日，本集團擁有人民幣1,831,300,000元銀行借貸額度(二零二二年：人民幣1,837,910,000元)，可用於貸款和貿易融資。於二零二三年十二月三十一日，未用之貸款額度為人民幣零元(二零二二年：人民幣6,565,000元)。

37. 承諾事項

(a) 資本承諾

於十二月三十一日，本集團有如下尚未反映在財務報表內但已簽約的資本承諾：

(b) 租賃承諾

於二零二三年十二月三十一日，本集團已承諾但未開始的未折現未來租賃付款額為人民幣23,555,000元(二零二二年十二月三十一日：人民幣3,559,000元)，其中短期租賃和低價值租賃為人民幣16,849,000元(二零二二年十二月三十一日：人民幣2,839,000元)，將於二零二四年租賃期開始日時被確認為使用權資產的租賃付款額為人民幣6,706,000元(二零二二年十二月三十一日：人民幣720,000元)。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

38. 公司資產負債表及權益變動表

公司資產負債表

	As at 31 December	
	於十二月三十一日	
	2023	2022
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Assets 資產		
Non-current assets 非流動資產		
Property, plant and equipment 房屋及建築物、廠房及設備	1,466,390	1,462,395
Right-of-use assets 使用權資產	275,304	263,678
Intangible assets 無形資產	6,751	6,926
Investments in subsidiaries 對子公司的投資	1,543,908	1,431,832
Investments accounted for using the equity method 按權益法入賬的投資	21,200	21,200
Prepayments for purchase of property, plant and equipment 房屋及建築物、廠房及設備預付款	32,048	28,412
Deferred income tax assets 遞延所得稅資產	19,214	22,158
	3,364,815	3,236,601
Current assets 流動資產		
Inventories 存貨	3,365,920	2,429,381
Trade and bills receivables 應收賬款及票據	370,580	502,734
Amounts due from subsidiaries 應收子公司款項	260,164	260,014
Other financial assets at amortised cost 以攤餘成本計量的其他金融資產	6,222	3,324
Prepayments and other current assets 預付款及其他流動資產	117,094	78,332
Financial assets at fair value through profit or loss 以公允價值計量且其變動計入損益的金融資產	370	429
Financial assets at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益的金融資產	64,444	98,148
Term deposits placed with banks 銀行定期存款	104,068	100,000
Cash and cash equivalents 現金及現金等價物	1,167,749	1,290,213
	5,456,611	4,762,575
Total assets 資產總計	8,821,426	7,999,176

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(CONTINUED)

Balance sheet of the Company (Continued)

38. 公司資產負債表及權益變動表

(續)

公司資產負債表(續)

	As at 31 December 於十二月三十一日	
	2023 RMB'000 人民幣千元	2022 RMB'000 人民幣千元
Equity and liabilities 權益及負債		
Equity attributable to owners of the Company 歸屬於本公司所有者		
Share capital 股本	1,280,784	1,280,784
Reserves (Note 18(a)) 儲備(附注 18(a))	4,427,256	4,117,265
Total equity 權益合計	5,708,040	5,398,049
Liabilities 負債		
Non-current liabilities 非流動負債		
Borrowings 借款	1,379,300	1,221,500
Lease liabilities 租賃負債	19,997	14,410
Deferred income — government grants 遞延收入 — 政府補助	44,959	26,132
	1,444,256	1,262,042
Current liabilities 流動負債		
Trade and bills payables 應付賬款及票據	852,917	430,183
Salary and welfare payables 應付工資及福利費	26,323	27,443
Amounts due to subsidiaries 應付子公司款項	336,119	291,147
Current income tax liabilities 當期所得稅負債	3,321	12,809
Other payables 其他應付款	357,500	323,523
Borrowings 借款	73,500	247,300
Lease liabilities 租賃負債	19,450	6,680
	1,669,130	1,339,085
Total liabilities 負債合計	3,113,386	2,601,127
Total equity and liabilities 權益及負債總計	8,821,426	7,999,176

The balance sheet of the Company was approved by the Board of Directors on 22 March 2024 and was signed on its behalf.

公司財務報表已由董事會於二零二四年三月二十二日批准，並代表董事會簽署。

Di Shu Bing 邱淑兵
Chairman 董事長

Feng Zhi Mei 馮智梅
Director 董事

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(CONTINUED)

Reserve movement of the Company

38. 公司資產負債表及權益變動表 (續)

公司權益變動表

	Capital reserve	Statutory surplus reserve fund	Statutory public welfare fund	Tax reserve	Retained earnings	Total
	資本儲備	法定盈餘 公積金	法定公益金	免稅基金	留存收益	權益合計
	(Note 18(a))	(Note 18(b))	(Note 18(b))	(Note 18(c))		
	(附注 18(a))	(附注 18(b))	(附注 18(b))	(附注 18(c))		
	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
Balance as at 1 January 2022 於二零二二年一月一日餘額	414,100	624,987	45,455	102,043	2,601,555	3,788,140
Profit for the year 年度利潤	-	-	-	-	534,050	534,050
Appropriation to statutory surplus reserve fund 提取法定盈餘公積金	-	53,492	-	-	(53,492)	-
2021 dividends to shareholders of the Company 分派本公司股東二零二一年度股息	-	-	-	-	(204,925)	(204,925)
Balance as at 31 December 2022 於二零二二年十二月三十一日餘額	414,100	678,479	45,455	102,043	2,877,188	4,117,265
Balance as at 1 January 2023 於二零二三年一月一日餘額	414,100	678,479	45,455	102,043	2,877,188	4,117,265
Profit for the year 年度利潤	-	-	-	-	514,916	514,916
Appropriation to statutory surplus reserve fund 提取法定盈餘公積金	-	51,796	-	-	(51,796)	-
2022 dividends to shareholders of the Company 分派本公司股東二零二二年度股息	-	-	-	-	(204,925)	(204,925)
Balance as at 31 December 2023 於二零二三年十二月三十一日餘額	414,100	730,275	45,455	102,043	3,135,383	4,427,256

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

39.1 Subsidiaries

39.1.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

(a) Merger accounting for common control combinations

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statements include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the control of the controlling party, whichever is shorter.

39. 其他潛在重大會計政策摘要

39.1 子公司

39.1.1 合併賬目

子公司指本集團對其具有控制權的所有主體(包括結構性主體)。當本集團因為參與該主體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該主體的權力影響此等回報時，本集團即控制該主體。

子公司在控制權轉移至本集團之日全面合併入賬。子公司在控制權終止之日起停止合併入賬。

(a) 同一控制下合併的合併會計法

合併財務報表包括同一控制下合併的合併實體或業務的財務報表，視同自該等合併實體或業務首次受控制方控制當日起已經合併。

對控制方而言，合併實體或業務的資產淨值按現有賬面值進行合併。在同一控制下合併時不會就商譽或被收購公司的可識別資產、負債及或有負債的公允淨值高出成本的部分確認任何金額，並以控制方持續擁有的權益為限。

合併利潤表包括自最早呈列日期起或自該等合併實體或業務首次受最終控股公司控制日期起以期限較短者為準的業績。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.1 Subsidiaries (Continued)

39.1.1 Consolidation (Continued)

(a) Merger accounting for common control combinations (Continued)

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

(b) Acquisition method for business combinations other than common control combinations

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

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

39. 其他潛在重大會計政策摘要(續)

39.1 子公司(續)

39.1.1 合併賬目(續)

(a) 同一控制下合併的合併會計法(續)

與採用合併會計法入賬之同一控制下合併有關的交易成本(包括專業費用、註冊費、向股東提供數據的成本、為合併原獨立運營之業務所產生的成本或虧損等)於產生年度確認為支出。

(b) 非同一控制下業務合併購買法

本集團利用購買法將非同一控制下業務合併入賬。購買一子公司所轉讓的對價，為所轉讓資產、對被收購方的前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的對價包括或有對價安排所產生的任何資產和負債的公允價值。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。

本集團按個別收購基準，確認在被購買方的任何非控制性權益。被購買方的非控制性權益為現時的擁有所有權權益，並賦予持有人一旦清盤時按比例應佔主體的淨資產，可按公允價值或按現時擁有所有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控制性權益的所有其他組成部分按收購日期的公允價值計量，除非國際財務報告準則規定必須以其他計量基準計算。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.1 Subsidiaries (Continued)

39.1.1 Consolidation (Continued)

(b) Acquisition method for business combinations other than common control combinations (Continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in through profit or loss.

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

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

39. 其他潛在重大會計政策摘要(續)

39.1 子公司(續)

39.1.1 合併賬目(續)

(b) 非同一控制下業務合併購買法(續)

購買相關成本在產生時支銷。

如業務合併分階段進行，收購方之前在被收購方持有權益於收購日期的賬面值，按收購日期的公允價值重新計量，重新計量產生的任何盈虧在損益中確認。

所轉讓對價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日期的公允價值，超過購入可辨認淨資產公允價值的數額記錄為商譽。如所轉讓對價、確認的任何非控制性權益及之前持有的權益計量，低於購入子公司淨資產的公允價值，即將該數額直接在利潤表中確認。

集團內公司之間的交易、結餘及交易的未變現利得予以對銷。未變現損失亦予以對銷，除非交易提供所轉撥資產的減值證據。子公司報告的數額已按需要作出改變，以確保與本集團採用的政策一致。

不導致失去控制權之非控股權益交易入賬列作權益交易 — 即以彼等為擁有人之身份與附屬公司擁有人進行交易。任何已付代價的公允價值與應佔所收購附屬公司資產淨值賬面值相關部分的差額於權益列賬。向非控股權益出售的收益或虧損亦於權益列賬。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.1 Subsidiaries (Continued)

39.1.1 Consolidation (Continued)

(c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiaries in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

39.1.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

39.2 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

39. 其他潛在重大會計政策摘要(續)

39.1 子公司(續)

39.1.1 合併賬目(續)

(c) 不導致失去控制權的子公司所有權變動

本集團將其與非控制性權益進行、不導致失去控制權的交易入賬為權益交易 — 即與子公司所有者以其作為所有者身份進行的交易。所支付任何對價的公允價值與相關應佔所收購子公司淨資產賬面值的差額記錄為權益。非控制性權益的處置的盈虧亦記錄在權益中。

39.1.2 獨立財務報表

子公司投資按成本扣除減值列賬。成本包括投資的直接歸屬成本。子公司的業績由本公司按已收及應收股息入賬。

如股息超過宣派股息期內子公司的總綜合收益，或如在獨立財務報表的投資賬面值超過合併財務報表中被投資公司淨資產(包括商譽)的賬面值，則必須對子公司投資作減值測試。

39.2 聯營企業

聯營企業指所有本集團對其有重大影響力而無控制權的主體，通常附帶有20%-50%投票權的股權。聯營企業投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營企業的投資包括購買時已辨認的商譽。在購買聯營企業的所有權時，購買成本與本集團享有的對聯營企業可辨認資產和負債的公允價值淨額的差額確認為商譽。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.2 Associates (Continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit/loss of investments accounted for using the equity method" in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the income statement.

39. 其他潛在重大會計政策摘要(續)

39.2 聯營企業(續)

如聯營企業的所有權持有被削減但仍保留重大影響力，只有按比例將之前在其他綜合收益中確認的數額重分類至損益(如適當)。

本集團應佔聯營企業購買後利潤或虧損於利潤表內確認，而應佔其購買後的其他綜合收益變動則於其他綜合收益內確認，並相應調整投資賬面值。如本集團應佔一家聯營企業的虧損等於或超過其在該聯營企業的權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營企業已產生法律或推定債務或已代聯營企業作出付款。

本集團在每個報告日期釐定是否有客觀證據證明聯營企業投資已減值。如投資已減值，本集團計算減值，數額為聯營企業投資可收回數額與其賬面值的差額，並在利潤表中確認於「享有按權益法入賬的投資的收益／虧損」旁。

本集團與其聯營企業之間的上流和下流交易的利潤和虧損，在集團的財務報表中確認，但僅限於無關連投資者在聯營企業權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營企業的會計政策已按需要作出改變，以確保與本集團採用的政策一致。

在聯營企業股權稀釋所產生的利得或損失於利潤表確認。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.2 Associates (Continued)

In the balance sheet of the Company, its investments in associates are stated at cost less provision for any impairment losses. Income from associates is recognised by the Company on the basis of dividends received and receivable.

In the balance sheet of the Company, impairment testing of the investments in associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the associates in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

39.3 Joint arrangements

The Group has applied IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

39. 其他潛在重大會計政策摘要(續)

39.2 聯營企業(續)

在本公司的資產負債表中，於聯營公司的投資按成本減任何減值虧損撥備列賬。本公司按已收及應收股息確認來自聯營公司的收益。

在本公司的資產負債表中，如投資聯營企業收取之股息超過宣派股息期內聯營公司的綜合收益總額，或獨立財務報表的投資賬面值超過合併財務報表被投資公司資產淨值(包括商譽)的賬面值，則必須對聯營公司投資作減值測試。

39.3 合營安排

本集團已對所有合營安排應用國際財務報告準則第11號。根據國際財務報告準則第11號，在合營安排的投資分類為共同經營或合營企業，視乎每個投資者的合同權益和義務而定。本集團已評估其合營安排的性質並釐定為合營企業。合營企業按權益法入賬。

根據權益法，合營企業權益初步以成本確認，其後經調整以確認本集團享有的收購後利潤或虧損以及其他綜合收益變動的份額。本集團對合營企業的投資包括在購買時已辨認的商譽。在購買合營企業的所有權時，購買成本與本集團享有的對合營企業可辨認資產和負債的公允價值淨額的差額確認為商譽。當集團享有某一合營企業的虧損超過或相等於在該合營企業的權益(包括任何實質上構成集團在該合營淨投資的長期權益)，則集團不確認進一步虧損，除非集團已產生義務或已代合營企業付款。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.3 Joint arrangements (Continued)

In the Company's balance sheet, its investments in joint ventures are stated at cost less provision for any impairment losses. Income from joint ventures is recognised by the Company on the basis of dividends received and receivable.

In the Company's balance sheet, impairment testing of the investments in joint ventures is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the joint venture in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

39.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the functional currency. The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

39. 其他潛在重大會計政策摘要(續)

39.3 合營安排(續)

在本公司的資產負債表上，對合營企業的投資以成本扣除減值後的淨額列示，本公司按已收及應收股息確認合營企業的收益。

在本公司的資產負債表中，如果宣告發放的股息超過股息宣告發放當期合營企業綜合收益總額，或者該投資在獨立財務報表上的賬面價值超過包括商譽在內的被投資者的淨資產在合併財務報表上的賬面價值，則需要對合營企業的投資進行減值測試。

39.4 外幣折算

(a) 功能和列報貨幣

本集團每個主體的財務報表所列項目均以功能貨幣計量。合併財務報表以人民幣列報，人民幣為本公司的功能貨幣及本集團的列報貨幣。

(b) 交易及結餘

外幣交易採用交易日期或項目重新計量的估值日期的匯率換算為功能貨幣。除了符合在其他綜合收益中遞延入賬的現金流量套期和淨投資套期外，結算此等交易產生的匯兌利得和損失以及將外幣計值的貨幣資產和負債以年終匯率折算產生的匯兌利得和損失在利潤表確認。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.4 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings and financial assets that are held for cash management purposes are presented in the income statement within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within "Other income and gains/losses, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary financial assets, such as equities classified as FVOCI, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

39. 其他潛在重大會計政策摘要(續)

39.4 外幣折算(續)

(b) 交易及結餘(續)

與借款及出於現金管理目的而持有的金融資產有關的匯兌利得和損失在利潤表內的財務費用中列報。所有其他匯兌利得和損失在利潤表內的「其他收益及利得／損失，淨額」核算。

以公允價值計量的外幣非貨幣性項目，採用公允價值確定日的匯率折算。非貨幣性金融資產(例如分類為以公允價值計量且其變動計入其他綜合收益的權益)的折算差額包括在其他綜合收益中。

(c) 集團公司

其功能貨幣與本集團的列報貨幣不同的所有集團內的主體(當中沒有惡性通貨膨脹經濟的貨幣)的業績和財務狀況按如下方法換算為列報貨幣：

- 每份列報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- 每份利潤表內的收益和費用按平均匯率換算(除非此匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算)；及
- 所有由此產生的匯兌差額在其他綜合收益中確認。

購買境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債，並按期末匯率換算。產生的匯兌差額在其他綜合收益中入賬。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.5 Property, plant and equipment

Land and buildings primarily comprise factories and offices.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 39.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

39.6 Research and development costs

Research expenditure is recognised as an expense as incurred. Costs incurred in development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be successful considering its commercial and technical feasibility and its costs can be measured reliably. Other development expenditures that do not meet these criteria are expensed as incurred. Development costs previously recognised as expenses are not recognised as assets in subsequent periods. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years; and tested for impairment according to Note 39.8.

39. 其他潛在重大會計政策摘要(續)

39.5 房屋及建築物、廠房及設備

土地及樓宇主要包括廠房和辦公室。

後續成本只有在很可能為本集團帶來與該項目有關的未來經濟利益，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為一項單獨資產(按適用)。已更換零件的賬面值已被終止確認。所有其他維修費用在產生的財務期間內於利潤表列支。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額(附注 39.8)。

處置的利得和損失按所得款與賬面值的差額釐定，並在利潤表內中確認。

39.6 研究和開發費用

研究費支出於發生時作為費用列支。開發項目(與新產品或改進產品相關的設計和測試)成本在考慮其產品能夠產生未來的商業效益，獲證實技術上可行且能準確計量時，可被記為無形資產。其他不具備上述條件的開發費用支出於發生時作為費用列支。以前會計期間已經列支為費用的部分不得再予以資本化。被資本化的開發成本記為無形資產，在其可投入使用後以直線法攤銷。攤銷期不超過五年。無形資產的減值測試依照附注 39.8 中披露的方法進行。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.7 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Contractual customer relationships and other intangible assets

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date.

39. 其他潛在重大會計政策摘要(續)

39.7 無形資產

(a) 商譽

商譽產生自收購子公司，並相當於所轉讓對價，被收購方的非控制性權益金額以及享有的被收購方過往的權益在收購日的公允價值超過本集團獲得的被收購方的可辨認淨資產公允價值的數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組（預期可從合併中獲取協同利益）。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

對商譽的減值測試每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地測試。包含商譽的現金產出單元的賬面值與可收回數額（使用價值與公允價值減處置成本較高者）比較。任何減值須實時確認及不得在之後期間撥回。

(b) 客戶合同關係及其他無形資產

在業務合併中購入的客戶合同關係按購買日的公允價值列賬。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.7 Intangible assets (Continued)

(c) Patented technology, trademark licence and computer software

Costs associated with maintaining patented technology, trademark licence and computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique patented technology, trademark licence and software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the patented technology, trademark licence and software product include the development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

39. 其他潛在重大會計政策摘要(續)

39.7 無形資產(續)

(c) 專利技術、商標權和計算機軟件

與維護專利技術、商標權和計算機軟件程序有關的成本在產生時確認為費用。如符合下列條件，由本集團控制的可辨認和獨有專利技術、商標權和軟件產品在設計和測試中的直接應佔開發成本，可確認為無形資產：

- 完成該產品以致其可供使用在技術上是可行的；
- 管理層有意完成該產品並使用或出售；
- 有能力使用或出售該產品；
- 可證實該產品如何產生很可能出現的未來經濟利益；
- 有足夠的技術、財務和其他資源完成開發並使用或出售該產品；及
- 該產品在開發期內應佔的支出能可靠地計量。

可資本化成為專利技術、商標權和軟件產品部分成本的直接應佔成本包括軟件開發的職工成本和相關生產費用的適當部分。

不符合以上條件的其他開發支出在產生時確認為費用。以往確認為費用的開發成本不會在往後期間確認為資產。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.8 Impairment of non-financial assets

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

39.9 Financial assets

(a) Classification

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

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

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

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

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

39. 其他潛在重大會計政策摘要(續)

39.8 非金融資產的減值

使用壽命不確定的資產 — 例如商譽或尚未可供使用的無形資產 — 無需攤銷，但每年須就減值進行測試。須作攤銷的各項資產，當有事件出現或情況改變顯示賬面值可能無法收回時就進行減值測試。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額以資產的公允價值扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時，資產按可分開辨認現金流量的最低層次組合(現金產出單元)分組。除商譽外，已蒙受減值的非金融資產在每個報告日期均就減值是否可以轉回進行測試。

39.9 金融資產

(a) 分類

本集團按以下計量類別對金融資產進行分類：

- 其後以公允價值計量(且其變動計入其他綜合收益或損益)的金融資產，及
- 以攤餘成本計量的金融資產。

該分類取決於主體管理金融資產的業務模式以及該資產的合同現金流量特徵。

對於以公允價值計量的金融資產，其利得和損失計入損益或其他綜合收益。對於非交易性的權益工具投資，其利得和損失的計量將取決於本集團在初始確認時是否作出不可撤銷的選擇而將其指定為以公允價值計量且其變動計入其他綜合收益。

僅當該資產的業務模式發生變化時，本集團才對債權投資進行重分類。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.9 Financial assets (Continued)

(b) Recognition and derecognition

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

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other income and gains/losses, net". Impairment losses are presented as separate line item in the income statement.

39. 其他潛在重大會計政策摘要(續)

39.9 金融資產(續)

(b) 確認和終止確認

常規方式購買及出售的金融資產於交易日確認。交易日是指本集團承諾購買或出售資產的日期。當收取金融資產現金流量的權利已到期或已轉讓，且本集團已經轉移了金融資產所有權上幾乎所有的風險和報酬，金融資產即終止確認。

(c) 計量

對於不被分類為以公允價值計量且其變動計入損益的金融資產，本集團以其公允價值加上可直接歸屬於獲得該項金融資產的交易費用進行初始確認。與以公允價值計量且其變動計入損益的金融資產相關的交易費用計入損益。

對於包含嵌入式衍生工具的金融資產，本集團對整個合同考慮其現金流量是否僅代表對本金和利息的支付。

債務工具投資

債務工具投資的後續計量取決於本集團管理該資產的業務模式以及該資產的合同現金流量特徵。本集團將債務工具投資分為以下三種計量類別：

- 以攤餘成本計量：對於持有以收取合同現金流量的資產，如果合同現金流量僅代表對本金和利息的支付，則該資產以攤餘成本計量。該等金融資產的利息收入以實際利率法計算，計入財務收入。終止確認時產生的利得或損失直接計入損益，列示在「其他收益及利得／損失，淨額」中。減值損失作為單獨的科目在利潤表中列報。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.9 Financial assets (Continued)

(c) Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as separate line item in the income statement.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

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

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

39. 其他潛在重大會計政策摘要(續)

39.9 金融資產(續)

(c) 計量(續)

債務工具投資(續)

- 以公允價值計量且其變動計入其他綜合收益：對於持有以收取合同現金流量及出售的金融資產，如果該資產的合同現金流量僅代表對本金和利息的支付，則該資產被分類為以公允價值計量且其變動計入其他綜合收益。除減值利得或損失、利息收入以及匯兌利得和損失計入損益外，賬面值的變動計入其他綜合收益。該等金融資產終止確認時，之前計入其他綜合收益的累計利得或損失從權益重分類至損益中。該等金融資產的利息收入用實際利率法計算，計入財務收入。減值損失作為單獨的科目在利潤表中列報。
- 以公允價值計量且其變動計入損益：不符合以攤餘成本計量或以公允價值計量且其變動計入其他綜合收益標準的金融資產，被分類為以公允價值計量且其變動計入損益。對於後續以公允價值計量且其變動計入損益的債務工具投資，其利得或損失於產生期間計入損益。

權益工具投資

本集團以公允價值對所有權益工具投資進行後續計量。如果本集團管理層選擇將權益工具投資的公允價值利得和損失計入其他綜合收益，則當終止確認該項投資時，不會將累計的公允價值利得和損失重分類至損益。對於股利，當本集團已確立收取股利的權利時，該等投資的股利才作為其他利得而計入損益。

對於以公允價值計量且其變動計入損益的金融資產，其公允價值變動計入損益。對於以公允價值計量且其變動計入其他綜合收益的權益工具投資，其減值損失(以及減值損失轉回)不在其他公允價值變動外單獨列示。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.9 Financial assets (Continued)

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The details of impairment methodology refer to Note 3.1(b).

39.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

39.11 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

39.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

39. 其他潛在重大會計政策摘要(續)

39.9 金融資產(續)

(d) 減值

對於以攤餘成本計量和以公允價值計量且其變動計入其他綜合收益的債務工具投資，本集團就其預期信用損失做出前瞻性評估。減值方法取決於其信用風險是否顯著增加。減值方法詳見附注3.1(b)。

39.10 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

39.11 現金及現金等價物

在合併現金流量表中，現金及現金等價物包括手頭現金、銀行通知存款及原到期為三個月或以下的其他短期高流動性投資。

39.12 應付賬款

應付賬款為在日常經營活動中從供應商購買商品或服務而應支付的債務。如應付賬款的支付日期在一年或以內(如仍在正常經營週期中，則可更長時間)，其被分類為流動負債；否則分類為非流動負債。

應付賬款以公允價值為初始確認，其後利用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.13 Borrowings

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

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

39.14 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

39. 其他潛在重大會計政策摘要(續)

39.13 借款

借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內在利潤表確認。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則借款分類為流動負債。

39.14 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及指定借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他借款成本在產生期內的損益中確認。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.15 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

39. 其他潛在重大會計政策摘要(續)

39.15 當期及遞延所得稅

本期間的稅項支出包括當期和遞延稅項。稅項在利潤表中確認，但與在其他綜合收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收益或直接在權益中確認。

(a) 當期所得稅

當期所得稅支出根據本公司及其子公司、合營及聯營企業經營及產生應課稅收入的國家於資產負債表日已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定準備。本集團根據最可能的金額或預期值計量其稅收餘額，取決於哪種方法可以更好地解決估計的不確定性。

(b) 遞延所得稅

內在差異

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在合併財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延所得稅負債來自對商譽的初始確認，以及若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，不產生相等的暫時性差異，則不作記賬。遞延所得稅採用在資產負債表日前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產是就很可能有未來應課稅利潤而就此可使用暫時性差異而確認。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.15 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis difference

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

39. 其他潛在重大會計政策摘要(續)

39.15 當期及遞延所得稅(續)

(b) 遞延所得稅(續)

外在差異

就子公司、聯營和合營投資產生的應課稅暫時性差異確認遞延所得稅負債，但不包括本集團可以控制暫時性差異的轉回時間以及暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債。

就子公司、聯營和合營投資產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差異。

(c) 抵銷

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.16 Employee benefits

(a) Short-term compensation

Short-term compensation includes salaries, bonuses, allowances and subsidies, staff welfare etc. When an employee has rendered service to the Group during the reporting period, the Group shall recognise the short-term compensation actually incurred as a liability and charge to the cost of an asset or to profit or loss in the same period.

(b) Pension obligations

The Group participates in a number of defined contribution plans in Mainland China and Hong Kong. The pension plans are generally funded by payments from employees and relevant group companies. The Group pays contributions to the pension plans which are calculated as a certain percentage of the employees' salaries.

The Group has no legal or constructive obligations to make further payments once the required contributions have been paid, even if the plans do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The corporate annuity plan set up by the Group in accordance with State's corporate annuity regulations apart from basic pensions. The annuity is accrued for employees participate in the corporate annuity plan by the Group in proportion to the payroll. During the accounting period in which employees provide services, the amount calculated in line with the above-mentioned proportion is recognised as liabilities and is included into profit or loss or the cost of relevant assets for the current period refer to Note 32.

39. 其他潛在重大會計政策摘要(續)

39.16 職工福利

(a) 短期薪酬

短期薪酬包括工資、獎金、津貼和補貼、職工福利費等。本集團在職工提供服務的報告期內，將實際發生的短期薪酬確認為負債，並計入相關資產成本或當期損益。

(b) 退休金債務

本集團參與中國內地和香港的多個供款計劃。退休金計劃中的資金主要由公司職工和集團內各相關公司提供。本集團向該計劃的供款按照職工工資的一定比例計算。

本集團根據供款計劃支付供款後，即使該些計劃並無持有足夠資產向所有職工就其在當期及以往期間的服務支付福利，本集團亦無法定或推定債務支付進一步供款。供款在應付時確認為職工福利費用。預付供款按照現金退款或可減少未來付款而確認為資產。

本集團依據國家企業年金制度的相關政策建立企業年金計劃，對於符合相應條件的職工按照其工資總額的一定比例計提年金。在相應職工提供服務的會計期間，根據上述比例計算應繳納的金額確認為負債，計入當期損益或相關資產成本，請參見附注32。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.16 Employee benefits (Continued)

(c) Other employee benefits

Other employee benefits include termination benefits which are payable whenever an employee accepts voluntary redundancy in exchange for these benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

39.17 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

39. 其他潛在重大會計政策摘要(續)

39.16 職工福利(續)

(c) 其他職工福利

其他職工福利包括離崗職工福利，即職工接受自願離崗而換取的福利。在鼓勵職工自願離崗的要約情況下，按預期接受要約的職工數目計算，在報告期末後超過12個月支付的福利應折現為現值。

39.17 準備

當本集團因已發生的事件而產生現有的法律或推定債務；很可能需要有資源的流出以結算債務；及金額已被可靠估計時，當確認準備。但本集團不會就未來經營虧損確認準備。

如有多項類似債務，其需要在結算中有資源流出的可能性，則可根據債務的類別整體考慮。即使在同一債務類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認準備。

準備採用稅前利率按照預期需結算有關債務的支出現值計量，該利率反映當時市場對貨幣時間值和有關債務固有風險的評估。隨著時間過去而增加的準備確認為利息支出。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.18 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

39. 其他潛在重大會計政策摘要(續)

39.18 每股收益

(a) 基本每股收益

基本每股收益計算根據：

- 歸屬於本公司所有者的利潤，不包括普通股以外的其他服務權益成本
- 除以扣除庫存股後並包含本年因兌現獎勵的當年發行在外的普通股的加權平均數。

(b) 攤薄每股收益

攤薄每股收益考慮下列因素調整基本每股收益計算依據：

- 與攤薄潛在普通股相關的稅後利息和其他財務成本，以及
- 假定攤薄潛在普通股轉換為已發行普通股而增加的普通股股數的加權平均數之和。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.19 Leases

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets were not used as security for borrowing purposes.

Extension and termination options are included in a small number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The impact of the above options are not material to the Group's financial statements.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

39. 其他潛在重大會計政策摘要(續)

39.19 租賃

合同可能包含租賃組成部分和非租賃組成部分。本集團基於各租賃組成部分與非租賃組成部分的單獨價格相對比例分攤合同對價。不過，對於本集團作為承租人的房地產租賃，本集團已選擇不拆分租賃組成部分與非租賃組成部分，而是將其作為一項單一的租賃組成部分進行會計處理。

租賃期限應在每項租賃的基礎上進行商談，並可能包含不同的條款和條件。租賃協議不應包含出租人持有的租賃資產的擔保利息之外的任何契約。租賃資產未用作借款擔保。

本集團有少量不動產租賃包含續租選擇權和終止租賃選擇權，以在本集團經營所用的資產管理方面最大程度地提高運營的靈活性。本集團持有的大部分續租選擇權和終止租賃選擇權僅由本集團行使，而非由相應的出租人行使。上述選擇權對本集團財務報表的影響並不重大。

租賃產生的資產和負債在現值基礎上進行初始計量。租賃負債包括下列租賃付款額的淨現值：

- 固定付款額(包括實質固定付款額)，扣除任何應收的租賃激勵
- 基於指數或比率確定的可變租賃付款額，採用租賃期開始日的指數或比率進行初始計量
- 本集團根據餘值擔保預計應付的金額
- 本集團合理確定將行使的購買選擇權的行權價格；以及
- 在租賃期反映出本集團將行使選擇權的情況下終止租賃的罰款金額。

當本集團合理確定將行使續租選擇權時，租賃付款額也納入負債的計量中。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.19 Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

39. 其他潛在重大會計政策摘要(續)

39.19 租賃(續)

租賃付款額按照租賃內含利率折現。本集團的租賃內含利率通常無法直接確定，在此情況下，則應採用承租人的增量借款利率，即承租人為在類似經濟環境下獲得與使用權資產價值相近的資產，在類似期間以類似抵押條件借入資金而必須支付的利率。

為確定增量借款利率，本集團：

- 在可能的情況下，以承租人最近收到的第三方融資為起點，並進行調整以反映融資條件自收到第三方融資後的變化；
- 對於近期未獲得第三方融資的本集團持有的租賃，採用以無風險利率為起點的累加法，並按照租賃的信用風險進行調整；並
- 針對租賃做出特定調整，例如租賃期、國家、貨幣及抵押。

租賃付款額在本金和財務費用之間進行分攤。財務費用在租賃期限內計入損益，以按照固定的週期性利率對各期間負債餘額計算利息。

使用權資產按照成本計量，包括：

- 租賃負債初始計量金額
- 在租賃期開始日或之前支付的租賃付款額，扣除收到的租賃激勵
- 任何初始直接費用，以及
- 復原成本。

本集團作為出租人的經營租賃收入在租賃期內按直線法確認為收入。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附注(續)

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

39. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

39.20 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

39.21 Government grants

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

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income — government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

39. 其他潛在重大會計政策摘要(續)

39.20 股息分派

在報告期末尚未分派且已宣告發放並經過適當授權不再由實體決定的股息需在報告期末或之前予以計提。

39.21 政府補助

當能夠合理地保證政府補助將可收取，而本集團將會符合所有附帶條件時，將政府提供的補助按其公允價值確認入賬。

與成本有關之政府補助遞延入賬，並按擬補償之成本配合其所需期間在利潤表中確認。

與購買房屋及建築物、廠房及設備有關之政府補助列入非流動負債作為遞延收入。政府補助，並按有關資產之預計年期以直線法在利潤表確認。



Tong Ren Tang Technologies Co. Ltd.
北京同仁堂科技發展股份有限公司



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