



# BaWang International (Group) Holding Limited 霸王國際(集團)控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立的有限公司)

Stock Code: 01338  
股票代碼: 01338



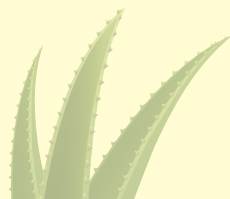
## Annual Report 2023 2023 年年報

\* for identification purposes only  
僅供識別

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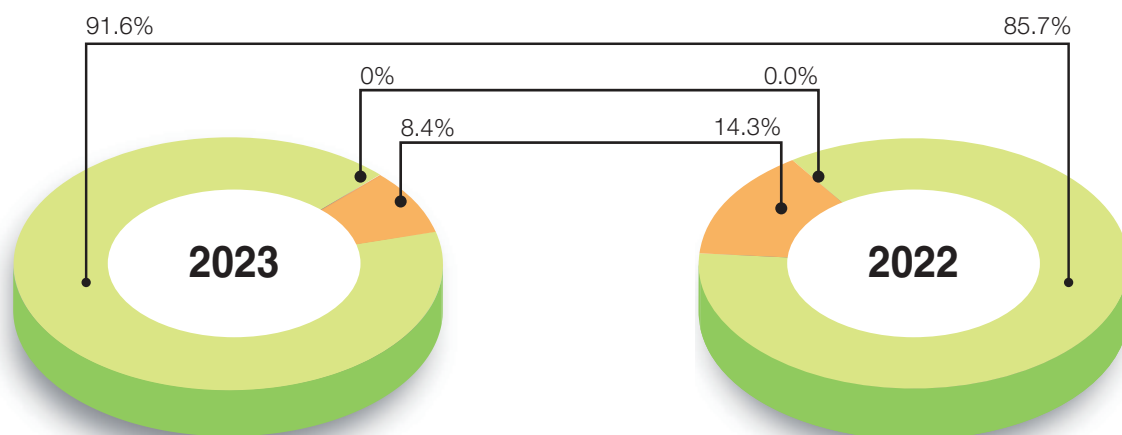
# Financial Highlights

## 財務摘要

RMB'000 人民幣千元		2023 二零二三年	2022 二零二二年
Revenue	營業額	237,653	246,341
Cost of sales	銷售成本	(117,935)	(153,822)
Gross profit	毛利	119,718	92,519
Selling & distribution costs	銷售及分銷成本	(81,106)	(83,507)
Administrative expenses	行政開支	(27,602)	(32,379)
Operating profit/(loss)	經營利潤/(虧損)	14,882	(17,333)
Profit/(loss) before taxation	稅前利潤/(虧損)	13,544	(19,431)
Income tax credit	所得稅抵免	83	110
Profit/(loss) for the year attributable to owners of the Company	本公司擁有人應佔之年內利潤/(虧損)	13,627	(19,321)
Gross margin	毛利率	50.4%	37.6%
Net profit/(loss) ratio	淨利潤/(虧損)率	5.7%	(7.8%)
<b>Earnings/(loss) per share (RMB cents)</b>	<b>每股盈利/(虧損)(人民幣仙)</b>		
Basic	基本	0.4309	(0.6110)
Diluted	攤薄	0.4309	(0.6110)

### Revenue by Product Category

收入按產品類別分析



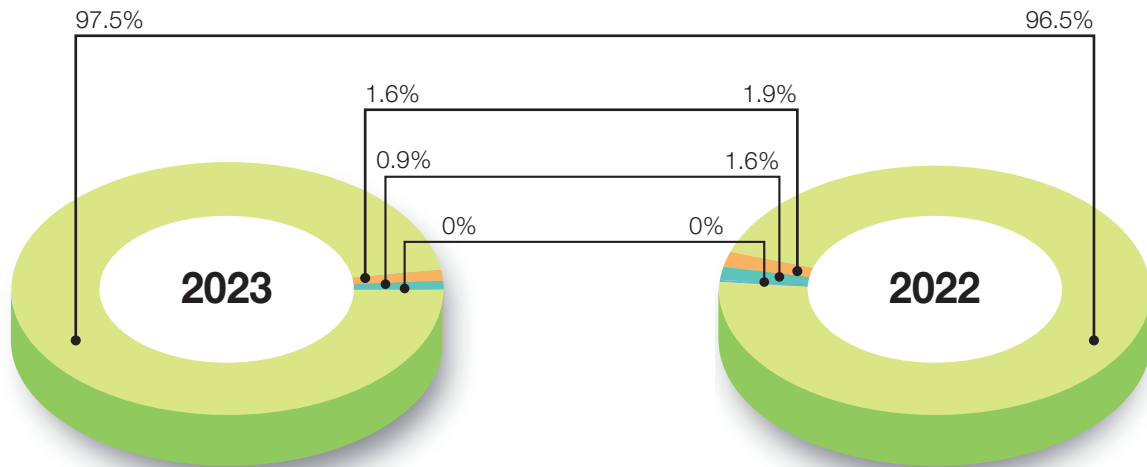
(RMB'000) (人民幣千元)	2023 二零二三年	2022 二零二二年
Shampoo & hair-care products 洗髮護髮產品	217,684	211,115
Other household & personal care products 其他家用及個人護理產品	19,944	35,139
Skincare products 護膚產品	25	87
Total 合計	237,653	246,341





## Financial Highlights (Continued)

財務摘要(續)

### Revenue by Branded Product Category

收入按產品品牌類別分析



(RMB'000) (人民幣千元)	2023 二零二三年	2022 二零二二年
 Bawang 霸王	231,692	237,701
 Litao 麗濤	3,892	4,585
 Royal Wind 追風	2,043	3,963
 Others 其他	26	92
Total 合計	237,653	246,341

# Corporate Information

## 公司資料

### Directors

#### Executive Directors

CHEN Qiyuan (Chairman)  
CHEN Zheng He (Chief Executive Officer)  
WONG Sin Yung CPA

#### Independent non-executive Directors

CHEUNG Kin Wing FCA, CPA  
Dr. WANG Qi PhD  
Dr. LIU Jing PhD

### Audit and Risk Management Committee

CHEUNG Kin Wing FCA, CPA (Chairman)  
Dr. WANG Qi PhD  
Dr. LIU Jing PhD

### Remuneration Committee

CHEUNG Kin Wing FCA, CPA (Chairman)  
CHEN Zheng He  
Dr. WANG Qi PhD

### Nomination Committee

CHEN Qiyuan (Chairman)  
CHEUNG Kin Wing FCA, CPA  
Dr. WANG Qi PhD

### Environmental, Social and Governance Committee

Dr. WANG Qi PhD (Chairman)  
CHEN Zheng He  
CHEUNG Kin Wing FCA, CPA  
Dr. LIU Jing PhD

### Company Secretary

WONG Sin Yung CPA

### 董事

#### 執行董事

陳啟源(主席)  
陳正鶴(首席執行官)  
黃善榕 CPA

#### 獨立非執行董事

張建榮 FCA, CPA  
王琦博士 PhD  
劉婧博士 PhD

### 審核及風險管理委員會

張建榮 FCA, CPA (主席)  
王琦博士 PhD  
劉婧博士 PhD

### 薪酬委員會

張建榮 FCA, CPA (主席)  
陳正鶴  
王琦博士 PhD

### 提名委員會

陳啟源(主席)  
張建榮 FCA, CPA  
王琦博士 PhD

### 環境、社會及管治委員會

王琦博士 PhD (主席)  
陳正鶴  
張建榮 FCA, CPA  
劉婧博士 PhD

### 公司秘書

黃善榕 CPA

## Corporate Information (Continued)

公司資料(續)

### Authorised Representatives

CHEN Zheng He  
WONG Sin Yung *CPA*

### 授權代表

陳正鶴  
黃善榕 *CPA*

### Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### Principal Place of Business in the PRC

468 Guanghua 3rd Road  
Bawang Industrial Complex  
Baiyun District  
Guangzhou  
510450  
PRC

### 中國主要營業地點

中國  
廣州  
白雲區  
廣花三路468號  
霸王工業園  
郵編：510450

### Place of Business in Hong Kong

Suite B, 12/F  
Ritz Plaza  
122 Austin Road  
Tsimshatsui  
Kowloon  
Hong Kong

### 香港營業地點

香港  
九龍  
尖沙咀  
柯士甸道122號  
麗斯中心  
12樓B室

### Hong Kong Branch Share Registrar and Transfer Office

Boardroom Share Registrars (HK) Limited  
2103B, 21/F., 148 Electric Road  
North Point  
Hong Kong

### 香港證券登記處

寶德隆證券登記有限公司  
香港  
北角  
電氣道148號21樓2103B室

## Corporate Information (Continued)

### 公司資料(續)

#### Cayman Islands Principal Share Registrar and Transfer Office

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

#### 開曼群島證券過戶登記總處

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

#### Registered PIE Auditor

SHINEWING (HK) CPA Limited  
17/F, Chubb Tower  
Windsor House  
311 Gloucester Road  
Causeway Bay  
Hong Kong

#### 註冊公眾利益實體核數師

信永中和(香港)會計師事務所有限公司  
香港  
銅鑼灣  
告士打道311號  
皇室大廈  
安達人壽大樓17樓

#### Legal Advisor on Hong Kong Law

Fangda Partners  
26th Floor, One Exchange Square  
8 Connaught Place  
Central, Hong Kong

#### 香港法律顧問

方達律師事務所  
香港中環  
康樂廣場8號  
交易廣場1期26樓

#### Company's Website

[www.bawang.com.cn](http://www.bawang.com.cn)

#### 公司網址

[www.bawang.com.cn](http://www.bawang.com.cn)

#### Stock Code

01338

#### 股票代碼

01338

## Corporate Information (Continued)

公司資料(續)

### Principal Bankers

The Hongkong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong

Bank of China Limited  
1073 Jichang Road  
Guangzhou  
510180  
PRC

### 主要往來銀行

香港上海滙豐銀行有限公司  
香港  
皇后大道中1號

中國銀行股份有限公司  
中國  
廣州市  
機場路1073號  
郵編：510180





# Chairman's Statement

## 主席報告書

### Dear shareholders of the Company,

On behalf of the board (the “Board”) of directors (“Directors”) of BaWang International (Group) Holding Limited (the “Company”), I present the audited annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2023.

The Directors report that the total revenue of the Group for the year ended 31 December 2023 was approximately RMB237.7 million, representing a decrease of approximately 3.5% from approximately RMB246.3 million for 2022. The operating profit of the Group for the year ended 31 December 2023 was approximately RMB14.9 million as compared with an operating loss of approximately RMB17.3 million for 2022.

For the year ended 31 December 2023, the net profit of the Group was approximately RMB13.6 million, as compared with a net loss of approximately RMB19.3 million for 2022.

For further information on the operating performance of the Group, please refer to the “Financial Review” section of this annual report.

### 各位尊敬的本公司之股東：

本人謹代表霸王國際(集團)控股有限公司(「本公司」)之董事會(「董事會」)，向全體股東呈報本公司及其附屬公司(統稱「本集團」)截至二零二三年十二月三十一日止年度的經審核年度業績。

董事報告本集團截至二零二三年十二月三十一日止年度的總營業額約為人民幣237.7百萬元，較二零二二年同期的約人民幣246.3百萬元下降了約3.5%。本集團截至二零二三年十二月三十一日止年度錄得經營利潤約為人民幣14.9百萬元，而二零二二年同期經營虧損約人民幣17.3百萬元。

本集團截至二零二三年十二月三十一日止年度錄得淨利潤約為人民幣13.6百萬元，而二零二二年同期錄得淨虧損約人民幣19.3百萬元。

關於本集團經營業績詳細資料，請參閱本年度報告內「財務回顧」部分。



## Chairman's Statement (Continued)

### 主席報告書(續)

For further information on the outlook of the Group, please refer to the “Outlook” section of this report.

During the year under review, the Group continued to operate under the value-chain-oriented business model, which enabled the Group to control the cost of sales and operating costs at a sustainable level.

In late January 2024, the International Monetary Fund (“IMF”) revised China’s gross domestic product (“GDP”) growth prediction for 2024 from previous estimate by 0.4 percent points from 4.2 percent to 4.6 percent because of the carryover from stronger-than-expected growth in 2023 and the increase in government spending on capacity building to respond to natural disasters, but the GDP growth could drop to 3.0 percent range in 2024–25 without policy response on the real estate sector.

The actual China’s year-on-year GDP growth was 5.2 percent in 2023. According to the IMF, the performance of Chinese economy in 2023 was slightly above expectations, and to sustain the China’s economic momentum, decisively addressing the challenges, including the stress in the property sector, and managing local government debt is crucial. The IMF went on to say that some actions have already been taken by the Chinese government in the property sector and that China’s commitment to the green economy is evident in notable decisions, particularly in sectors like electric vehicles.

The IMF projected in late January 2024 that the global economy would grow 3.1 percent in 2024, unchanged from that in 2023, but this is an improvement over the growth prediction of 2.9 percent made in October 2023. Although the IMF raised the global growth forecast, the IMF also said that there is still a need “to be mindful of risks”, and that with conflicts still going on between Russia and Ukraine, and Israel and Hamas, the complex geopolitical situation still brings uncertainties to the global economic outlook.

有關本集團展望的進一步資料，請參閱本報告的「展望」部分。

於回顧年度內，本集團繼續執行價值鏈導向的業務模式，使本集團控制銷售成本及營運成本維持在可持續的水平。

二零二四年一月下旬，國際貨幣基金組織（「國際貨幣基金組織」）將中國二零二四年的國內生產總值（「GDP」）增長預測從先前的4.2%修正為4.6%，上調了0.4個百分點，原因是二零二三年的增長強於預期，以及政府在應對自然災害的能力建設方面的支出不斷增加，但如果沒有房地產方面的政策回應，二零二四年至二零二五年的GDP增長可能會降至3.0%。

二零二三年中國實際GDP同比增長5.2%。根據國際貨幣基金組織的數據，中國經濟在二零二三年的表現略高於預期，為了保持中國的經濟勢頭，果斷應對挑戰，包括房地產行業的壓力，以及管理地方政府債務至關重要。國際貨幣基金組織接著表示，中國政府已經在房地產領域採取了一些行動，中國對綠色經濟的承諾在一些重大決策中得到了體現，尤其是在電動汽車等領域。

國際貨幣基金組織在二零二四年一月下旬預測，二零二四年世界經濟增長率為3.1%，與二零二三年持平，但比二零二三年十月月預測的2.9%有所改善。儘管國際貨幣基金組織上調了全球經濟增長預期，但國際貨幣基金組織也表示，仍有必要「警惕風險」，鑒於俄羅斯與烏克蘭、以色列與哈馬斯之間的沖突仍在繼續，複雜的地緣政治局勢仍給全球經濟前景帶來不確定性。

## Chairman's Statement (Continued)

### 主席報告書(續)

In mid-January 2024, the National Bureau of Statistics (“NBS”) indicated the retail sales of consumer goods increased by 7.2 percent year-on-year in 2023, which is a major indicator of the China's consumption strength and the main driving force for economic growth. The NBS went on to say that China's consumption potential is still huge because the steady advancement of urbanization and the upgrading of consumption structure provide broad space for the growth of consumption. The NBS expects that policy incentives will be rolled out to stabilize and expand traditional consumption, cultivate new consumption and improve the consumption environment.

Looking forward, we plan to focus on two areas to drive the strategic directions to sustain and develop our business in the volatile economic environment. In the short run, the Group intends to continue building up a management team with strong experience in both domestic and global HPC sectors, to regain the sales growth momentum and profitability, and to improve investors' confidence in the Group. In the long run, the Group will continue to focus on strengthening the business model and positioning to acquire market shares from domestic and international competitors, maintaining a multi-brand and multi-product strategy in HPC sectors, and becoming a leader in the branded Chinese herbal HPC products.

On behalf of the Board, I would like to take this opportunity to express our gratitude to all shareholders, customers, suppliers, banks, professional parties, and employees of the Group for their continuous patronage and support.

**CHEN Qiyuan**

*Chairman*

Hong Kong, 28 March 2024

二零二四年一月中旬，中國國家統計局（「國家統計局」）發佈的數據顯示，二零二三年社會消費品零售額同比增長7.2%，這是中國消費實力的重要指標，也是經濟增長的主要動力。國家統計局接著表示，中國的消費潛力仍然巨大，因為城鎮化的穩步推進和消費結構的升級為消費增長提供了廣闊的空間。國家統計局預計將出台政策激勵措施，以穩定和擴大傳統消費，培育新消費，改善消費環境。

展望未來，在不穩定的經營環境中，我們計劃專注於維持和發展我們業務之戰略方向這兩方面：就短期而言，本集團擬繼續在國內外組建就家庭及個人護理行業建立豐富經驗的管理團隊、恢復銷售增長勢頭和盈利能力，以及提升投資者對本集團的信心；就長期而言，本集團將繼續鞏固發展模式及定位，以增加市場佔有率及迎戰國內外競爭對手，保持家庭及個人護理產品品牌及產品多樣化的均衡策略及成為中草藥家庭及個人護理產品領軍企業。

謹藉此機會，我代表董事會向不斷擁戴及支持本集團的全體股東、客戶、供應商、銀行、專業人士和僱員，致以衷心的謝意。

**陳啟源**

*主席*

香港，二零二四年三月二十八日

# Management Discussion and Analysis

## 管理層討論及分析

### Business Review

#### Business Review

During the period under review, we advertised our Bawang branded products inside the metro stations of Shenzhen and other 1st-tier cities so as to enhance the publicity and exposure of our Bawang branded products. We made use of our official Weibo (微博) to initiate blogs to follow up the discussions of popular topics and charities for implanting publicity for Bawang branded products at the same time.

During the year under review, we continued to make use of popular social media platforms to promote and cultivate customers' interest in our branded products through graphics + text and short video clips at Douyin (抖音), Weibo, Xiaohongshu (小紅書) and Bilibili (哔哩哔哩). Through in-store exciting and vivid counter-shows in our display counters at various hypermarkets, onsite cosmetic course and dissemination of shampooing and hair-care knowledge during the various festivals of the year and the anniversary celebrations of the malls, which attracted the participation of consumers, we enhanced the interactions with consumers so as to arouse their interest to buy our products and thereby increased the sales revenue of the conventional channel.

### 業務回顧

#### 業務回顧

於回顧年度內，我們在深圳等一線城市的地鐵站內宣傳霸王品牌產品，以提高霸王品牌產品宣傳和曝光率。我們也利用官方微博，通過話題打造，日常熱點追蹤及公益宣傳的方式種草霸王產品。

於回顧年度內，我們繼續利用流行的社交媒體平台，通過抖音、微博、小紅書、哔哩哔哩的圖文和短視頻片段，促進和培育客戶對我們品牌產品的興趣。我們在各種節日和店慶活動中，通過在各大賣場的店內端架展示區開展豐富多彩的貼櫃秀活動，現場美妝課程教學及現場給消費者宣傳洗髮和護髮知識，吸引消費者參與，增強與消費者的互動，從而增加消費者的購買興趣，增加了傳統渠道的銷售。



## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)



During the year under review, we conducted integrated marketing through Xiaohongshu (小紅書), Weibo, Wechat (微信) official account right before we launched the BaWang Fragrant Bottle with a discussion theme “Avoid hair-fall while staying up late, use BaWang Fragrant Bottle” for extended dissemination. At the same time, we cooperated with more than 50 well-known Blue-Verified bloggers of Xiaohongshu (小紅書) to relay onto their blogs the publicity materials of BaWang fragrant shampoo bottles from our official Weibo and embedded a hyperlink that would automatically be directed to our flagship shop at T-Mall (天貓) so as to increase online sales revenue.

During the year under review, we continued to participate in community welfare events so as to enhance our public image as a responsible corporation. During the Women’s Day on the 8th of March and in conjunction with the Guangzhou Qianjin Sub-district Social Service Station, we made courtesy visits and donated shampoos, shower gels and other household care products to the needy women in the community. In collaboration with the Guangzhou Community Social Service Station of Qianjin Sub-district, Tianhe District, we carried out the charitable sales in the neighbourhood and donated shampoos, shower gels and other household care products to the impoverished families. In the Christmas time of 2023, household and personal care (“HPC”) products including 300 bottles of shampoo and 300 bottles of show gel were sold at cost to the Tung Wah Group of Hospitals of Hong Kong for charitable distribution to the underprivileged families. We believe that these types of social activities help to publicise our corporate mission and enhance our corporate image.

於回顧年度內，在霸王香囊瓶上市前期，在小紅書、微博、微信公眾號進行整合營銷推廣，並以「熬夜怕脫髮，霸王香囊瓶」為主要宣傳要點進行話題的延展和傳播。同時，我們與小紅書50多位知名藍V博主合作，將霸王香囊瓶的官方微博宣傳資料轉發到他們的博客上，設置鏈接跳轉的形式跳轉到我們的天貓旗艦店，從而增加線上銷售收入。

於回顧年度內，我們繼續參與社區福利活動，以提升我們作為負責任的企業的公眾形象。在三八婦女節期間，我們與廣州市天河區前進街道社工服務站一起進行慰問，並向社區內困難婦女捐贈洗髮水、沐浴露和其他家用護理產品，以幫助社區內有需要的婦女。我們與廣州市天河區前進街道社工服務站和前進街道辦事處合作，在社區開展慈善義賣活動，向貧困家庭捐贈洗髮水、沐浴露等家用護理產品。於二零二三年聖誕節期間，我們將300瓶洗髮水和300瓶沐浴露的家用護理產品，以成本價出售給香港東華三院，用於慈善贈送給貧困家庭。我們相信這些類型的社會公益活動有助於宣傳我們的企業使命和提升我們的企業形象。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)



As at 31 December 2023, the Bawang brand distribution network comprised approximately 949 distributors and six KA retailers, covering 27 provinces and four municipalities in China. Furthermore, the Bawang-branded products were also sold in Hong Kong, Singapore, Thailand, Malaysia, USA, and Mongolia.

During the year under review, the Group enhanced its product formula and upgraded packaging to promote new Royal Wind branded shampoo products primarily for the online sales channel. As at 31 December 2023, the Royal Wind brand distribution network comprised approximately 949 distributors and six KA retailers, covering 27 provinces and four municipalities in China.

The Litao products mainly comprise shower gels and laundry detergents, which target consumers living in the second-tier or third-tier cities in China. The Group's goal is to maintain market coverage in the traditional channel. As at 31 December 2023, the Litao products distribution network comprised approximately 905 distributors, covering 27 provinces and four municipalities in China.

The Group has established 11 online retailing platforms for our Bawang, Royal Wind and Herborn branded products, of which two were established during the year under review.

截至二零二三年十二月三十一日，霸王品牌分銷網絡包括大概949個分銷商及六個重點零售商，覆蓋中國27個省份及四個直轄市。此外，該等產品亦已銷往中國香港、新加坡、泰國、馬來西亞、美國及蒙古。

於回顧年度內，本集團通過升級產品配方和包裝去推廣追風新系列產品，主供電商平台。截至二零二三年十二月三十一日，追風品牌分銷網絡包括大概949個分銷商及六個重點零售商，覆蓋中國27個省份及四個直轄市。

麗濤產品主要由沐浴露和洗衣液組成，以中國二三線城市的消費者為目標客戶群體。本集團的目標是保持產品在流通渠道的市場覆蓋。截至二零二三年十二月三十一日，麗濤品牌分銷網絡包括大概905個分銷商，覆蓋中國27個省份及四個直轄市。

本集團已在國內11個線上零售平台建立電商旗艦店銷售霸王、追風和本草堂品牌產品，其中兩家於回顧年度內建立。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)



For the year under review, we obtained and/or renewed and/or possessed the certificates and/or recognitions as follows:

- the permit for production of cosmetic products, which was issued by Guangdong Provincial Medical Products Administration, which is valid until May 2027;
- our Chinese herbal hair care series shampoo, Chinese anti-dandruff series shampoo and Chinese herbal skin care series body wash series products have been recognized as “The 2022 Elite High-Tech Products in Guangdong Province (2022年度廣東省名優高新技術產品)” by the Guangdong Provincial New Hi-tech Enterprise Association (廣東省高新技術企業協會) in January 2023 and valid for a period of three years until January 2026;
- our production process for hair-care and skin-care products has been certified by SGS with a validity period until July 2025 as to meet the requirements of US FDA CFSA by reference to Cosmetic Good Manufacturing Practices (GMP) Guidelines 2008;

於回顧年度內，我們獲得和／或延續和／或持有以下的證書和／或認證：

- 廣東省藥品監督管理局頒發的化妝品生產許可證書，有效期截至二零二七年五月；
- 我們的中草藥養髮護髮系列洗髮液、中藥去屑系列洗護髮產品及中草藥護膚系列沐浴露系列產品被廣東省高新技術企業協會認定為「2022年度廣東省名優高新技術產品」，有效期為三年截至二零二六年一月；
- 我們護髮護膚產品的生產流程通過了SGS機構的評估，獲得美國食品安全營養中心有關化妝品良好生產規範(GMP)2008的認證，有效期截至二零二五年七月；

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

- our production process for hair-care and skin-care products has been certified by SGS with a validity period until July 2025 as to meet the requirements of ISO22716-2007 by reference to Cosmetic Good Manufacturing Practices (GMP) Guidelines 2007;
  - we have been accredited as a “Committee Unit” by Guangdong Provincial Food & Drug Technology Association for Evaluation & Certification (廣東省食品藥品審評認證技術協會), which is valid until December 2023; and
  - on 8 August 2023, we were accredited as Grade A credit rating taxpayer for the year 2022 by Guangzhou Municipal Tax Service of the State Taxation Administration (國家稅務總局廣州市稅務局).
- 我們護髮護膚產品的生產流程通過了SGS機構的評估，獲得國際化標準組織化妝品生產操作指南ISO22716：2007有關化妝品良好生產規範(GMP)認證，有效期截至二零二五年七月；
  - 我們獲廣東省食品藥品審評認證技術協會評為「委員單位」，有效期至二零二三年十二月；及
  - 我們於二零二三年八月八日被國家稅務總局廣州市稅務局評定為二零二二年度納稅信用A級納稅人。

### Key Risks and Uncertainties

Apart from those stated in the Chairman’s Statement, Management Discussion and Analysis and Outlook sections, the Company is exposed to the following key risks and uncertainties which are required to be disclosed pursuant to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

#### 1. Risks Relating to Our Industry

In recent years, it has been common for the Mainland manufacturing enterprises to face continuously rising labour costs and difficulties in employing skilled labour. Our Group’s strategy in response is to reduce the production costs by improving the degree of machine automation and efficiency. Since the start of 2020, and up to the year ended 31 December 2022, almost all business enterprises in the China have been suffering from the unprecedented coronavirus pandemic, corresponding prevention and control measures by the government have been implemented to contain the spread of coronavirus. During this period, the Group strictly followed all the regulatory measures laid down by the government and the Group has made every effort to ameliorate any adverse impacts on its operations and economic impacts on itself and its customers. As always, the Group will cooperate with the government on all mandatory control measures in respect of public hygiene and health, if any.

### 主要風險及不明朗因素

除主席報告書、管理層討論及分析及展望提述事宜以外，本公司根據《公司條例》(香港法例第622章)須予披露所面對的主要風險及不明朗因素如下。

#### 1. 行業風險

國內生產企業近年普遍面對勞工成本不斷上漲及招聘熟手工人工困難。本集團的應變策略是通過提高機器自動化程度和使用效率以降低生產成本。自二零二零年初開始直至二零二二年十二月三十一日止年度，全中國企業都遭受到了前所未有的冠狀病毒大流行，政府為控制冠狀病毒的傳播，在情況有需要的時候採取了相應的預防和控制措施。在這期間，本集團一直嚴格遵守政府制定的所有這些監管措施，同時本集團亦盡一切努力去改善對其業務的任何不利影響及對自身和客戶的經濟影響。本集團將一如既往地就有關公共衛生和健康的所有強制性管制措施(如有)與政府配合。



## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

#### 2. Credit Risks Relating to Customers

Exposure to bad debts attributable to customers usually intensifies following a weak economic performance. To minimize credit risks, the management of the Group has appointed dedicated staff members to handle procedures for determining credit limits, credit approval and other monitoring procedures, to ensure that follow-up actions with all receivables are taken in a timely manner. In addition, the Group reviews the collectibility of receivables at the end of a reporting period, to ensure that sufficient impairment losses are recognised for uncollectible debts. For the year ended 31 December 2023, the Group has reversal of impairment losses of approximately RMB1.1 million in respect of trade receivables by adopting the expected credit loss model.

#### 3. Liquidity Risks

In managing liquidity risks, the Group monitors and maintains cash and cash equivalents at a level which is considered by the management as sufficient, to satisfy the needs arising from the Group's operations and to mitigate the effect of fluctuations of cash flow. The Group's management will continue to closely monitor the use of cash.

#### 4. Currency Risks

Sales to overseas countries denominated in foreign currencies expose the Group to foreign exchange risks. The Group closely manages and monitors foreign exchange risks to ensure that appropriate measures are taken in a timely manner. The Group will consider using hedging in respect of foreign currencies to mitigate relevant risks as and when appropriate.

#### 2. 客戶的信貸風險

隨著疲弱的經濟表現，客戶壞賬風險相對增加。為降低信貸風險，本集團管理層已委派特定人員負責釐定信貸限額、信貸審批及其他監控程序，以確保及時跟進所有應收賬款。此外，本集團會於報告期末檢討債項之可收回款額，以確保就不可收回款額作出足夠之減值虧損。截至二零二三年十二月三十一日止年度，本集團根據預期信貸損失模型錄得貿易應收賬款之減值損失回撥約為人民幣1.1百萬元。

#### 3. 流動資金風險

管理流動資金風險時，本集團會監察及保持管理層視為足夠水平之現金及現金等值項目，以撥付本集團營運所需及減低現金流量波動之影響。本集團之管理層將繼續密切監察現金之使用情況。

#### 4. 貨幣風險

因有產品銷往海外市場以外幣結算，以致本集團承受外幣折算風險。本集團會密切管理及監察外匯風險，以確保及時地採取適當措施。本集團會在適當時候考慮使用對沖以降低有關風險。

## Environmental Protection

The Group is responsible for its impact to the environment arising from its business operations. During the year under review, the Group strictly complied with the local environmental regulations of the PRC. The production of household and personal care products belongs to the light industry, thus no pollutants are involved during the manufacturing process and adverse impact on the surrounding environment is minimal. The Group has been investing and implementing various energy conservation projects in recent years, as a result of which overall power consumption has drastically reduced.

## 環境保護

本集團須為業務經營對環境的影響承擔責任。於回顧年度內，本集團遵守中國當地的環保法規。家庭及個人護理產品生產是屬輕工業，所以沒有污染物質牽涉在生產過程中及對周邊環境造成不良的影響機會很低。本集團近年亦投資及實施多項節能項目，用電量大幅度降低。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Business Compliance

During the year under review, the Group has complied with the relevant laws and regulations that have a significant impact on the Group.

### Relationship with Employees, Customers and Suppliers

The Group adopts an employee-oriented approach, which ensures that all staff members are reasonably remunerated. To retain a quality workforce, we strive to regularly improve, review and update our human resources policy and our compensation and benefits. We also provide training opportunities to upgrade the skills of our staff members. We also care for the occupational health and safety of our workers.

The Group's major customers are categorised into three channels, namely conventional distributors, key account hypermarkets and supermarkets, and online sales (including online official flagship stores and distributors). The credit terms granted to major customers are 30 to 90 days, which are in line with those of the credit terms granted to other customers.

The Group maintains good relationships with its customers. We have put in place handling procedures to receive and analyse the customers' complaints and make recommendations on remedial actions with a view to improving service quality.

The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers on an annual basis.

### Financial Review

#### Revenue

During the year under review, the Group's revenue was approximately RMB237.7 million, representing a decrease of approximately 3.5% from approximately RMB246.3 million for 2022. The revenue through the online sales channel was approximately RMB126.2 million, representing an increase of approximately 9.1% from approximately RMB115.7 million in 2022 and the revenue through the conventional sales channel decreased by approximately 14.7% as compared with 2022.

### 業務合規

於回顧年度內，本集團已遵守對本集團有重大影響之相關法律及法規。

### 與僱員、顧客和供應商的關係

本集團以人為本，確保所有僱員享有合理待遇。同時為保留高素質人才，我們不斷完善薪酬和補償制度，並定期檢討及更新人力資源管理制度。我們提供僱員培訓機會來提升僱員的職業技能。我們亦關注僱員的職業健康與安全。

本集團主要顧客分為三個類別：傳統經銷商、重點客戶大賣場及超市以及電商（包括自營官方旗艦店和分銷客戶）。主要客戶獲授之信貸期為30日至90日，與其他客戶獲授之信貸期一致。

本集團與顧客關係良好。為完善服務質素，本集團制定完善的追溯體系來收集顧客的投訴、分析並提出改善意見。

本集團與供應商關係良好，每年對供應商進行公平及嚴格的審核。

### 財務回顧

#### 營業額

於回顧年度內，本集團營業額約為人民幣237.7百萬元，較二零二二年同期的人民幣246.3百萬元下降了約3.5%，其中電商渠道的營業額約為人民幣126.2百萬元，較二零二二年同期的約人民幣115.7百萬元增加了約9.1%。傳統渠道的營業額較二零二二年下降了約14.7%。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

The Group's core brand, Bawang, generated approximately RMB231.7 million in revenue, which accounted for approximately 97.5% of the Group's total revenue by product category in 2023, and represented a decrease of approximately 2.5% as compared with 2022.

本集團核心品牌一霸王，其營業額約人民幣231.7百萬元，約佔本集團二零二三年度按品牌分類營業額的97.5%，比二零二二年減少了2.5%。

The branded Chinese herbal anti-dandruff hair-care series, Royal Wind, generated approximately RMB2.0 million in revenue, which accounted for approximately 0.9% of the Group's total revenue by product category in 2023, and represented a decrease of approximately 48.4% as compared with 2022.

中草藥去屑護髮系列品牌一追風，其於二零二三年度的營業額約人民幣2.0百萬元，約佔本集團按品牌分類營業額的0.9%，比二零二二年度減少了約48.4%。

The natural-based branded shampoo, shower gel and laundry detergent products series, Litao, generated approximately RMB3.9 million in revenue, which accounted for approximately 1.6% of the Group's total revenue by product category in 2023, and represented a decrease of approximately 15.1% as compared with 2022.

以純天然為基礎的洗髮水、沐浴露和洗衣液產品系列一麗濤，其營業額約人民幣3.9百萬元，約佔本集團二零二三年度經營按品牌分類營業額的1.6%，比二零二二年度減少了約15.1%。

We sold our products through extensive distribution and retail networks, and via conventional and online sales channels. During the year ended 31 December 2023, a summary of our sales revenue in percentage terms through different networks and/or channels is as follows:

我們通過廣泛的分銷商和零售商網絡，也通過傳統和電商兩個渠道銷售我們的產品，截止二零二三年十二月三十一日，綜述我們通過不同網絡和／或渠道的銷售額百分比列示如下：

Network/Channel 網絡／渠道		Conventional 傳統 (%)	Online 電商 (%)	Total 合計 (%)
Distributor	分銷商	43.3	23.7	67.0
Retailer	零售商	3.6	29.4	33.0
Total	合計	46.9	53.1	100.0

In 2023, the sales to Hong Kong and the overseas markets accounted for approximately 1.0% of our total revenue.

於二零二三年度，在香港和海外市場的銷售額約佔本集團總營業額的約1.0%。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

#### Cost of Sales

Cost of sales in 2023 amounted to approximately RMB117.9 million, representing a decrease of approximately 23.3% compared with approximately RMB153.8 million in 2022. The overall decrease in cost of sales was mainly due to a decrease in the prices of raw materials and packaging materials, direct labor costs, and the depreciation charges on the right of use assets and property, plant and equipment, which led to an overall decrease in aggregate manufacturing cost. Cost of sales was further reduced by a decrease in sales volume which caused a corresponding drop in production volume. As a percentage of revenue, cost of sales decreased from approximately 62.4% in 2022 to approximately 49.6% in 2023.

#### Gross Profit

During the year under review, the Group's gross profit increased to approximately RMB119.7 million, representing an increase of approximately 29.4% as compared with approximately RMB92.5 million for 2022. The gross profit margin increased from approximately 37.6% for 2022 to approximately 50.4% for 2023. Such increase was mainly attributable to a decrease in the average unit cost of production as aforementioned.

#### Other Income

During the year under review, other income decreased to RMB2.9 million, representing a decrease of 18.5% as compared with 2022. Such decrease was mainly attributable to a decrease in the bank interest income and a decrease in the gain on sales of scrap materials.

#### Selling and Distribution Costs

Selling and distribution costs decreased to approximately RMB81.1 million for 2023, representing a decrease of approximately 2.9% as compared with approximately RMB83.5 million in 2022. Such decrease was mainly due to a decrease in salaries and bonus and redundancy costs, but such decrease was partially offset by an increase in promotion expenses and goods delivery expenses. As a percentage of revenue, our selling and distribution costs slightly increased from approximately 33.9% in 2022 to 34.1% in 2023.

#### 銷售成本

二零二三年度的銷售成本約人民幣117.9百萬元，相比二零二二年度約人民幣153.8百萬元減少了約23.3%。整體銷售成本減少的主要原因是原材料和包裝材料價格的下降，直接人工成本的減少，以及使用權資產、物業廠房和設備的折舊減少導致了整體製造費用的下降。銷售量的減少導致了產量的相應下降，使得銷售成本進一步減少。按佔營業額的百分比計算，銷售成本從二零二二年的約62.4%下降至二零二三年的約49.6%。

#### 毛利

於回顧年度內，本集團的毛利增加至約人民幣119.7百萬元，與二零二二年度約人民幣92.5百萬元相比增加了約29.4%。毛利率從二零二二年約37.6%增加至二零二三年約50.4%。毛利率上升的主要原因是由於上述之平均單位生產成本的下降。

#### 其他收入

在本年度，其他收入約為人民幣2.9百萬元，與二零二二年相比減少了18.5%。減少的主要原因是由於銀行利息收入和處置廢料收入的減少。

#### 銷售及分銷開支

二零二三年度銷售及分銷開支減少至約人民幣81.1百萬元，較二零二二年度的約人民幣83.5百萬元減少約2.9%。其減少的原因主要是工資獎金和遣散費用的減少，但這些方面費用的減少部份被促銷費用及物流運輸費的增加所抵銷。以佔收益的百分比計算，我們的銷售及分銷開支由二零二二年的約33.9%輕微增加至二零二三年的約34.1%。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

#### Administrative Expenses

Administrative expenses for 2023 amounted to approximately RMB27.6 million, representing a decrease of approximately 14.8% as compared with approximately RMB32.4 million in 2022. Such decrease was mainly due to the decrease in research and development expenses, salaries and bonus and redundancy costs, which was partially offset by the increase in provision for bad debt and vehicle expenses. As a percentage of revenue, our administration expenses decreased from approximately 13.1% in 2022 to 11.6% in 2023.

#### Impairment Losses Reversed in respect of Trade Receivables

For the year under review, the Group has reversed impairment losses of approximately RMB1.1 million in respect of trade receivables, following the management's assessment on credit risk of our financial assets by adopting the expected credit loss (the "ECL") according to IFRS 9.

#### Profit from Operations

The Group recorded an operating profit of approximately RMB14.9 million for 2023, as compared with an operating loss of approximately RMB17.3 million for 2022. Such turnaround from loss to profit was mainly because of the increase of gross profit and the decrease in administrative expenses.

#### Finance Costs

For the year ended 31 December 2023, no interest on bank borrowings was incurred (2022: Nil). Additionally, interest on lease liabilities amounted to approximately RMB1.3 million (2022: RMB2.1 million).

#### Income Tax Credit

During the year ended 31 December 2023, the Group had income tax credit of RMB0.08 million (2022: RMB0.1 million).

#### 行政費用

二零二三年度行政費用約為人民幣27.6百萬元，較二零二二年度同期的約人民幣32.4百萬元，減少了約14.8%。其減少的原因主要研發費用、工資獎金及遣散費用的減少，但部份被壞賬準備和車輛費用的增加所抵銷。以佔收益的百分比計算，我們的行政費用從二零二二年的約13.1%下降至二零二三年的約11.6%。

#### 有關貿易應收款項之減值損失回撥

在回顧年度內，管理層根據國際報告準則第9號的預期信貸損失「**預期信貸損失**」對金融資產進行信用風險評估後，本集團回撥了貿易應收款項之減值損失約為人民幣1.1百萬元。

#### 經營利潤

於二零二三年，本集團錄得經營利潤約人民幣14.9百萬元，而二零二二年錄得虧損約人民幣17.3百萬元。其轉虧為盈的主要原因是本集團毛利的增加和行政費用的減少。

#### 融資成本

截至二零二三年十二月三十一日止年度，無錄得銀行借款的利息(二零二二年：無)。另外，來自租賃負債的利息約為人民幣1.3百萬元(二零二二年：約人民幣2.1百萬元)。

#### 所得稅抵免

截至二零二三年十二月三十一日，本集團錄得所得稅抵免人民幣0.08百萬元(二零二二年：人民幣0.1百萬元)。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Profit for the Year

As a result of the combined effect of the above mentioned factors, the Group recorded a net profit of approximately RMB13.6 million for 2023, as compared with a loss of approximately RMB19.3 million for 2022.

The net profit for the full financial year 2023 is within a similar range with the estimated net profit in the region of RMB14.0 million for the 10 months ended 31 October 2023 as disclosed in the positive profit alert announcement of the Company dated 17 November 2023. This is because the Company incurred a higher average monthly selling expenses in November and December of 2023 than those of the previous 10 months following the recognition of end of year promotion expenses payable to the distributors during the last two months of 2023.

### Profit for the Year Attributable to Owners of the Company

As a result of the combined effect of the above factors, the Group recorded a profit attributable to owners of the Company of approximately RMB13.6 million for 2023, as compared with a loss attributable to owners of the Company of approximately RMB19.3 million for 2022.

### Restatements of Consolidated Statement of Financial Position

The Group adopted the amendments to IAS 12 from 1 January 2023, as a result of which restatements were required to our consolidated statement of financial position. For further information about the reasons for making such restatements, and the impact and effects of the adoption of the amendments to IAS 12 on our financial statements, please refer to note 2 to the consolidated financial statements on pages 82 to 86 of this report.

### Outlook

In late January 2024, the International Monetary Fund (“IMF”) revised China’s gross domestic product (“GDP”) growth prediction for 2024 from previous estimate by 0.4 percent points from 4.2 percent to 4.6 percent because of the carryover from stronger-than-expected growth in 2023 and the increase in government spending on capacity building to respond to natural disasters, but the GDP growth could drop to 3.0 percent range in 2024–25 without policy response on the real estate sector.

### 年內利潤

綜合以上列報的因素，二零二三年度本集團錄得淨利潤約人民幣13.6百萬元，而二零二二年同期錄得淨虧損約人民幣19.3百萬元。

二零二三年全年度淨利潤較二零二三年十一月十七日盈利預警公告中披露的截至二零二三年十月三十一日止的十個月估計淨利潤約人民幣14.0百萬元區間沒有較大變大。其主要原因是相較二零二三年前十個月的平均月經銷費用，過去的兩個月期間本集團核銷了較高經銷商的年底推廣費用。

### 本公司擁有人應佔年內利潤

因上述因素的綜合影響，本集團二零二三年度錄得本公司擁有人應佔利潤約人民幣13.6百萬元，而二零二二年度錄得本公司擁有人應佔虧損約人民幣19.3百萬元。

### 綜合財務狀況表的重述

本集團於二零二三年一月一日起應用了有關國際會計準則第12號(修訂)的會計政策，這使得我們的綜合財務狀況表需要重述。有關作出此類重述的原因及其影響，及採納國際會計準則第12號(修訂)對我們的賬務的影響詳情，請參閱本報告第82頁到第86頁的綜合財務報表附註2。

### 展望

二零二四年一月下旬，國際貨幣基金組織(「國際貨幣基金組織」)將中國二零二四年的國內生產總值(「GDP」)增長預測從先前的4.2%修正為4.6%，上調了0.4個百分點，原因是二零二三年的增長強於預期，以及政府在應對自然災害的能力建設方面的支出不斷增加，但如果沒有房地產方面的政策回應，二零二四年至二零二五年的GDP增長可能會降至3.0%。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

In the National People's Congress (“NPC”) of China in March 2024, an ambitious GDP growth target of around 5.0 percent in 2024 has been made, which is an upward revision of 0.8 percentage points from the IMF's forecast of 4.2 percent in October 2023 and also higher than the Reuter's poll forecast average of 4.6 percent in 2024. The China's Premier Li Qiang stressed that stability is of overall importance, as it is the basis for everything. He went on to say that making progress is the goal of our country, and that it is also what motivates us. In particular, China must push ahead with transforming the growth model, making structural adjustments, improving quality, and enhancing performance.

According to an economist of a foreign bank, a target of around 5.0 percent growth in GDP is ambitious, but achievable, which entails more aggressive easing policies and measures. As a result, it may also improve the growth outlook among households and corporates. The same analyst indicated that, however, meeting a similar growth target in the coming year could be significantly tougher because the nationwide restrictions of COVID-19 in 2022 were rampant, which adversely affected the economy and set a low base for the year-on-year comparison of 2022 and 2023.

Premier Li admitted that achieving the growth target will not be easy. He continued to state that given the need to boost employment and incomes and prevent and defuse risks, the government would “stabilize and expand consumption, while targeting an increase in spending on big-ticket items including electronics and new-energy vehicles.

Owing to the uncertainties and challenges against the overall economic recovery as mentioned above, the Directors tend to be very cautious about the Chinese economic environments and the worldwide geopolitical situations in 2024 and hence are conservative in formulating the strategies and operational plans for the Company.

The corporate theme for 2024 is “Dashing All the Way for Win-Win Cooperation”

For Bawang-branded products, the Group intends to adopt the following strategies for publicity and promotion of its branded products and enhancement of revenue:

- (1) Through continuous cross-sector cooperations with enterprises in other industries sharing the same vision with us, we plan to roll out limited edition products and to carry out promotional activities for enlarging our brand influence;

在二零二四年三月召開的中國全國人民代表大會上，中國制定了二零二四年國內GDP增長5.0%左右的宏偉目標，這比國際貨幣基金組織在二零二三年十月預測的4.2%上調了0.8個百分點，也高於路透社調查預測的二零二四年4.6%的平均水平。中國總理李強強調，穩定是全局之本，是一切的基礎。他接著說，取得進步是我們國家的目標，也是我們的動力所在。特別是要推進轉方式、調結構、提質增效。

一家外國銀行的經濟學家表示：GDP增長5.0%左右的目標雖然雄心勃勃，但可以實現，這需要更積極的寬松政策和措施。因此，它也可能改善家庭和企業的增長前景。然而，這位分析師表示，由於二零二二年全國範圍內的新冠肺炎限制措施猖獗，這對經濟產生了不利影響，並且為同比比較設定了較低的基數，因此明年實現類似的目標可能會困難得多。

李強總理承認，實現經濟增長目標並不容易。他繼續表示，考慮到增加就業和收入，防範和化解風險的需要，政府將穩定和擴大消費，同時瞄準增加電子和新能源汽車等大件商品的支出。

鑒於上文所述整體經濟復蘇的不確定性和挑戰，董事會對二零二四年中國經濟環境和全球地緣政治形勢持謹慎態度，因此在制定公司戰略和運營計劃時持謹慎態度。

二零二四年企業經營主題是「勇往直前 • 奔向共贏」

對於霸王品牌系列產品，本集團擬採取以下策略來宣傳及推廣我們的品牌產品從而增加銷售收入：

- (1) 我們將繼續通過跨界合作，尋找與自身品牌理念相符的其他行業進行合作，通過推出限量版產品、舉辦促銷活動等方式，擴大我們的品牌影響力；

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

- (2) Through our official blogs and social media platforms in Weibo, Douyin, Kuaishou and Xiaohongshu, we will continue to initiate interesting and educational blog topics to enhance interactions with consumers and improve the awareness and reputation of our brand, which can stimulate the interest of target customers to purchase our products and accelerate the sales of our branded products;
- (2) 我們將繼續通過我們自有霸王洗髮水官方微博，及抖音、快手和小紅書等社交媒體平台，通過發佈有趣和有教育意義的話題，與消費者互動，提高品牌的知名度和美譽度，激發目標客戶的購買我們產品的興趣，加快品牌產品的銷售增長；
- (3) We will also cooperate with influential KOLs and engage them to act as our brand ambassadors and to recommend our branded products to the consumers. Through the effect of the KOLs' followers, the exposure of our branded products will be enhanced so as to increase the purchase conversion rate;
- (3) 我們亦將與具有影響力的意見領袖(KOL)合作，讓他們代言或推薦我們的品牌產品給消費者，借助他們的粉絲效應，提高我們這個品牌產品的曝光率和購買轉化率；
- (4) Leveraging on our new Hi-tech equipment and various patents and special permits of Bawang branded products, we will promote our hot sales item of Bawang Anti-hair fall series;
- (4) 利用霸王品牌的各項專利、高新設備及防脫新特證，來推廣霸王熱銷防脫系列產品；
- (5) We will roll out novel and attractive packaging, such as “Fragrant Bottle” and “Rosefinch Bottle”, we will introduce new series of anti-hair fall branded shampoos for attracting young customers and stimulating their interests to purchase our products; and
- (5) 針對不同生活場景推出「香囊瓶」、「朱雀瓶」等包裝新穎的防脫洗髮水，以吸引年輕消費者關注並激發他們的購物興趣；及
- (6) We will carry out scheduled and ad-hoc offline activities, such as product launch conferences, cosmetic courses, and content-rich and vivid counter-shows to promote our products which would attract the consumers and improve the interaction and connection between our brand and the consumers, so as to enhance the sales of our branded products at various shopping centers.
- (6) 我們通過定期／不定期的舉辦線下活動，如新品發佈會、美妝課程、豐富多彩的貼櫃秀促銷活動，吸引消費者參與，增強品牌與消費者的互動和聯繫，從而增加我們線下各大賣場這個品牌的銷售量。

For Royal Wind branded product series, the Group will sell these branded products, which are mainly hair-care product series, through the conventional channel and online sales channel so as to attract more young consumers and to enhance sales revenue of this brand.

對於追風品牌系列產品，集團將通過傳統和電商渠道，主推美髮系列產品，以吸引更多年輕消費者，增加這個品牌的銷售收入。

For Litao branded product series, the Group will continue with its household care brand positioning, and will continue to sell laundry detergent and other HPC products through our conventional channels.

對於麗濤品牌系列產品，集團將延續麗濤「家庭洗護」的品牌定位，繼續通過傳統渠道銷售洗衣液等家用清潔護理產品。



## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

For conventional channels, the Group will continue to deepen cooperation and interaction with distributors by:

- (1) Hosting new product sales meetings for developing new distributors and exploring the potential green field markets for establishment of points-of-sales so as to increase the sales through this channel;
- (2) Leveraging on the grand opening or anniversary celebration of shops for carrying out sales promotion activities to increase sales volume;
- (3) Increasing the frequency of weekend promotion and counter shows, and making use of creative performances to catch shoppers' attention so as to achieve positive effects on our brand influence;
- (4) Strengthening the sales support services offered to key distributors, key channels and key points-of-sales for enhancing the revenue generated from distribution channels; and
- (5) Continuing to optimise the infrastructure of all points-of-sales and streamlining the product displays in shops so as to stabilise the sales revenue.

As for the online sales channel, the Group hopes to achieve stable growth through implementation of the following plans:

- (1) the Group will re-shuffle and re-position the structure of products at T-Mall flagship stores and T-Mall Supermarket. On the basis of the current hot-sales items such as re-growing bundles and oil, the Group will re-classify the customer segments in accordance with the different scenarios of their daily life and will roll out two brand new series of anti-hair fall shampoo with novel and attractive packaging, namely "Fragrant Bottle" and "Rosefinch Bottle," with a view to upgrading the image of Bawang branded products so as to increase the sales revenue. At the same time, the Group will roll out horizontal upgraded haircare products onto this platform such as anti-dandruff, hair mask and hair conditioner for increasing sales revenue.

對於傳統渠道，集團將繼續通過下列措施深耕與經銷商的合作與互動：

- (1) 利用新品招商會議，開發新的經銷商並開拓有銷售潛力的空白市場設立銷售點以增加這個渠道的銷售；
- (2) 利用新店開張和店慶等活動，在商場開展促銷活動增加銷量；
- (3) 增加在優質銷售點的周末促銷和貼櫃秀活動的頻率，利用創意表演來引起顧客的注意，並對我們的品牌影響力產生積極影響；
- (4) 加大對重點經銷商、重點系統和重點門店的投入，提高這些渠道產品的分銷收入；及
- (5) 持續做好各個門店的基礎建設，對重點門店的產品進行生動化陳列，穩定該渠道的銷售收入。

對於電商渠道，本集團將計劃通過以下方式，以期實現銷售穩定增長：

- (1) 對於天猫旗艦店和天猫超市，集團將重新梳理和定位貨品結構，在該平台原有熱銷產品育髮套裝和育髮液基礎上，再次細分消費人群，根據他們在生活中的不同生活場景推出具有新穎包裝的「香囊瓶」和「朱雀瓶」的防脫洗髮類產品，從而提升霸王品牌產品形象，以此增加這個平台的銷售額；同時在這個平台橫向推出護髮品類，如頭皮精華、髮膜、護髮素等升級產品來補充增加這個平台的銷售額；

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

- (2) The Group will refer to the characteristics and direction of cooperation with JD.com platform and gather the statistics of visits through the operational devices embedded in the system for increasing the sales revenue through this platform. Additionally, the Group will monitor the market reaction for launch of new products and make adjustments accordingly so as to increase the sales through this platform.
- (2) 對於京東平台，集團將根據渠道合作特性和方向，通過站內運營推廣工具來獲得更多的流量，以此來增加這個平台的銷售量；並根據市場反應適時推出新品來吸引消費者購買，從而增加這個平台的銷售量；
- (3) The Group will continue to roll out high cost performance products which suit customers from Pinduoduo. The official 10-billion-dollar subsidy program of Pinduoduo will serve to stimulate the sales growth from this platform.
- (3) 對於拼多多平台，集團將繼續推出適合平台人群和高性價比的新品，通過拼多多官方平台的百億補貼等活動拉動這個渠道的銷售增長；
- (4) For the benefit of distributors, the Group will explore the cooperation with the door-to-door distribution channel including Meituan, Pupu, and 1688 through which our products for oral care and body care will be supplied so as to expand our distribution channel and increase the sales from channel distributors.
- (4) 對於經銷商渠道，集團將開拓美團、樸樸、1688等一些到家業務渠道的經銷商客戶，和他們合作定製口腔、身體等品類產品，以此拓展經銷商渠道來增加經銷商的銷售；
- (5) The Group will continue to increase the investment in the live-streaming platform of Duoyin. Additional live-streaming rooms will be established and new hot-sales items will be created on the basis of existing hot-sales items to boost our sales with more breakout products. At the same time, through the expansion of cooperation with market-leading and mid-tier KOLs, we will cooperate with them in recommending our products to achieve brand awareness and brand sales volume.
- (5) 對於抖音渠道的直播平台，集團將繼續加大店播投入，在現有直播間的基礎上增加直播間室，在銷售原有的熱銷產品基礎上，打造更多的爆品來提升銷售；同時通過拓展中腰部及頭部主播達人，和他們合作種草和帶貨，實現品牌知名度和品牌體量上的增長。
- (6) The group will develop a green field business channel through the social media platform of Wechat Channels (微信視頻號), for which our Group does not yet have a meaningful presence, for the purpose of increasing sales revenue.
- (6) 對於社交媒體的微信視頻號平台，集團將拓展這些新業務渠道，以補充這兩個平台的空白區域，從而增加銷售。

For production management, we always emphasize on the innovation of the core technology of our products with the quality of products guaranteed. We will leverage on the capability of our professional research and development team to maintain strategic cooperation with universities and research institutions. While we strive to maintain our competitive advantage, we also aim to promote Bawang brand image and market leadership through production-study-research cooperation and transformation of research achievements to high-quality products.

在生產管理方面，我們在保證產品質量的前提下，將重點放在產品的核心技術創新上，利用我們現有的專業研發團隊，持續與各大高校和科研機構建立戰略合作，開展產學研合作項目，將科研成果轉換為高質量和高品質的產品，以保持我們產品的競爭優勢、霸王品牌形象和中草藥領先地位。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

We will manage to enhance our corporate operational effectiveness and competitiveness through continuous improvement and optimizations of internal work process, management system, production efficiency. We will arrange overhauling of production workshops, and to enhance the factory image so as to make our production environment even safer. We will arrange to digitize our production lines by replacing the existing old production lines and equipment so as to enhance the production efficiency and to conserve energy.

We will implement a complete performance-based assessment system with the people-oriented production management concept. We will provide training and education programs for enhancement of the skills of workers and their awareness of occupational safety. We will also arouse the workers' awareness on the concept of green production which serves to reduce the production costs and at the same time increase their wages and fringe benefits.

We will adopt a more flexible and advanced supply chain approach to reasonably utilize the production facilities and factory space, and to optimise the production processes. Subsequent to the balance sheet date, our solar energy installation has started its operations which helps to reduce the conventional power usage for the purpose of production costs saving as well as to achieve reductions in the carbon emissions. Whilst exercising stringent control over the production flow and process and at the same time ensuring the quality of products, we will minimize the materials spoilage and energy wasting so as to achieve the various environmental emission targets that have been predetermined by the Company.

For our original equipment manufacturers (“**OEM**”) business, we will make use of our competitive advantages in professional design, research and development capabilities, mature production management techniques and advanced production infrastructures for expanding our OEM business with a view to strengthening our co-operations with quality customers so as to increase our market share and influence in this business sector.

We believe that through the above-mentioned resources management and workflow integration to maximise production effectiveness, we can reduce costs and enhance the efficiency. We will be able to sustain high quality development for achieving the Company's predetermined emission targets as stated in the Company's ESG report, thereby creating more returns for our shareholders.

我們通過不斷改進和優化內部流程、管理體系、生產效率等方面，提高企業運營效益和競爭力；我們通過對生產車間進行翻新，提升工廠形象，從而使我們的產品更加安全；我們將替換部分舊的生產線和生產設備，使得我們的產品生產線更加智能化，高效化和節約能源消耗。

我們繼續推動績效考核制度，秉承「以人為本」的生產管理理念，培訓工人技能水平和安全生產教育，提高工人對綠色生產的環境意識，從而創造更多的員工生活福利，在降低生產成本同時增加工人的收入。

我們將採用更加靈活和先進的供應鏈管理方法，合理利用現有的車間資源，優化生產流程，引進綠色環保的光伏發電設備以達到節約生產用電，在降低能源消耗降低生產成本的同時減少碳排放；並對生產流程和工藝進行嚴格控制，確保產品質量的同時，最大限度地減少物料損耗和能源浪費，以期達成公司設定的ESG各項排放的目標。

關於代工生產(「**OEM**」)業務，將利用我們原有的專業設計、研發能力、成熟的生產管理技能和先進的生產設施等競爭優勢，拓展OEM業務，加強與優質客戶的合作，以提升我們在這些業務領域的市場佔有率和影響力。

我們相信通過上述資源和能源管理和工作流程的整合，在合理的「降本增效」把控下，最大限度地提高生產效率，實現可持續性的高質量發展，以實現公司ESG報告中的各項環境排放指標，為我們的股東創造更多的價值回報。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

As part of the business expansion plan, the Group will continue to explore the possibility of engaging with potential distributors for launching our branded products to other countries. The Group is open to explore further business opportunities with potential overseas distributors.

As of the date of this report, the Group does not have any outstanding acquisition opportunity on hand, nor is actively exploring business opportunities that may involve potential acquisition. However, the Group would consider the feasibility of any potential investment opportunities to enhance the returns to our shareholders.

### Liquidity, Financial Resources and Capital Structure

The Group adopts conservative financial management policies and maintains a good and solid financial position. As at 31 December 2023, the time deposits, bank balances and cash of the Group were approximately RMB118.3 million (2022: approximately RMB124.4 million). Of which, the total time deposits with various maturity dates of the Group were approximately RMB30.0 million (2022: approximately RMB50.0 million). A summary of liquidity and financial resources is set out below:

在業務擴展計劃方面，本集團將繼續開發與潛在經銷商合作，把我們的品牌推廣至其他國家。本集團將以開放的態度尋找與潛在的海外經銷商洽談更多的商業合作機會。

於本報告發佈之日，本集團並無任何正在洽談處理的收購事宜，並且暫時不會積極尋找潛在的收購機會。然而，本集團將考慮任何潛在投資機會的可行性，以提高我們股東的回報。

### 流動資金、財務資源及資本架構

本集團採用保守的財務管理政策並維持良好穩定的財務狀況。截止二零二三年十二月三十一日，本集團的定期存款、銀行結餘及現金為約人民幣118.3百萬元（二零二二年：約人民幣124.4百萬元），這其中本集團不同到期日的總定期存款為約人民幣30.0百萬元（二零二二年：約人民幣50.0百萬元）。流動資金和財務資源概要列載如下：

		31 December 2023 於二零二三年 十二月三十一日 RMB in million 人民幣百萬元	31 December 2022 於二零二二年 十二月三十一日 RMB in million 人民幣百萬元
Time deposits, bank balances and cash	定期存款、銀行結餘及現金	118.3	124.4
Total loans	貸款總額	0	0
Total assets	總資產	230.3	244.2
The gearing ratio <sup>1</sup>	資產負債率 <sup>1</sup>	0%	0%

Note:

1. Calculate as total loans divided by total assets

附註：

1. 資產負債率按貸款總額除以資產總額計算

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

#### Material Acquisition and Disposal

The Group did not engage in any material acquisition or disposal of any of its subsidiaries or associates during the year under review.

#### 重大收購及出售

於回顧年度，本集團並無重大收購或出售其附屬及聯營公司的活動。

#### Exposure to Fluctuations in Exchange Rates and Hedging

The operations of the Group are mainly carried out in China, with most transactions being settled in Renminbi. The reporting currency of the Group is Renminbi. During the year under review, the Group had exported its goods to Hong Kong and certain overseas countries. The transactions were settled in either Hong Kong Dollars or United States Dollars. The Group's cash and bank deposits are mostly denominated in Renminbi. The Company will pay dividends in Hong Kong Dollars if dividends are declared. The Directors are of the view that the Group conducts its business transactions principally in Renminbi and thus the exchange risk at the Group's operational level is not significant. As at 31 December 2023, the Group had not issued any material financial instruments or entered into any material contracts for foreign currency hedging purposes. However, the Directors will continue to monitor the foreign exchange exposure of the Group and are prepared to take prudent measures such as hedging when required.

#### 匯率波動風險及有關對沖

本集團主要在中國境內經營業務，大部分交易以人民幣結算，本集團的報告貨幣為人民幣。於回顧年度，本集團出口產品銷往香港以及其他海外地區，交易以港幣或美元結算。本集團大部份現金及銀行存款均以人民幣計值。倘若本公司宣派股息時，利息亦將以港幣派付。董事認為本集團從事的業務主要是以人民幣結算的，因此外匯風險對本集團的日常經營影響並不重大。於二零二三年十二月三十一日，本集團並沒有發行任何重大金融工具或訂立任何重大合約作外匯對沖用途。然而，董事將繼續監察集團的外匯風險，並準備在需要時採取審慎的措施，例如對沖。

#### Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2023.

#### 或然負債

於二零二三年十二月三十一日，本集團並無重大或然負債。

#### Capital Commitment

As at 31 December 2023, the Group had no material capital commitment.

#### 資本承擔

於二零二三年十二月三十一日，本集團無重大資本承擔。

#### Charge of Assets

The Group had no charge of assets as at 31 December 2023.

#### 資產抵押

截至二零二三年十二月三十一日，本集團無資產抵押。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

#### Distributable Reserves

Pursuant to applicable statutory provisions of the Cayman Islands, the Company had no reserves available for distribution to the shareholders as at 31 December 2023 (2022: Nil).

#### Inventories

As at 31 December 2023, the Group had inventories of approximately RMB25.8 million, representing a decrease of approximately 4.5% compared with approximately RMB27.1 million for 2022. Such decrease was primarily due to the decline in the Group's sales volume during the year, which led management to reduce the stock of raw materials, packaging materials and finished goods during the year.

The Group adopts a prudent approach in valuing its inventory. The Group continuously monitors the inventory levels of its different raw materials, packaging materials and finished goods, and based on feedback from the sales force on the various product lines and sales figures, the management regularly identifies the inventory levels of individual inventory items to determine whether there is any slow moving or obsolete items or finished goods. On this basis, the management will devise actions to be taken in relation to such inventory prior to their obsolescence, and/or whether provision should be made.

#### Trade Receivables

As at 31 December 2023, the Group had trade receivables of approximately RMB17.7 million, representing an increase of approximately 23.8% compared with approximately RMB14.3 million for 2022. Such increase was primarily due to the increase in sales in the online channel leading to an increase in trade receivables during the year.

Some of the Group's sales are made on credit, trade receivables are resulted when the goods and titles have been delivered and passed, respectively. The management regularly reviews the credit quality of the Group's customers and their partners to evaluate whether provision should be made.

#### 可供分配儲備

根據開曼群島適用之法定條例，於二零二三年十二月三十一日，本公司並無可供分配予股東的儲備(二零二二年：無)。

#### 存貨

於二零二三年十二月三十一日，本集團存貨約人民幣25.8百萬元，較二零二二年同期約人民幣27.1百萬元減少約4.5%。減少的主要原因是於回顧內度內本集團銷售量下降，使得管理層減少了年度內原材料、包裝材料及產成品的備貨量。

本集團採用審慎的方法對存貨進行估值。本集團持續監察不同原材料，包裝材料及成品的庫存水平，並根據銷售團隊對各產品線及銷售資料的回饋，定期識別個別庫存項目的庫存水平以決定是否有任何緩慢移動或過時的物料或成品。在此基礎上，管理層將策劃這些存貨在被淘汰之前會採取的行動，以及/或者是否應該作出撥備。

#### 貿易應收賬款

於二零二三年十二月三十一日，本集團的貿易應收款項約為人民幣17.7百萬元，較二零二二年同期約人民幣14.3百萬元增長約23.6%。增長的主要原因為於回顧年度內本集團電商平台銷售額的增加，使得這個渠道的應收賬款有所增加。

本集團部分銷售以信貸形式進行，貿易應收賬款於貨品交付及擁有權轉移時確認。管理層定期檢討本集團客戶及其合作夥伴的信貸質素，以評估是否應作出撥備。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

#### Trade and Other Payables

As at 31 December 2023, the trade and other payables of the Group was approximately RMB59.4 million (2022: RMB79.6 million). The decrease was primarily due to the decrease in trade payables and accrued payroll, but such decrease was partially offset by the increase in other payables and accruals. As at 31 December 2023 and 31 December 2022, trade and other payables did not include any balances due to related parties.

#### Human Resources

To provide incentive to the employees of the Group, the Group is committed to staff training and development under any economic circumstances. The Group maintains a good relationship with its employees. The Group will continue to invest in our human capital so as to retain a quality workforce to achieve our organisational goal.

In 2023, the Group organised various in-house training classes to strengthen the soft skills of our staff members such as time management, stress management, and leadership development. Apart from these in-house courses, the Group also required our department managers to attend external courses on reward and compensation, and motivation, we required our senior sales and marketing staff to attend brand positioning strategy course, and we required our finance and accounting staff members to attend seminars about the latest legislative/regulatory compliance, accounting standards, taxation practices and budgetary control.

As at 31 December 2023, the Group employed approximately 430 employees (31 December 2022: approximately 442), consisting of full-time employees and contract personnel in the PRC and Hong Kong. The total personnel expenses, comprising wages, salaries and benefits, amounted to approximately RMB40.6 million for 2023 (31 December 2022: approximately RMB55.0 million).

#### 貿易及其他應付款項

於二零二三年十二月三十一日，本集團貿易及其他應付款項約為人民幣59.4百萬元(二零二二年：約人民幣79.6百萬元)，這個減少主要是因為貿易應付款項和應付工資的減少，但這項減少被其他應付款增加部份所抵減。截至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止的兩個年度，貿易及其他應付款項並無任何應付關聯方的結餘。

#### 人力資源

為了激勵本集團的僱員，本集團承諾在任何經濟環境下都為僱員提供培訓和發展。本集團與僱員關係一向良好。我們將繼續投資人力資本，以保持一個高素質的僱員團隊，協助我們實現組織目標。

在二零二三年，本集團舉辦了多項內部培訓課程，以增強我們工作人員的軟技能，例如：時間管理、壓力管理和領導能力發展等。除此之外，本集團還要求部門經理參加有關獎勵和補償，以及激勵的外部培訓課程。我們要求高級市場策劃人員參加品牌定位策略培訓課程，也要求財務人員參加有關最新法例／監管規定的遵守。會計準則、稅務實踐以及預算控制方面的研討會。

於二零二三年十二月三十一日，本集團僱用大約430名僱員(二零二二年十二月三十一日：約442名)，其中包括在中國和香港的全職僱員以及合約僱員。人事總開支包括工資、薪金和福利，於二零二三年約為人民幣40.6百萬元(二零二二年十二月三十一日：約人民幣55.0百萬元)。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

The following table sets forth a breakdown of the total headcount of our employees and contract personnel as at 31 December 2023 and 2022:

下表載列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我們的總僱員及合約僱員的明細：

		31 December 2023 二零二三年 十二月三十一日	31 December 2022 二零二二年 十二月三十一日
Full-time employees	全職僱員	236	207
Contract personnel	合約僱員		
– Full time	– 全職	194	235
– Part time	– 兼職	–	–
		194	235
<b>Total employees</b>	<b>總僱員人數</b>	<b>430</b>	442

The employees' remuneration, promotion and salary review are based on individual job responsibilities, work performances, professional experiences and the prevailing industry practices.

本集團的僱員薪酬、晉升及工資是按照各人的工作責任、工作表現、專業經驗及當時的行業標準來釐定的。

Our employees in the PRC and Hong Kong join social insurance contribution plans and the Mandatory Provident Fund scheme, respectively. Other benefits include performance-based incentive bonus scheme and share options granted or to be granted under the share option schemes.

本集團於中國及香港的僱員分別參加社會保障計劃和香港強制性公積金計劃。其他福利包括按工作表現釐定的獎金花紅計劃和購股權計劃下已授出或將會授出的購股權。

The Directors believe that the Group's human resources policies play a crucial part in the further development of the Group. Promising career prospects, good staff remuneration and benefits as well as pleasant working environment are essential factors for maintenance of a stable workforce for the Group.

董事們相信本集團之人力資源政策對集團未來發展擔當着重要角色。良好的職業前景、優厚的僱員薪酬福利以及舒適的工作環境，可以使本集團維持一支穩定的工作團隊。



# Corporate Governance Report

## 企業管治報告

### The Corporate Governance Code and the Corporate Governance Report

The Company is committed to enhancing the corporate governance of the Group, and the Board reviews and updates all such necessary measures in order to promote good corporate governance.

The Board is of the view that the Company has complied with the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the year ended 31 December 2023.

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the year under review.

### Board of Directors

As at 31 December 2023, the Board comprised six members, including the Chairman, Mr. CHEN Qiyuan, the Chief Executive Officer, Mr. CHEN Zheng He (the “**CEO**”), the Chief Financial Officer and three independent non-executive Directors. Biographical details of the Directors are set out in the section headed Directors and Senior Management on pages 62 to 66 of this annual report.

The Board is responsible for approving and monitoring the Group’s strategies and policies, approving annual budgets and business plans, evaluating the performance of the Group and supervising the work of management. The management is responsible for the daily operations of the Group under the leadership of the CEO.

The Board has delegated a schedule of responsibilities to the executive Directors and senior management of the Company. These responsibilities include implementing decisions of the Board and directing and co-ordinating day-to-day operation and management of the Group. The Board reviews these arrangements periodically to ensure such arrangements remain appropriate to the Group’s needs.

### 企業管治守則及企業管治報告

本公司致力提高本集團的企業管治水平，而董事會則檢討及更新為促進良好企業管治的一切必要措施。

董事會認為，截至二零二三年十二月三十一日止的年度，本公司一直遵守香港聯合交易所之證券上市規則（「上市規則」）附錄C1所載企業管治守則（「企業管治守則」）所載適用的守則條文。

### 董事進行證券交易的標準守則

本公司已採納上市規則附錄C3所載上市發行人之董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易的行為守則。向董事進行特定查詢後，所有董事確認於回顧年度內一直遵守標準守則所載的規定標準。

### 董事會

於二零二三年十二月三十一日，董事會由六位成員組成，其中包括主席陳啟源先生、首席執行官陳正鶴先生（「首席執行官」）、首席財務官及三位獨立非執行董事。各董事之履歷列載於本年度報告第62頁至第66頁董事及高級管理層簡介。

董事會負責批准及監察本集團的整體策略及政策、批准年度預算及業務計劃、評估本集團表現、以及監督管理層的工作。管理層在行政總裁的領導下負責集團日常業務。

董事會已將一部分責任書面轉授予本公司執行董事及公司的高級管理層。該等責任包括：執行董事會的決定，指示及協調本集團的日常運作及管理。董事會定期對上述安排作出檢討，以確保該安排符合本集團的需要。

## Corporate Governance Report (Continued)

### 企業管治報告(續)

To satisfy the independence requirement of the independent non-executive Directors, the Board must determine that the independent non-executive Directors do not have any direct or indirect material relationship with the Group. The Board follows the requirements set out in the Listing Rules to determine the independence of Directors. To ensure that independent views and input are available to the Board, the Board also consults with its external advisors as and when required for it to obtain independent views on matters ranging from (but not limited to) legal and regulatory compliance, financial report and corporate governance.

In addition, to ensure that there is a strong independent element in the Board, when nominating independent non-executive Directors to the Board, the Board takes into account factors including but not limited to the nominee's character, integrity, professional profile, and relevant working experience in the context of the profiles and working experience of other Directors. To ensure that independent non-executive Directors are able to perform their duties impartially, none of them has any role in the daily management of the Group, and the Board will also take into account the Nomination Policy to ensure that the independent non-executive Director candidates proposed would be able to provide independent views to the Board. The Board also regularly reviews the re-appointment of any independent non-executive Director who has served more than nine years, and will ensure that any such reappointment would be subject to a separate resolution to be approved by the Shareholders at the annual general meetings of the Company. Independent non-executive Directors are appointed for a term of 3 years.

The roles of the Chairman and the CEO are performed by different person in order to reinforce their independence and accountability. Except that the CEO, Mr. CHEN Zheng He, is the son of Mr. CHEN Qiyuan, the Directors are not otherwise related to each other.

The Board held 12 meetings in 2023. Each of Mr. CHEN Qiyuan, Mr. CHEN Zheng He, Mr. WONG Sin Yung, Mr. CHEUNG Kin Wing, Dr. WANG Qi and Dr. LIU Jing attended all meetings.

The Company has adopted the nomination policy (the “**Nomination Policy**”) and the board diversity policy (the “**Diversity Policy**”) as required by the Corporate Governance Code and the Listing Rules, respectively, and has taken into account the diversity of the Board when selecting the candidates from a number of perspectives as stated in the Diversity Policy as published on the Company's webpage.

為了滿足獨立非執行董事的獨立性要求，獨立非執行董事須經董事會確定與本集團並無任何直接或間接的重大關係。董事會按照上市規則的規定，以確定董事的獨立性。為確保董事會能夠取得獨立的意見和建議，董事會亦在需要時諮詢其外部顧問，以獲取有關(但不限於)法律與監管合規、財務報告和公司治理等事項的獨立意見。

此外，為確保董事會具備較強的獨立性，當向董事會提名獨立非執行董事時，董事會考慮的因素包括但不限於被提名人的品格，誠信，專業概況，以及有相關的工作經驗和工作背景和其他董事的經驗。為確保獨立非執行董事能夠公正地履行職責，其均未在集團的日常管理中擔任任何職務，董事會亦會考慮提名政策，以確保被提名的獨立非執行董事人選將能夠向董事會提供獨立意見。董事會亦定期審核任期超過九年的獨立非執行董事的重新任命，並將確保任何該等重新任命須經公司的年度股東大會的單獨決議批准。獨立非執行董事任期為3年。

主席及首席執行官由不同人仕擔任，以加強兩個不同崗位的獨立性和問責性。除首席執行官陳正鶴先生是主席陳啟源先生的兒子外，董事之間概無其他關係。

二零二三年期間，董事會召開了十二次會議。陳啟源先生、陳正鶴先生、黃善榕先生、張建榮先生、王琦博士及劉婧博士均有出席上述所有會議。

分別根據《企業管治守則》及上市規則要求，本公司已採納提名政策(「**提名政策**」)及董事會多元化政策(「**多元化政策**」)並已將其在公司的網站上發佈，以及在遴選董事候選人時從多個方面考慮多元化政策中所述的董事會成員多元化。

## Corporate Governance Report (Continued)

### 企業管治報告(續)

#### Nomination Policy

Either the secretary or the chairman of the Nomination Committee shall call a meeting of the Nomination Committee, and may invite nominations of candidates from the Board members, if any, for the Nomination Committee to consider prior to its meeting. The Nomination Committee may also nominate candidate(s) who are not nominated by any member of the Board. For filling a casual vacancy, the Nomination Committee shall make recommendation(s) for the consideration and approval of the Board. For proposing candidate(s) to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation to the shareholders of the Company for approval.

In order to provide information on the candidate(s) nominated by the Board for election at a shareholders' general meeting, and to invite nominations from the shareholders, a circular will be sent to the shareholders in accordance with the requirements under the Listing Rules. The relevant circular will at a minimum set out such information about each proposed candidate, as required under the applicable laws, rules and regulations, the Company's constitutional documents and the Listing Rules. A shareholder may serve a notice to the Company Secretary within the lodgment period of its intention to propose a resolution to elect a certain person as a director without the Board's recommendation or the Nomination Committee's nomination. The particulars of the proposed candidates will be sent to all shareholders for information by a supplementary circular.

In assessing the suitability of a potential candidate, the Nomination Committee would consider factors, including but not limited to, candidate's personal integrity and character, accomplishment and experience that are relevant to the Group's business, and diversity of the Board in accordance with the Diversity Policy.

#### Diversity Policy

In achieving diversity of the Board, a number of aspects of each director candidate will be considered, including but not limited to gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. All Board appointments will be based on meritocracy, and the candidates will be considered based on the objective criteria as set out in this policy having due regard for the benefits of diversity on the Board. The Nomination Committee will monitor the implementation of the Diversity Policy and has followed the Nomination Policy and the Diversity Policy in the nomination of the new Director(s).

#### 提名政策

提名委員會秘書或主席應召開委員會會議，並可邀請董事會成員提名候選人，如有，在會議前交由提名委員會考慮。提名委員會也可提名那些非由董事會成員提名的候選人。為填補臨時空缺，提名委員會應提出建議，供董事會審議和核准。如提名候選人在股東大會上由股東投票委任，提名委員會須向董事會作出提名，以供董事會審議，並向公司股東提出建議，以供股東批准。

為了向股東提候選人(們)的資訊，並供股東在在股東大會上投票選舉，並邀請股東向公司提供董事提名，董事會按照上市規則的規定，向股東發出通函。有關通函將按照適用的法律、規則和條例、公司章程檔和上市規則的要求，陳述每一個擬議候選人的資料。如股東有意在提交決議案以選舉某人士為董事，無須董事會建議或提名委員會提名，則可在遞交決議案期間，向公司秘書送達通知。提名候選人的詳情將以補充通函的方式送交所有股東參閱。

提名委員會將在評估潛在候選人時參考一些因素，包括但不限於其個人的誠信和品德、在集團相關業務中的成就和經驗、董事會多元化政策一致的多元化的考慮。

#### 多元化政策

為實現董事會多元化，董事會將從多方面考慮每位董事候選人的背景，包括但不限於性別、文化和教育背景、種族、專業經驗、技能、知識和服務年資。董事會的所有任命將以任人唯賢為基礎，候選人將根據多元化政策制定的客觀標準進行審議，並適當考慮董事會多元化的好處。提名委員會將監察多元化政策的實施並在提名新董事(們)依隨提名政策及多元化政策。

## Corporate Governance Report (Continued)

### 企業管治報告(續)

The Board has reviewed the appropriateness of an express diversity quota or measurable objective in achieving board diversity. After the appointment of Dr. Liu Jing at the annual general meeting of the Company held on 27 May 2022, the Board has members of both genders, and the Board considers that the Diversity Policy has been followed in furthering the diversity of the Board and after taking into account the current Board size and also the general industry landscape, it is appropriate to maintain the current gender diversity ratio at the Board level without setting further specific numerical targets and timelines, or design specific measures to develop a further pipeline of potential successors to the Board on matters relating to gender diversity. The Board will continue with its practice of considering candidates for directorship of the Board based on the diversity perspectives as set out in the Diversity Policy.

As at 31 December 2023, the Group has a relatively balanced workforce overall in terms of gender distribution, with a female to male employee ratio of (55:45), with both men and women being well represented in the various different functions throughout the Group. The Company supports diversity across a variety of perspectives, the key areas of which are similar to those for the board diversity. The Group will keep in mind its diversity policy to reach a balanced gender ratio in its workforce as one of its corporate objectives in the long run.

#### Dividend Policy

The Company has adopted a dividend policy (the “**Dividend Policy**”), pursuant to which, the decision to declare a dividend or a distribution will be at the discretion of the Board. The Company intends to declare dividends to shareholders semi-annually in an aggregate amount per year not exceeding 30% of the anticipated consolidated net annual profits and may declare special dividends from time to time in addition to interim or final dividends. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account (including but not limited to) the Group’s operations and earnings, development needs, cash flow, financial condition, capital and other reserve requirements and surplus, contractual and financial restrictions and any other conditions or factors which the Board considers relevant and having regard to the directors’ fiduciary duties. While sharing the profit with shareholders, the Company shall also maintain sufficient reserves to ensure the implementation of the Group’s strategy for development.

此外，董事會已就應否為實施董事局多元化設定明確的多元化名額或可計量目標作出檢討。在劉婧博士在2022年5月27日被委任為董事會成員後，董事會已經擁有兩個不同性別的成員，並且董事會認為，在促進董事會多元性方面已遵循了多元化政策。考慮到董事會目前的規模及行業總體狀況，宜保持當前董事會層面的性別多元化比例，而無需為在性別多元化相關事項上進一步開發董事會潛在繼任者的渠道而進一步規定具體數字目標和時間表，或設計具體的措施。董事會將延續其根據多元化政策所載多元化觀點審議董事候選人的做法。

截至二零二三年十二月三十一日，本集團集團員工隊伍整體性別分佈相對均衡，男性和女性僱員的比例為(55:45)，在整個集團擔任各種不同的職務中，男性和女性的分佈平均。本公司支持各種觀點的多元化其中的關鍵領域與董事會多元化相似。本集團將牢記其多元化政策，以達到性別平衡，從長遠來看，這是公司的目標之一。

#### 股利分配政策

本公司已通過一項股利分配政策《**股利分配政策**》，根據該股利政策，董事會將決定宣佈股息或分配股息的決定。本公司擬每半年向股東宣佈總額不超過預計合併年淨利潤的30%的股息，除臨時或最終股息外，還可不時宣佈特別股息。在決定是否提出股息和確定紅利數額，董事會應考慮(包括但不限於)集團的運營和收益、發展需要、現金流量、財務狀況、資本和其他存款準備金率和盈餘，合同和金融限制和其他董事顧及董事的授信義務會考慮的條件或相關因素。在與股東分享利潤的同時，本公司還應保持足夠的儲備，以確保集團發展戰略的實施。

## Corporate Governance Report (Continued)

### 企業管治報告(續)

The payment of dividend is also subject to any restrictions under the laws of Cayman Islands, the Listing Rules, the laws of Hong Kong, the memorandum and articles of association of the Company and those laws, regulations and memorandum and articles of association to which the subsidiaries of the Group are subject.

The Dividend Policy will continue to be reviewed from time to time and there can be no assurance that a dividend will be proposed or declared in any specific periods.

The Company is not aware of any shareholders who have waived or agreed to waive any dividends.

#### Update on Directors' Information

Dr. NGAI Wai Fung, an independent non-executive Director, ceased to be an independent non-executive director of the Company from 27 May 2022. Dr. NGAI also ceased to be the chairman of the Audit and Risk Management Committee, and a member of each of the Nomination Committee and Remuneration Committee.

Mr. CHEUNG Kin Wing, an independent non-executive Director, ceased to be an independent non-executive director of Trio Industrial Electronics Group Limited (Stock code: 1710) from 27 May 2022.

#### Remuneration of Directors and Chief Executive

Details of the remuneration of each Director and the Chief Executive for the year ended 31 December 2023 are set out in note 15 to the consolidated financial statements. Other than the Directors and the Chief Executive, there is no other member of senior management.

#### Directors' Training

Under Code Provision A.6.5 of the Corporate Governance Code, directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally facilitated briefings for directors are arranged and reading materials on relevant topics are issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

股息的支付亦受到開曼群島法律的若干限制，上市規則、香港法律、本公司的組織大綱和章程以及集團的子公司要受制的有關法律、法規以及組織大綱和章程。

股利分配政策將繼續不時被評估，且概不能保證將在任何既定期間建議或宣佈股息。

就本公司所知，概無本公司股東放棄或同意放棄股息。

#### 董事資料更新

魏偉峰博士，公司獨立非執行董事，於二零二二年五月二十七日退任本公司獨立非執行董事。魏偉峰博士亦不再擔任獨立非執行董事，審核及風險管理委員會主席，提名委員會成員和薪酬委員會成員。

張建榮先生，公司獨立非執行董事，於二零二二年五月二十七日退任致豐工業電子集團有限公司(股票代碼：1710)獨立非執行董事。

#### 董事及最高行政人員薪酬

截至二零二三年十二月三十一日止年度有關各董事及最高行政人員薪酬的詳情載於綜合財務報表附註15。除董事及最高行政人員外，並無其他高級管理層成員。

#### 董事培訓

根據《企業管治守則》守則條文第A.6.5條，董事須參與合適的持續職業發展，以提高及更新其知識及技能，以確保繼續在具備全面資訊及切合所需的情況下向董事會作出貢獻。本公司於適當時為董事安排內部用簡報，並就有關主題刊發閱讀材料。本公司鼓勵所有董事參加相關培訓課程，費用由本公司支付。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

During the year ended 31 December 2023, all Directors (being Mr. CHEN Qiyuan, Mr. CHEN Zheng He, Mr. WONG Sin Yung, Mr. CHEUNG Kin Wing, Dr. WANG Qi and Dr. LIU Jing) received regular updates on the Group's business, operations, risk management and corporate governance matters, and participated in the directors' training offered by professional bodies and/or arranged by the Company. Materials on new or changes to salient laws and regulations applicable to the Group were provided to the Directors. Directors are requested to provide their records of training they received to the Company Secretary for record and annual review by the Nomination Committee. During the year under review, the Directors received an aggregate of approximately 228.8 hours of training in various fields as follows:

截至二零二三年十二月三十一日止年度，全體董事(即陳啟源先生、陳正鶴先生、黃善榕先生、張建榮先生、王琦博士及劉婧博士)均定期接收有關本集團業務、營運、風險管理及企業管治事宜的簡報及更新，以及參與由專業機構提供和/或本公司安排的培訓。董事獲提供適用於本集團的新訂重點法律及條例或重要法律及條例之變動。董事須向公司秘書提供彼等所接受培訓的記錄以作存檔以及提名委員會的年度審閱。於回顧年度內，董事會接受共計約228.8小時的各個領域的培訓列示如下：

### 2023 Directors' Training by Topic

#### 二零二三年董事培訓主題

Average per person <sup>2</sup> : approximately 38 hours	Hong Kong		Financial	Economy/	Business	Others <sup>1</sup>
	Legislative/ Regulatory Compliance	Director's Duties/ESG Practices	Reporting/ Taxation/Risk Management	Capital Market Updates	Management/ Investor Relationship	
每人平均 <sup>2</sup> : 約38小時	香港法例/ 監管規定的 遵守	董事職責/ 環境、社會 及管治實施	財務報告/ 稅務/ 風險管理	經濟/ 金融市場 更新	業務管理/ 投資者關係	其他 <sup>1</sup>
<b>Executive Director</b>	<b>執行董事</b>					
Mr. CHEN Qiyuan	陳啟源先生	✓	✓	✓	✓	✓
Mr. CHEN Zheng He	陳正鶴先生	✓	✓	✓	✓	✓
Mr. WONG Sin Yung	黃善榕先生	✓	✓	✓	✓	✓
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>					
Mr. CHEUNG Kin Wing	張建榮先生	✓	✓	✓	✓	✓
Dr. WANG Qi	王琦博士	✓	✓	✓	✓	✓
Dr. LIU Jing <sup>4</sup>	劉婧博士 <sup>4</sup>	✓	✓	✓	✓	✓

1. Include topics such as technology transfer and industry association internal training, etc.

2. The calculation is based on an aggregate of six directors who served the whole years.

1. 包括諸如技術轉移、行業協會內部培訓等。

2. 數字以合共六位董事服務整年計算。

## Corporate Governance Report (Continued)

### 企業管治報告(續)

#### Remuneration Committee

The Remuneration Committee comprises our executive Director, Mr. CHEN Zheng He, and our two independent non-executive Directors, Mr. CHEUNG Kin Wing and Dr. WANG Qi. Mr. CHEUNG Kin Wing is the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, review performance based remuneration and ensures that none of our Directors determine their own remuneration. If necessary, the Remuneration Committee will have access to independent advice.

The Remuneration Committee held two meetings in 2023. Each of Mr. CHEN Zheng He, Mr. CHEUNG Kin Wing and Dr. WANG Qi attended the said meeting.

During the meeting, the Remuneration Committee discussed the remuneration structure of the Directors; assessed the performance of directors; and reviewed the terms of directors' service contract for Mr. CHEUNG Kin Wing and renewed the contract with effect from on 13 November 2023.

#### Nomination Committee

The Nomination Committee comprises our executive Director, Mr. CHEN Qiyuan, and our two independent non-executive Directors, Mr. CHEUNG Kin Wing and Dr. WANG Qi. Mr. CHEN Qiyuan is the chairperson of the Nomination Committee. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board and to make recommendations to the Board regarding candidates to fill vacancies on the Board and the re-election of Directors.

The Nomination Committee held two meetings in 2023. During the meetings, the committee members reviewed the senior management structure of the Group and the re-election of Directors; reviewed and recommended to the Board about the appointment of director, Mr. CHEUNG Kin Wing with effect from 13 November 2023; and assessed the independence of independent non-executive Directors. All serving committee members attended the two meetings held in 2023.

#### 薪酬委員會

薪酬委員會由我們的執行董事陳正鶴先生及兩名獨立非執行董事，即張建榮先生及王琦博士組成。張建榮先生為薪酬委員會主席。薪酬委員會的主要職責乃就本集團全體董事及高級管理人員的整體薪酬政策及架構向董事會作出推薦建議；審閱通過表現而釐定的薪酬；以及確保我們的董事概無釐訂本身的薪酬。如有需要，薪酬委員會可以獲得獨立意見。

於二零二三年期間，薪酬委員會召開二次會議。陳正鶴先生、張建榮先生及王琦博士均有出席上述會議。

在該會議中，薪酬委員會討論了董事的薪酬架構；評估了董事們的表現；也審閱了張建榮先生自二零二二年五月二十七日起生效的董事服務合同。

#### 提名委員會

提名委員會由我們的執行董事陳啟源先生及兩名獨立非執行董事，即張建榮先生及王琦博士組成。陳啟源先生為提名委員會主席。提名委員會的主要職責為檢討董事會架構、人數和組成及就填補董事會空缺及重選向董事會作出推薦建議。

於二零二三年期間，提名委員會召開二次會議。會議期間，本委員會成員已審閱本集團高級管理層架構及董事膺選連任事項；審閱並向董事會推薦任命張建榮先生為董事，並自二零二三年十一月二十三日起生效；評估了獨立董事們的獨立性所有在任委員均有出席於二零二三年舉行的兩次會議。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### Audit and Risk Management Committee

As at 31 December 2023, the Audit and Risk Management Committee comprises three independent non-executive Directors, two of whom possess the appropriate business and financial experience and skills to understand the accounts of the Group. The Audit and Risk Management Committee had been chaired by Mr. CHEUNG Kin Wing. The other members are Dr. WANG Qi and Dr. LIU Jing.

The written terms of reference which describes the authority and duties of the Audit and Risk Management Committee was prepared and adopted in accordance with the Listing Rules. The Audit and Risk Management Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's interim and annual results, to review the scope, extent and effectiveness of risk management and internal control systems of the Group, to review accounting policies and practices adopted by the Group, to engage independent legal or other advisers as it determines necessary and to perform investigations. SHINEWING (HK) CPA Limited will confirm its independence before accepting the engagement of non-audit services.

During the year, the Audit and Risk Management Committee has performed the following:

- met with the external auditor to discuss the general scope and findings of their annual audit and interim review work;
- reviewed and recommended to the Board for approval of the external auditor's remuneration;
- made recommendations to the Board on the reappointment of the external auditor;
- reviewed the external auditor's independence, objectivity and the effectiveness of the auditing process;
- reviewed the annual and interim reports and annual and interim results announcements of the Company;
- reviewed the effectiveness and the implementation of the Group's internal audit and risk management function;

### 審核及風險管理委員會

於二零二三年十二月三十一日，審核及風險管理委員會包括三位獨立非執行董事，他們其中二人具備了解財務報表所需的商業與財務技巧與經驗。審核及風險管理委員會的主席由張建榮先生擔任。其他成員為王琦博士和劉婧博士。

審核及風險管理委員會之書面職權範圍列明審核委員會之權力與職責，乃參照上市規則而編製和採納的。審核及風險管理委員會之職責，其中包括監察與外聘核數師的關係、審閱集團的中期業績與年度業績、檢討集團風險管理及內部控制系統的範疇、規限與有效性，審閱集團所採用的會計政策及慣例，在認為有需要時委聘獨立的法律或其他顧問，以及進行調查。信永中和(香港)會計師事務所有限公司將在接受非審計服務聘用前確認其獨立性。

在本年度內，審核及風險管理委員會進行了下列各項工作：

- 與外聘核數師討論其年度核數和中期審閱工作的一般範疇和結果；
- 檢討外聘核數師酬金並建議董事會予以批准；
- 就重新委任外聘核數師事宜，向董事會提出建議；
- 檢討外聘核數師的獨立性、客觀性和核數程序的有效性；
- 審閱本公司年度報告和中期報告以及年度和中期業績公告；
- 檢討本集團內部監控及風險管理的功能的有效性和履行；



## Corporate Governance Report (Continued)

### 企業管治報告(續)

- discussed auditing, internal control, risk management and financial reporting matters of the Company before recommending them to the Board for approval; and
- reviewed the connected transactions and continuing connected transactions entered into by the Group.

The Audit and Risk Management Committee has reviewed the annual report with the management and the external auditors and recommended its adoption by the Board.

In 2023, all issues raised by the external auditor and the Audit and Risk Management Committee have been addressed by the senior management of the Company. The work and findings of the Audit and Risk Management Committee have been reported to the Board. During the year, no issues were brought to the attention of the senior management of the Company and the Board of sufficient significance for disclosure in this annual report.

The Audit and Risk Management Committee held three meetings in 2023. Each of Mr. CHEUNG Kin Wing, Dr. WANG Qi and Dr. LIU Jing had attended all three meetings.

### Environmental, Social and Governance Committee

The Environmental, Social and Governance Committee held two meetings on or before 2 June 2023. During the meetings, Members of the Committee have reviewed the 2022 Environmental, Social and Governance Report and set up an Environmental, Social and Governance working group; and set targets for future air, greenhouse gas, and energy emissions.

- 就本公司審核、內部監控、風險管理制度和財務報告事項，於建議董事會予以批准前進行討論；及

- 審閱本集團訂立的關連交易和持續關連交易。

審核及風險管理委員會已與管理層和外部核數師審閱年度報告，並建議董事會將其採納。

於二零二三年，高級管理層已就外聘核數師和審核及風險管理委員會提出的所有問題作出回應。審核及風險管理委員會的工作和結果已經向董事會匯報。在本年度內，需要高級管理層和董事會注意的問題之重要性不足以在本年度報告內作出有關披露。

於二零二三年期間，審核及風險管理委員會召開三次會議。張建榮先生、王琦博士和劉婧博士均參加了這三次會議。

### 環境、社會及管治委員會

二零二三年六月二日及之前，環境、社會及管治委員會召開二次會議。會議期間，本委員會成員已審閱二零二二年的環境、社會及管治報告，並成立了環境、社會及管治工作小組；及設立了未來空氣、溫室氣體、及能源等的排放目標。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### Directors' responsibilities for financial statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company, and for ensuring that the financial statements are prepared in accordance with applicable statutory requirements and accounting standards.

A statement from the auditor of the Company about their reporting responsibilities on the financial statements of the Group for the year ended 31 December 2023, is set out on pages 72 to 74 of the annual report.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

### Internal control and risk management

The Board is responsible for making appropriate assertions on the adequacy and the effectiveness of the risk management and internal control systems and procedures and to resolve material internal control defects. The Board together with the senior management of the Group are jointly responsible for maintaining a sound and effective system of internal control of the Group so as to ensure the effectiveness and efficiency of operations of the Group in achieving the established corporate objectives, safeguarding assets of the Group, rendering reliable financial reporting and complying with the applicable laws and regulations.

During the year under review, the management of the Group, through its daily management activities, gathers information on the Group's business, receives reports from the internal control function of the Group, and analyses feedback from frontline and back office staff to identify risks in the Group's business, operation, financial conditions and future expansion plans. Significant risks that are identified are presented to the Audit and Risk Management Committee of the Board on an ongoing basis.

The Audit and Risk Management Committee of the Board is responsible for reviewing reports and proposals submitted. The Audit and Risk Management Committee will consider such risks and recommend to the Board measures that should be taken to address them. Where appropriate, management of the Group will assist the Audit and Risk Management Committee in submitting proposals to the Board to address risks faced by the Group.

### 董事對財務報表的責任

董事知悉須負責編製本公司財務報表，確保財務報表遵照適用的法定要求及會計準則編製。

本公司核數師就其對本集團截至二零二三年十二月三十一日止年度綜合財務報表的申報責任所做的聲明載於本年度報告第72至74頁。

並無若干事項或情況之重大不明朗因素可能對本公司持續經營的能力產生重大疑問。

### 內部監控及風險管理

董事會負責對風險管理及內部監控系統及程序是否充分及有效作出適當的聲明，並透過轄下的審核及風險管理委員會定期檢討該等制度是否有效以及解決嚴重內部監控缺失。董事會與集團的高級管理層對維持一套屬於本集團的、穩健妥善而且有效的內部監控制度有著共同的責任，而該系統確保本集團能有效地以高效率營運，藉以達成企業目標、保障本集團資產、提供可靠的財務申報以及遵守適用的法律及規例。

於回顧年度內，集團的管理層透過其日常管理職能、從集團內部監控功能所獲得的報告、以及從前線及後勤僱員所獲得有關集團的業務、營運、財務狀況及未來發展的信息作出分析，並持續地將識別出的重大風險向董事會轄下的審核及風險管理委員會匯報。

審核及風險管理委員會負責審閱其收到的報告及建議，並會對此等風險作出評估及向董事會建議應採取的措施。在適當的情況下，集團的管理層亦會協助審核及風險管理委員會就集團所面對的風險而應採取的應對措施向董事會提供建議。

## Corporate Governance Report (Continued)

### 企業管治報告(續)

Based on the risks identified by the Group's management and the Group's internal control function, the Audit and Risk Management Committee will also regularly review and report to the Board as to whether the risk management and internal control systems of the Group are effective, whether there are adequate resources (including budgetary support for the Group's accounting, internal audit and financial reporting functions, staff with adequate qualification and experience) for the implementation of the Group's risk management and internal control systems, and whether measures are in place to ensure that the staff are suitably trained for this purpose. The Directors will then collectively decide on what actions should be taken.

During the year under review, the Board has reviewed the effectiveness of the risk management and internal control systems of the Group covering all material controls such as financial, operational and compliance controls, and the Board considers that these systems and controls are well established to suit the Group's needs and are effective and adequate.

The Directors recognise that the Group's risk management and control systems are designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

#### Handling and disclosure of inside information

With respect to procedures and internal controls for the handling and dissemination of inside information (as defined under the Listing Rules), the Company is fully aware of its obligations under Chapter 13 of the Listing Rules and the Securities and Futures Ordinance. The Board reviews from time to time its internal guidelines on inside information or potentially price sensitive information with reference to its own and industry circumstances and also makes reference to the "Guide on Disclosure of Inside Information" issued by the Securities and Futures Commission in considering its obligations to make a disclosure. The Company's policy strictly prohibits unauthorised use or dissemination of confidential or inside information and has established and implemented procedures for responding to external enquiries about the Group's affairs, including the provision of an email address for external enquiries. The Company Secretary also regularly sends out reminders to the Directors, senior management and employees reminding them of their obligations with respect to inside information under the relevant statutory provisions and the Listing Rules.

以集團管理層以及內部審核功能所識別的風險作為基礎，審核及風險管理委員會亦會定期檢討並向董事會匯報內部審核功能是否有效、提供予內部監控功能以及實行風險管理及內部監控系統及程序的資源(包括本集團在會計、內部監控及財務匯報功能的預算安排、適當資歷及經驗的僱員的數量)是否足夠、以及評估現行僱員是否有接受適當的培訓以履行其職責。其後，董事們將共同決定應採取何種行動。

於回顧年度內，董事會已完成檢討集團的風險管理及內部監控系統，包括所有重要的監控方面例如財務監控、運作監控及合規監控，董事會在檢討後認為該等系統以及內部監控是行之有效，符合集團需要，並且是有效和足夠的。

董事承認集團的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，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。

#### 內幕消息的處理及發佈

在處理及發佈內幕消息(其定義與上市規則下的定義相同)的程序及內部監控方面，本公司完全瞭解其於上市規則第十三章以及《證券及期貨條例》下的責任。董事會不時參考自身與行業狀況以及證監會頒佈的《內幕消息披露指引》，檢討關於內幕消息或可能屬於股價敏感性質資料的內部指引。本公司的政策嚴禁未經授權使用或傳播機密或內幕消息，並已設立與實施有關外界對本集團事務進行查詢的回應程序，包括提供電子郵箱以作外部查詢。本公司的公司秘書亦會定期向公司的董事、高級管理層以及僱員作出提示，以提醒他們在相關法律條文以及上市規則下對內幕消息的相關要求。

## Corporate Governance Report (Continued)

### 企業管治報告(續)

All media communication activities are restricted to persons appointed by the Board for the role in order to protect the interests of the Company and keep inside information strictly confidential prior to its disclosure.

董事會規定只能由董事會特別委任的人士參與與媒體的溝通活動，以保障本公司利益以及確保內幕消息披露前絕對保密。

### Investor Relations and Communication with Shareholders

The Company establishes different communication channels with shareholders and investors: (i) dispatching printed copies of corporate communication documents to shareholders; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) latest and key information of the Group is available on the website of the Company; (iv) press conference and briefing meetings with investors, shareholders and analysts may be set up from time to time to provide updated information about the Group, and; (v) the Company's registrars serve the shareholders in respect of all share registration matters. The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. The Chairman of the Board as well as the Chairmen and/or other members of the Audit and Risk Management Committee and the Remuneration Committee will normally attend the annual general meetings and other shareholders' meetings of the Company to answer questions raised.

The Company convened shareholders' general meeting in 2023, this being the Annual General Meeting (the "AGM") for the year 2022, which was held on 2 June 2023, reviewed and approved a number of resolutions such as the financial statements for the year 2022, Report of Directors, appointment and remuneration of auditors of the Company, and the adoption of the second amended and restated memorandum and articles of association of the Company. All the serving Directors then, namely Mr. CHEN Qiyuan, Mr. CHEN Zheng He, Mr. WONG Sin Yung, Mr. CHEUNG Kin Wing, Dr. WANG Qi and Dr. LIU Jing had attended the AGM.

The Company has conducted a review of the implementation and effectiveness of its policies on investor relations and communication with shareholders. Having considered the multiple channels of communication and shareholder engagement in place, and the feedback that it has received, it is satisfied that the policies that are in place for investor relations and communication with shareholders have been properly implemented and is effective during the year under review.

### 投資者關係及股東通訊

本公司與股東及投資者建立不同的通訊途徑：(i)送遞公司通訊文件之印刷本予股東；(ii)股東可於股東週年大會上發表建議及與董事交換意見；(iii)本公司網頁載有集團之最新及重要資訊；(iv)本公司不時召開新聞發佈會，及投資者、股東和分析員簡佈會以提供本集團最新資料，及(v)本公司之股份過戶處就股份登記事宜為股東提供服務。董事會歡迎股東提出意見，並鼓勵彼等出席股東大會以直接就其對董事會或管理層的任何存疑作出提問。董事會主席及審核及風險管理委員會及薪酬委員會的主席及／或其他成員一般會出席本公司股東週年大會及其他股東大會，解答股東的提問。

本公司於二零二三年召開一次股東大會，為二零二二年股東週年大會（「股東週年大會」），其於二零二三年六月二日召開，審議通過了二零二二年財務報告、董事報告書、核數師聘任及酬金等多項議案，以及採納第二份經修訂及重述之組織章程大綱及細則。所有當時在任董事，即陳啟源先生、陳正鶴先生、黃善榕先生、張建榮先生、王琦博士及劉婧博士均有出席股東週年大會。

本公司就投資者關係和與股東的溝通的執行情況和有效性進行了檢討。考慮到溝通的多種渠道及股東參與以及收到的反饋，本公司對投資者關係和股東溝通機制得到適當實施並於回顧年度內有效而感到滿意。

## Corporate Governance Report (Continued)

### 企業管治報告(續)

#### Company Secretary

The company secretary is Mr. WONG Sin Yung, an associate member of Hong Kong Institute of Certified Public Accountants. Mr. WONG is also our executive Director and Chief Financial Officer. He assists the Board by ensuring good information flow within the Board and that the policy and procedures of the Board are followed.

In compliance with Rule 3.29 of the Listing Rules, Mr. WONG has received no less than 15 hours of relevant professional training during the year ended 31 December 2023.

#### Shareholders' Rights

Pursuant to the articles of association of the Company (the “Articles”), shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings may request the Company to convene an extraordinary general meeting by sending a written requisition to the Board or the Company Secretary.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board.

Contact details are as follows:

Address: Suite B, 12/F Ritz Plaza,  
122 Austin Road,  
Tsimshatsui, Kowloon, Hong Kong  
(For the attention of Mr. WONG Sin Yung,  
Company Secretary)

Fax: +852 3118 6161

Email: IR@1338.hk

#### 公司秘書

公司秘書黃善榕先生是香港會計師公會之會員。黃先生亦為本公司之執行董事兼首席財務官。他協助董事會以確保董事會內信息得以傳遞，以及董事會的政策及程序得到遵守。

為遵守上市規則第3.29條規定，黃先生於截至二零二三年十二月三十一日止年度內參加了不少於15小時的相關專業培訓。

#### 股東權利

根據本公司組織章程(「組織章程」)，持有不少於十分之一本公司附有股東大會投票權的繳足股本的股東可要求本公司召開股東特別大會，方法為向董事會或公司秘書發出書面要求。

股東可向本公司寄發書面查詢或建議以向董事會作出任何查詢。

聯絡詳情如下：

地址：香港九龍尖沙咀  
柯士甸道122號  
麗斯中心12樓B室  
(收件人為公司秘書  
黃善榕先生)

傳真：+852 3118 6161

電子郵件：IR@1338.hk

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### Constitutional Documents

The second amended and restated memorandum of association and articles of association of the Company was adopted by way of special resolution passed at the annual general meeting of the Company held on 2 June 2023 to, inter alia, comply with the Core Shareholder Protection Standards set out in Appendix A1 to the Listing Rules and make other housekeeping amendments. Other than the above, there was no other significant change in the Company's constitutional documents for the year ended 31 December 2023.

### Auditors' Remuneration

The remunerations paid/(payable) to the Company's independent external auditor, SHINEWING (HK) CPA Limited, for the year ended 31 December 2023 in relation to audit services and non-audit services (including the review of the Company's interim results announcement and interim report for the year 2023, respectively) were approximately RMB939,000 and RMB224,000, respectively.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE ASPECTS

The Group is always committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. A report on the environmental, social and governance aspects is being prepared with reference to Appendix C2 (Environmental, Social and Governance Reporting Guide) to the Listing Rules on the Stock Exchange and will be published respectively on the websites of the Company ([www.bawang.com.cn](http://www.bawang.com.cn)) and the Stock Exchange in due course.

### 組織章程文件

本公司於二零二三年六月二日舉行的年度股東大會上以特別決議方式通過組織章程，以符合《上市規則》附錄A1所載的核心股東保障標準，並作出其他內務修訂。除上述事項外，截至二零二三年十二月三十一日止年度，本公司章程文件並無其他重大變動。

### 核數師薪酬

截至二零二三年十二月三十一日止年度，本公司已付／(應付)外聘獨立核數信永中和(香港)會計師事務所有限公司所有關核數服務及非核數服務(包括分別審閱本公司二零二三年度中期業績公告及中期報告)的薪酬分別約為人民幣939,000元和人民幣224,000元。

### 環境、社會及管治方面

本集團一直致力維持最高環保及社會標準，確保業務可持續發展。有關環境、社會及管治方面的報告乃根據聯交所上市規則附錄C2(環境、社會及管治報告指引)編製，並將分別適時於本公司網站([www.bawang.com.cn](http://www.bawang.com.cn))及聯交所網站刊載。

# Report of the Directors

## 董事會報告

The Directors submit this Report of Directors together with the audited consolidated financial statements for the year ended 31 December 2023.

### Principal Activities

The principal activities of the Group are the designing, manufacturing, trading and distribution of Chinese herbal products, including shampoo products, hair-care products, skin-care products, and household cleaning products. The principal activities and other particulars of the subsidiaries are set out on pages 166 to 167 of this annual report.

### Business Review

A fair review of the business of the Group, together with a description of the principal risks and uncertainties facing the Company, particulars of important events affecting the Group that had occurred since the end of the financial year 2023, as well as indication of likely future developments in the business of the Group are set out in the sections “Business Review” on pages 11 to 15, “Key Risks and Uncertainties” on pages 15 to 16, “Environmental Protection” on page 16, “Business Compliance” on page 17, “Relationship with Employees, Customers and Suppliers” on page 17, and “Outlook” on pages 21 to 27 of this report respectively. An analysis of the Group’s revenue among the different operating segments is set out in the sections “Revenue and Segment Information” on pages 126 to 130 and “Five Year Financial Summary” on page 168 in this report.

### Dividends

Following a review of the operating results of the Group, the Board does not recommend the payment of any final dividends in respect of the year ended 31 December 2023.

### Results and Appropriations

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and other comprehensive income on page 75 of this annual report.

董事呈列董事會報告，連同截至二零二三年十二月三十一日止年度的經審核綜合財務報表。

### 主要業務

本集團之主要業務是設計、製造、銷售中草藥產品，包括洗髮產品、護髮產品、護膚產品以及家庭清潔產品。各附屬公司之主要業務及其他詳情載列於本年度報告第166至167頁。

### 業務回顧

本集團中肯業務回顧，連同本公司所面對主要風險及不明朗因素之描述、自二零二三年財政年度終結後發生並對本集團有影響之重大事項以及本集團業務日後可能出現之發展，分別載於本年報第11至15頁之「業務回顧」、第15至16頁之「主要風險及不明朗因素」、第16頁之「環境保護」、第17頁之「業務合規」、第17頁之「與僱員、僱客和供應商的關係」、及第21至27頁之「展望」內。基於本集團不同營業分部的營業額所作出之分析載於本年報第126至130頁之「營業及分部資料」及第168頁之「五年財務概要」內。

### 派息

根據本集團經營業績的回顧，董事會不建議派發關於截至二零二三年十二月三十一日止年度的任何末期股息。

### 業績及分配

本年度截至二零二三年十二月三十一日止年度之集團業績載於本年度報告第75頁之綜合損益及其他全面收益表內。

## Report of the Directors (Continued)

### 董事會報告(續)

#### Reserves

Details of the movements in the reserves of the Group and the Company during the financial year 2023 are set out on pages 78 and 160 of this annual report respectively.

#### Major Customers and Suppliers

During the year ended 31 December 2023, sales made to the Group's five largest customers and the largest customer accounted for approximately 13.17% and 5.25%, respectively of the total sales of the Group. The Group purchased approximately 41.74% and 14.18%, respectively of its goods and services from its five largest suppliers and the largest supplier.

None of the Directors, their close associates or any shareholders (which to the knowledge of the Directors) owning more than 5% of the Company's share capital had an interest in any of the Group's five largest customers and suppliers.

#### Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 168 of this annual report.

#### Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

#### 儲備

有關本集團及本公司於二零二三年財政年度的儲備變動，詳情分別載於本年度報告第78及160頁。

#### 主要客戶及供應商

截至二零二三年十二月三十一日止年度，本集團向五大客戶及最大客戶銷售所得的銷售額分別佔本集團總銷售額約13.17%及5.25%。本集團向五大供應商及最大供應商採購的貨物及服務分別佔其採購的41.74%及14.18%。

概無任何本公司董事、緊密聯繫人士或據董事所知擁有本公司股本5%以上權益之任何股東於本集團任何五大客戶及供應商擁有權益。

#### 財務概要

本集團於最近五個財政年度之業績及資產與負債概要載於本年度報告第168頁。

#### 物業、廠房及設備

有關本集團物業、廠房及設備的變動，詳情載於綜合財務報表附註17。



## Report of the Directors (Continued)

### 董事會報告(續)

#### Share Capital and Share Options

Details of the movements in the share capital of and the share options granted by the Company are set forth in notes 28 and 29 to the consolidated financial statements.

#### Changes in Equity

Please refer to the consolidated statement of changes in equity as contained in the audited consolidated financial statements of the year (page 78 of this annual report).

#### Pre-emptive Rights

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

#### Principal Subsidiaries

Please refer to note 35 of the audited consolidated financial statements for details of the Company's principal subsidiaries at 31 December 2023.

#### Purchase, Sale or Redemption of the Company's Listed Securities

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

#### Equity-Linked Agreements

Save for the Share Option Scheme described below, the Group has not entered into any equity-linked agreements during the year.

#### 股本及購股權

有關本公司股本及已授出購股權的變動，詳情載於綜合財務報表附註28和29。

#### 權益變動

請參閱本年度經審核的綜合財務報表所刊載的綜合權益變動表(本年度報告第78頁)。

#### 優先購買權

本公司組織章程細則或本公司註冊成立地點開曼群島之法律均無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

#### 主要附屬公司

於二零二三年十二月三十一日，本公司的附屬公司的詳情分別刊載於本年度經審核的綜合財務報表附註35。

#### 購入、出售或贖回本公司之上市證券

於回顧年度內，本公司及其任何附屬公司並無購入、出售或贖回本公司之任何上市證券。

#### 股票掛鈎協議

除下文所述之購股權計劃外，本集團於年內並無訂立任何股票掛鈎協議。

## Report of the Directors (Continued)

### 董事會報告(續)

#### Tax Relief and Exemption

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

#### Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to issue of this annual report, the Company has maintained the prescribed public float with at least 25% of the Shares held by the public as required under the Listing Rules during the year ended 31 December 2023 and up to the date of this annual report.

#### Permitted Indemnity

Pursuant to the Articles, every Director shall be entitled to be indemnified out of assets of our Company against all losses or liabilities which he/she may sustain or incur about the execution of duties of his/her office or otherwise in relation thereto. Such permitted indemnity provision is currently in force and was in force throughout the financial year. For the year under review and as at the date of this report, the Company has arranged appropriate insurance cover in respect of legal actions against the directors of the Company.

#### Management Contracts

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

#### 稅項減免

就本公司所知，概無本公司股東因持有本公司證券而獲得任何稅務減免。

#### 足夠公眾持股量

按本公司可公開獲得之資料及就董事所知，於本報告刊發前之最後可行日期，本公司於截至二零二三年十二月三十一日止年度內及截至本年度報告發佈之日一直維持上市規則指定數額之公眾持股量不低於25%。

#### 獲准許的彌償

根據組織章程細則，每名董事就其執行職務或與此有關所蒙受的或招致的一切損失或負債，均有權自本公司資產中獲得彌償保證。該許可彌償條文目前已生效，並在整個財政年度生效。於回顧年度內及於本報告的日期，本公司已就本公司董事可能面對的法律行動作適當的投保安排。

#### 管理合約

年內概無訂立或存在任何有關管理及經營本公司全部或任何重大部份業務的合約。

## Report of the Directors (Continued)

### 董事會報告(續)

#### Directors

The Directors during the year were:

#### Executive Directors

CHEN Qiyuan (*Chairman*)

CHEN Zheng He (*Chief Executive Officer*)

WONG Sin Yung *CPA*

#### Independent non-executive Directors

CHEUNG Kin Wing *FCA, CPA*

Dr. WANG Qi *PhD*

Dr. LIU Jing *PhD*

#### Directors' Biographies and re-election of Directors

Details of the Directors' (for the year ended 31 December 2023) biographies have been set out on pages 62 to 66 of the annual report.

#### Directors' Service Contracts

Each of our executive Directors (other than Mr. CHEN Zheng He) has entered into a director's service agreement with the Company for a term of three years from 4 July 2015. Mr. CHEN Zheng He has entered into a director's service agreement with the Company for a term of three years from 20 October 2014. All these service agreements are automatically renewable upon expiration, unless terminated by not less than six months' written notice served by either party to the service agreement on the other or in accordance with the provisions set out in the relevant service agreement.

For the independent non-executive Directors, Mr. CHEUNG Kin Wing has entered into a letter of appointment with the Company for a term of three years from 13 November 2023. Dr. WANG Qi has entered into a letter of appointment with the Company for a term of three years from 17 April 2021. Dr. LIU Jing has entered into a letter of appointment with the Company for a term of three years from 27 May 2022.

None of the Directors of the Company has entered into any service contract with the Company which cannot be terminated by the Company within one year without payment of compensation, other than statutory compensation.

#### 董事

於本年度內之董事如下：

#### 執行董事

陳啟源(主席)

陳正鶴(首席執行官)

黃善榕 *CPA*

#### 獨立非執行董事

張建榮 *FCA, CPA*

王琦博士 *PhD*

劉婧博士 *PhD*

#### 董事之履歷詳情、退任及董事重選

本公司董事截至二零二三年十二月三十一日年年底之履歷詳情載於本年度報告第62至66頁。

#### 董事服務合約

各執行董事(陳正鶴先生除外)已與本公司訂立董事服務協議，由二零一五年七月四日起，為期三年。陳正鶴先生已與本公司訂立董事服務協議，由二零一四年十月二十日起，為期三年。這些協議期屆滿後自動重續，直至協議任何一方發出不於六個月之書面通知或根據相關服務協議所載條文予以終止為止。

對於獨立非執行董事而言，張建榮先生已與本公司簽訂委任函，由二零二三年十一月十三日起，為期三年。王琦博士已與本公司簽訂委任函，由二零二一年四月十七日起，為期三年。劉婧博士已與本公司簽訂委任函，由二零二二年五月二十七日起，為期三年。

概無任何董事與公司簽訂任何服務協議而根據該服務協議公司不能在不付賠償金的情況下(法定賠償金除外)於一年內終止該協議。

## Report of the Directors (Continued)

### 董事會報告(續)

#### Directors' Emoluments

The emoluments for the Directors are determined with reference to salaries paid by comparable companies, experience, responsibilities and performance of the Group. The Directors may be benefited from fees, salaries, housing allowances, other allowances, benefits in kind or bonuses in accordance with their respective service contracts.

#### Confirmation of Independence

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

#### Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As of 31 December 2023, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into the register that was required to be kept by the Company pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

#### 董事酬金

董事酬金乃參考可比公司支付的薪金、其經驗、職責及其在本集團的表現而釐定。董事可按照其各自的服務合約受益於袍金、薪金、住房津貼、其他津貼、實物利益或花紅。

#### 獨立性之確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書，並認為全體獨立非執行董事均為獨立。

#### 董事及最高行政人員於本公司及其相聯法團的股份、相關股份或債權證中擁有的權益及淡倉

於二零二三年十二月三十一日，董事及本公司行政人員於本公司及其相聯法團（按香港法例第571章證券及期貨條例（「證券及期貨條例」）條例第XV部的涵義的股份、相關股份或債券證中，擁有(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉（包括彼等根據上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），或(b)根據證券及期貨條例第352條規定須登記於需存置的登記冊內的權益及淡倉，或(c)根據標準守則規定須知會本公司及香港聯交所如下：

## Report of the Directors (Continued)

### 董事會報告(續)

#### Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company

#### 董事及最高行政人員於本公司股份、相關股份及債權證中擁有的權益及淡倉

Name of director/ chief executive 董事/最高行政人員 名稱	Long/short position in ordinary shares 普通股中之好/淡倉	Nature of interest 權益性質	Number of ordinary shares/ underlying ordinary shares of the Company held 持有公司 的普通股及 相關普通股 股份數目	Approximate percentage of issued share capital of the Company 於公司 已發行 股本中之 權益百分比 (約數)
CHEN Qiyuan (Note 1) 陳啟源(附註1)	Long 好倉	Interest in controlled corporation 所控制法團權益	1,900,840,000	60.12%
CHEN Zheng He (Note 2) 陳正鶴(附註2)	Long 好倉	Interest in controlled corporation 所控制法團權益	1,900,840,000	60.12%
WONG Sin Yung 黃善榕	Long 好倉	Beneficial owner 實益擁有人	2,100,000	0.07%

Notes:

- CHEN Qiyuan was deemed to be interested in the 1,900,840,000 shares of the Company held by Fortune Station Ltd. ("**Fortune Station**") by virtue of CHEN Qiyuan holding 50.43% of the issued share capital of Fortune Station. The remaining 49.57% of the issued share capital of Fortune Station was held by Heroic Hour Limited ("**Heroic Hour**"). Heroic Hour's entire issued share capital is held by CHEN Zheng He as trustee for himself and on behalf of his six brothers and sisters. The beneficial interests of CHEN Qiyuan's five children under the age of 18, namely CHEN Li Zi, CHEN Zheng Sheng, CHEN Zheng Yan, CHEN Ya Shan and CHEN Bo Ling in Heroic Hour, representing 65.00% of the issued share capital of Heroic Hour, were also attributable to CHEN Qiyuan.
- CHEN Zheng He was deemed to be interested in the shares of Fortune Station held by Heroic Hour by virtue of him holding the entire issued share capital of Heroic Hour (as trustee for himself and his six brothers and sisters). Therefore CHEN Zheng He was deemed to be interested in the 1,900,840,000 shares of the Company held by Fortune Station.

附註：

- 憑藉陳啟源持有Fortune Station之50.43%之已發行股份，陳啟源被視為擁有Fortune Station Ltd. [Fortune Station] 所持有的1,900,840,000股公司股份的權益。Fortune Station的其餘49.57%已發行股本由Heroic Hour Limited ([Heroic Hour]) 持有，而陳正鶴作為受託人代彼及其六位弟妹持有Heroic Hour的全部已發行股本。由陳啟源18周歲以下的五位子女，即CHEN Li Zi、CHEN Zheng Sheng、陳正諺、陳雅善及Chen Bo Ling所實益持有的65.00% Heroic Hour已發行股本亦被視為歸屬於陳啟源。
- 憑藉陳正鶴作為受託人代彼及其六位弟妹持有Heroic Hour的全部已發行股本而被視為於Heroic Hour在Fortune Station的權益中擁有權益。因此陳正鶴被視為擁有Fortune Station所持有的1,900,840,000股公司股份的權益。

## Report of the Directors (Continued)

### 董事會報告(續)

#### Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of associated corporations

#### 董事及最高行政人員於相聯法團的股份、相關股份及債權證中之權益及淡倉

Name of director/ chief executive 董事/最高行政人員 名稱	Name of associated corporation 相聯法團名稱	Nature of interest 權益性質	Long/short position 好/淡倉	Number of ordinary shares held 持有的 普通股 股份數目	Approximate percentage of interest in associated corporation 於相聯法團中 之權益百分比
CHEN Qiyuan (Note 1) 陳啟源(附註1)	Fortune Station	Beneficial owner 實益擁有人	Long 好倉	20,000	50.43%
		Interest of children under the age of 18 未滿18歲子女之權益	Long 好倉	12,777	32.22%
		Other 其他	Long 好倉	6,880	17.35%
CHEN Zheng He (Note 2) 陳正鶴(附註2)	Fortune Station	Interest in controlled corporation 所控制法團權益	Long 好倉	19,657	49.57%

Notes:

- CHEN Qiyuan was the beneficial owner of approximately 50.43% of the issued share capital of Fortune Station. The beneficial interests of CHEN Qiyuan's five children under the age of 18 in Heroic Hour, representing 65.00% of the issued share capital of Heroic Hour, were also attributable to CHEN Qiyuan. Heroic Hour held approximately 49.57% of the issued share capital of Fortune Station.
- CHEN Zheng He was deemed to be interested in the interests of Fortune Station held by Heroic Hour by virtue of him holding the entire issued share capital of Heroic Hour (as trustee for himself and his six brothers and sisters).

Other than as disclosed above, as at 31 December 2023, so far as known to any Director or chief executive of the Company, neither the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into in the register that was required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- 陳啟源為Fortune Station已發行股本的約50.43%實益擁有人。由陳啟源18周歲以下的五位子女所實益持有的65.00% Heroic Hour已發行股本亦被視為歸屬於陳啟源。Heroic Hour持有Fortune Station已發行股本的約49.57%。
- 憑藉陳正鶴作為受託人代彼及其六位弟妹持有Heroic Hour之全部已發行股本而被視為於Heroic Hour在Fortune Station的權益中擁有權益。

除上述披露的人員之外，於二零二三年十二月三十一日，就目前本公司的任何董事及最高行政人員所知，無論是本公司董事或者是最高行政人員，都沒有擁有本公司及其相聯法團(按證券及期貨條例第XV部的涵義)的股份、相關股份或債權證中，(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉(包括彼等更具上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉)，或(b)根據證券及期貨條例第352條規定須登記於需存置的登記冊內，或(c)根據標準守則規定須知會本公司及聯交所。

## Report of the Directors (Continued)

### 董事會報告(續)

#### Interests and Short Positions of Substantial Shareholders of the Company

#### 本公司主要股東的權益及淡倉

As of 31 December 2023, so far as known to any Director or chief executive of the Company, shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register that was required to be kept pursuant to Section 336 of the SFO were as follows:

據本公司任何董事或最高行政人員所知，於二零二三年十二月三十一日，股東（除本公司董事或最高行政人員外）於股份或相關股份中擁有根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉如下：

Name of shareholder	Nature of interest	Number of ordinary shares of the Company held	Approximate percentage of issued share capital of the Company
股東名稱	權益性質	持有的公司普通股股份數目	於公司已發行股本中之權益百分比(約數)
Fortune Station	Beneficial owner 實益擁有人	1,900,840,000 (L)	60.12%
Heroic Hour	Interest in controlled corporation (Note 1) 所控制法團權益(附註1)	942,199,659 (L)	29.80%
WAN Yuhua (Note 2) 萬玉華(附註2)	Interest of children under the age of 18 未滿18歲的子女之權益	612,429,778 (L)	19.36%
CHEN Cynthia Yuping (Note 3) 陳鈺坪(附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303 (L)	3.87%
	Other 其他	1,778,373,697 (L)	56.25%
CHEN Li Zi (Note 3) CHEN Li Zi (附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303 (L)	3.87%
	Other 其他	1,778,373,697 (L)	56.25%
CHEN Zheng Sheng (Note 3) CHEN Zheng Sheng (附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303 (L)	3.87%
	Other 其他	1,778,373,697 (L)	56.25%

## Report of the Directors (Continued)

### 董事會報告(續)

Name of shareholder	Nature of interest	Number of ordinary shares of the Company held	Approximate percentage of issued share capital of the Company
股東名稱	權益性質	持有的公司普通股股份數目	於公司已發行股本中之權益百分比(約數)
CHEN Zheng Yan (Note 3) 陳正諺(附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303 (L)	3.87%
	Other 其他	1,778,373,697 (L)	56.25%
CHEN Ya Shan (Note 3) 陳雅善(附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303 (L)	3.87%
	Other 其他	1,778,373,697 (L)	56.25%
CHEN Bo Ling (Note 3) CHEN Bo Ling(附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303 (L)	3.87%
	Other 其他	1,778,373,697 (L)	56.25%

(L)—Long Position

(L)—好倉

Notes:

1. Heroic Hour was the beneficial owner of approximately 49.57% of the issued share capital of Fortune Station and was deemed to be interested in the shares of the Company held by Fortune Station.
2. The beneficial interests of WAN Yuhua's five children under the age of 18, namely CHEN Li Zi, CHEN Zheng Sheng, CHEN Zheng Yan, CHEN Ya Shan and CHEN Bo Ling in Heroic Hour, representing 65.00% of the issued share capital of Heroic Hour, were also attributable to WAN Yuhua.
3. The interests of CHEN Cynthia Yuping, CHEN Li Zi, CHEN Zheng Sheng, CHEN Zheng Yan, CHEN Ya Shan and CHEN Bo Ling were held as beneficiaries under a trust, which held 100% of the issued share capital of Heroic Hour.

附註：

1. 憑藉Heroic Hour為Fortune Station已發行股本的約49.57%實益擁有人，Heroic Hour被視為於Fortune Station持有的公司股份中擁有權益。
2. 由萬玉華18周歲以下的五位子女，即CHEN Li Zi、CHEN Zheng Sheng、陳正諺、陳雅善及CHEN Bo Ling所實益持有的65.00% Heroic Hour已發行股本亦被視為歸屬於萬玉華。
3. 憑藉陳鈺坪、CHEN Li Zi、CHEN Zheng Sheng、陳正諺、陳雅善和CHEN Bo Ling為同一信託下的受益人，此信託持有Heroic Hour全部已發行股本。

Other than as disclosed above, as of 31 December 2023, the Company has not notified by any person (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

於二零二三年十二月三十一日，除上文所披露人士之外，本公司未接到通知有任何人士(除本公司董事或最高行政人員外)於股份或相關股份中擁有根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉。



## Report of the Directors (Continued)

### 董事會報告(續)

#### Share Option Scheme

The Company currently has in place a share option scheme, the purpose of which is to give the Directors, senior management and employees of the Group an opportunity to have a personal stake in the Company and help motivate its employees to optimise their performance and efficiency, and also to retain employees whose contributions are important to the long-term growth and profitability of the Group.

The current scheme was adopted on 29 May 2020 (the “**2020 Share Option Scheme**”), which replaced the previous share option scheme that expired on 19 May 2019. Unless otherwise cancelled or amended, the 2020 Share Option Scheme would remain in force for 10 years from the date of it becoming unconditional. All conditions for the adoption of the 2020 Share Option Scheme have been fulfilled on 2 June 2020.

The eligible participants of the 2020 Share Option Scheme may include, among others, directors, employees, consultants, professionals, customers, suppliers, agents, business or joint venture partners, advisors and contractors of the Group or a company in which the Group holds an interest or a subsidiary of such company.

The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company, must not, in aggregate, exceed 30.0% (or such other percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time. The maximum number of Shares issuable to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1.0% of the Shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval at a general meeting.

The total number of shares in respect of which options may be granted under the 2020 Share Option Scheme shall be 316,244,072 shares, representing 10.0% of the issued share capital of the Company as at the date of this annual report. As at 1 January and 31 December of the year under review, 316,244,072 options may be granted under the 2020 Share Option Scheme.

#### 購股權計劃

本公司現已採納了一項股權激勵計劃，目的在於為公司董事、高級管理人員和僱員提供一個擁有公司股票的機會，以激勵他們表現得更好及更有效率，並以此挽留那些為本集團的長遠增長及盈利能力做出重大貢獻的僱員。

公司現有的購股權計劃(「**二零二零年購股權計劃**」)，取代之前的於二零一九年五月十九日到期的購股權計劃。除非另行取消或修訂，二零二零年的購股權計劃仍將保留自無條件生效之日起十年內有效。所有採用二零二零年購股權計劃的條件已經於二零二零年六月二日完成。

二零二零年購股權計劃項下的合資格參與者其中包括本集團或本集團擁有權益的公司或該公司子公司的董事、僱員、顧問、專家、客戶、供應商、商業夥伴或合資公司夥伴、諮詢人或承包商。

因行使根據購股權計劃及本公司任何其他計劃授出而尚未行使的所有購股權而發行的股份總數，不能超過本公司已發行總股份的30.0%(或根據上市規則可獲准的其他百分比)。購股權計劃的每個合資格參與者在任何十二個月期間內發行股份的最大數目不得超過在任何時間本公司已發行總股份的1.0%。任何授出的購股權超過此限額的須經股東在股東大會上批准。

二零二零年購股權計劃或可授予的股份總額為316,244,072股，佔公司截止本年度報告之日已發行股本的10.0%。於回顧年度的一月一日以及十二月三十一日，二零二零年購股權計劃下有316,244,072購股權可被授出。

## Report of the Directors (Continued)

### 董事會報告(續)

Share options granted to a connected person (or its associates) of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance at a general meeting.

The offer of a grant of share options may be accepted, upon payment of an option price to be determined by the Board from time to time. The exercise period of the share options granted is determinable by the Board, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of grant of the share options.

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the 2020 Share Option Scheme.

The exercise price of share options is determinable by the Board, but shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

An offer of a grant of share options shall be deemed to have been accepted and a share option to which the offer relates shall be deemed to have been granted and accepted and to have taken effect when the Company, within 21 days from the date on which a share option is offered to an eligible participant, receives the duly signed offer letter from the grantee together with the number of shares in respect of which the offer is accepted clearly stated therein and a non-refundable payment of HK\$1.00 (or such other sum in any currency as the Board may determine) in favour of the Company as consideration for the grant of share option thereof.

Since the effective date of the 2020 Share Option Scheme and up to 31 December 2023, no share option was outstanding under the 2020 Share Option Scheme, and there was no share option granted, exercised, cancelled or lapsed under the 2020 Share Option Scheme since its effective date and up to the year ended 31 December 2023.

授予本公司之關連人士(或其聯繫人)或彼等之任何聯繫人之購股權,須事先獲得獨立非執行董事批准。此外,在任何十二個月期間,任何授予本公司主要股東或獨立非執行董事,或彼等之任何聯繫人之購股權超過本公司已發行股份之0.1%的,以及其總價值(以本公司授出之日之股票價格為基礎計算)超過港元5百萬的,須經股東在股東大會上事先批准。

經董事會釐定不時支付之購股權價格後,授出購股權之要約方可被接受。授出購股權的行使期由董事會釐定,並經過一定的行權等待期間開始,但結束日期不能超過授出購股權之日起10年。

二零二零年購股權計劃的條款並無一般的規定,要求承授人須最少持有購股權的指定時間,或須達致若干表現目標,方可行使購股權。

購股權之行使價由董事會釐定,但應至少是以下價格之最高者(i)為要約日(必須是一個營業日)當天聯交所每日報價表所列股份之收市價;(ii)要約日前五個營業日聯交所每日報價表所列股份之收市價的平均值;及(iii)股份面值。

倘本公司在自向合資格參與者提呈授出購股權之日起21日內收訖承授人發出清楚列明接納要約所涉及股份數目的正式簽署要約函件,連同以本公司為抬頭人不可退還付款1.0港元(或董事會可能釐定以任何貨幣計算的有關其他金額)作為授出購股權之代價,則視為已接納要約,並視為要約所涉及之購股權已授出、獲得接納且已生效。

自二零二零年購股權計劃生效後和截至二零二三年十二月三十一日,二零二零年購股權計劃下並無尚未行使之購股權,而自二零二零年購股權計劃生效日起直至二零二三年十二月三十一日止年度概無購股權在購股權計劃下授出、行使、註銷或失效。

## Report of the Directors (Continued)

### 董事會報告(續)

#### Connected transactions and continuing connected transactions

During the year under review, the Group had no new connected transaction entered into or continuing connected transactions that were ongoing under Chapter 14A of the Listing Rules that were not fully exempt. In prior year, the Group had entered into the following connected transaction(s) in accordance with Chapter 14A of the Listing Rules that were not fully exempt under the Listing Rules, and which was supplemented to and amended during 2022.

##### 1. Lease Agreement for the Group's production facilities, office premises and staff dormitory

On 17 November 2020, 廣州霸王化妝品有限公司 (Guangzhou Bawang Cosmetics Co., Ltd.\*) (“**Guangzhou Bawang**”) as lessor and 霸王(廣州)有限公司 (Bawang Guangzhou Co., Ltd.\*) (“**Bawang Guangzhou**”) as lessee entered into a lease agreement (the “**2020 Lease Agreement**”) for the Group's production facilities, office premises and staff dormitory (“**Leased Premises**”), which are located at 468 Guanghua 3rd Road, Bawang Industrial Complex, Baiyun District. The 2020 Lease Agreement was for an original term from 1 December 2020 to 30 November 2021.

On 23 April 2021, Guangzhou Bawang as lessor and Bawang Guangzhou as lessee entered into a lease renewal agreement (“**2021 Lease Agreement**”) pursuant to which Guangzhou Bawang has agreed to lease to Bawang Guangzhou Leased Premises at a monthly rental of RMB1,090,000 for the period from 1 July 2021 to 30 June 2024 and RMB1,240,000 for the period from 1 July 2024 to 30 June 2026 for a fixed term of five years, which is exclusive of management fees and other outgoings.

#### 關連交易及持續關連交易

於回顧年度內，本集團並無新簽署任何在上市規則第十四A章下未獲全面豁免的關連交易或持續有效的持續性關連交易。於以前年度，本集團已簽署如下在上市規則第十四A章下未獲全面豁免的關連交易，且於2022年年度內獲修訂並補充。

##### 1. 本集團的生產廠房、辦公場所以及僱員宿舍的租賃協議

於二零二零年十一月十七日，廣州霸王化妝品有限公司(「Guangzhou Bawang Cosmetics Co., Ltd.」)(「廣州霸王」)作為出租人，與霸王(廣州)有限公司(Bawang Guangzhou Co., Ltd.)(「霸王廣州」)作為承租人，就本集團的生產廠房、辦公場所以及僱員宿舍(「承租物業」)簽訂一份租賃協議(「二零二零年租賃協議」)，該承租物業位於中國廣州市白雲區廣花三路468號霸王工業園。二零二零年租賃協議的原期限為二零二零年十二月一日至二零二一年十一月三十日。

於二零二一年四月二十三日，廣州霸王作為出租人與霸王廣州作為承租人簽署了一份更新的租賃協議(「二零二一年租賃協議」)，根據這份協議，廣州霸王同意自二零二一年七月一日至二零二四年六月三十日期間每月租金為人民幣1,090,000元，及自二零二四年七月一日至二零二六年六月三十日期間每月租金為人民幣1,240,000元(不包括管理費用及其他雜費)，固定五年期限，出租承租物業給霸王廣州。

## Report of the Directors (Continued)

### 董事會報告(續)

On 1 September 2022, Bawang Guangzhou and Guangzhou Bawang entered into a supplemental lease agreement (the “**2022 Supplemental Lease Agreement**”) to reduce the area leased within the Leased Premises, which took effect from 1 September 2022, at a monthly rental of RMB829,542 for the period from 1 September 2022 to 30 June 2024 and RMB943,699 for the period from 1 July 2024 to 30 June 2026, which is exclusive of management fees and other outgoings.

In accordance with IFRS 16 (Leases), the premises leased under the 2021 Lease Agreement has been recognised by the Group as right-of-use assets with a book value of approximately RMB52,884,000 as at 1 July 2021. As such, the transactions contemplated under the 2021 Lease Agreement has been treated as an acquisition of right-of-use assets which constituted a discloseable and connected transaction of the Group under Chapter 14 and Chapter 14A of the Listing Rules. Details of the 2021 Lease Agreement had been disclosed in the Company’s circular dated 23 April 2021, and the 2021 Lease Agreement and the transactions contemplated thereunder had been approved by the independent shareholders in an extraordinary general meeting held on 4 June 2021. The 2021 Lease Agreement then superseded the 2020 Lease Agreement upon the 2021 Lease Agreement becoming effective on 1 July 2021.

As of 1 September 2022, being the effective date of the 2022 Supplemental Lease Agreement, the Leased Premises as a right-of-use asset had a book value of approximately RMB33,816,000, and the entering into of the 2022 Supplemental Lease Agreement constituted a variation to the terms of previously disclosed 2021 Lease Agreement pursuant to Rule 14.36 and the note to Rule 14A.35 of the Listing Rules. Details of the 2022 Supplemental Lease Agreement together with the implications under IFRS 16 (Leases) had been disclosed in the Company’s announcement dated 1 September 2022.

於二零二二年九月一日，霸王廣州和廣州霸王簽訂了補充租賃協議（「二零二二補充租賃協議」），減少在已有的租賃場所內的租賃面積，自二零二二年九月一日起生效；從二零二二年九月一日至二零二四年六月三十日期間月租金為人民幣829,542元，而從二零二四年七月一日至二零二六年六月三十日期間月租金為人民幣943,699元，有關租金不包括管理費用和其他雜費。

根據國際財務報告準則第16號(租賃)，二零二一年租賃協議項下的租賃場所為一項使用權資產，其於二零二一年七月一日的賬面價值約為人民幣52,884,000元。同樣地，二零二一年租賃協議項下擬進行的交易將被視為本集團收購使用權資產，及根據上市規則第14及第14A章項下構成本公司的一項須予公佈及關連交易。二零二一年租賃協議已被披露於公司二零二一年四月二十三日的通函中，且二零二一年租賃協議及其項下擬進行的交易已被獨立股東在二零二一年六月四日的特別股東大會上獲批。二零二一年租賃協議隨後取代了二零二零年租賃協議，二零二一年租賃協議於二零二一年七月一日生效。

於二零二二年九月一日(即二零二二年補充租賃協議的生效日)租賃場所的使用權資產賬面價值約為人民幣33,816,000元，簽署二零二二年補充租賃協議根據上市規則第14.36條和第14A.35條之附註構成對已經披露的二零二一年租賃協議的修訂。二零二二年補充租賃協議的詳情連同按照國際財務報告準則第16號(租賃)帶來的財務影響已經披露在本公司於二零二二年九月一日的刊發的公告中。

## Report of the Directors (Continued)

### 董事會報告(續)

As Guangzhou Bawang is beneficially owned as to 20% by Mr. CHEN Zheng He, the chief executive officer and an executive director of the Company, and 80% by his six brothers and sisters (who are children of Mr. CHEN Qiyuan) with Mr. CHEN Zheng He as the trustee, Guangzhou Bawang is an associate of Mr. CHEN Zheng He and a connected person of the Company pursuant to Rule 14A.12 of the Listing Rules.

For the year ended 31 December 2023, the lease payments were paid by BaWang Guangzhou to Guangzhou Bawang pursuant to the 2021 Lease Agreement (as amended by the 2022 Supplemental Lease Agreement) approximately RMB9.5 million.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transactions. The Company further confirms that the related party transactions that are set out in Note 32 under the section headed “Notes to the Consolidated Financial Statements” in this annual report fall within the definition of connected transactions under Chapter 14A of the Listing Rules, and these transactions complied with the relevant connected transaction requirements thereunder.

#### Directors’ and Controlling Shareholders’ interests in contracts of significance

Other than as disclosed under the heading “Connected transactions and continuing connected transactions” in this annual report, no Director or controlling shareholder, or an entity connected with a Director or a controlling shareholder has or had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party which was subsisting during or at the end of the 2023 financial year.

#### Directors’ and Controlling Shareholders’ interest in competing business

As at 31 December 2023, none of the Directors and their respective associates (as defined in the Listing Rules) or the controlling shareholders (as defined in the Listing Rules) of the Company had any interest in a business, which competes or may compete with the business of the Group.

因廣州霸王由本公司的首席執行官及執行董事陳正鶴先生實益擁有20%的股份，而陳正鶴先生亦以受託人身份代他的六位弟妹（「他們是陳啟源先生的孩子」）持有80%的股份，廣州霸王根據上市規則第14A.12條為陳正鶴先生的聯繫人及本公司的關連人士。

截至二零二三年十二月三十一日止年度，根據二零二一年租賃協議（經二零二二年補充租賃協議修訂），霸王廣州已支付廣州霸王的租金約人民幣9.5百萬元。

本公司確認上述關連交易及持續關連交易已符合上市規則第十四A章的披露規定。本公司進一步確認，本年報中「綜合財務報表附註」一節中附註32中所述的關聯方交易符合上市規則第14A章中關連交易定義，且有關交易符合其在相關關連交易規則下的相關要求。

#### 董事及控股股東之重大合約權益

除於本年度報告中「關連交易及持續關連交易」一段所披露者外，於二零二三年財政年度內或結束時仍然生效，而本公司、其控股公司或其任何附屬公司亦屬訂約方之一的重要交易、安排或合約中，無任何董事及控股股東，或與該董事及該控股股東有關聯的實體仍然或曾經於其中直接或者間接有重大權益。

#### 董事及控股股東於競爭業務的權益

於二零二三年十二月三十一日，董事及其各自的聯繫人（定義見上市規則）或本公司控股股東（定義見上市規則）概無在與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

## Report of the Directors (Continued)

### 董事會報告(續)

#### Retirement schemes

The Group participates in several defined contribution retirement plans which cover the Group's eligible employees in the PRC, and a Mandatory Provident Fund scheme for the employees in Hong Kong. Particulars of these retirement plans are set out in note 31 to the consolidated financial statements of this annual report. There was no forfeited contribution available to reduce the contribution payable by the Group under the above schemes.

#### Corporate governance

For the year ended 31 December 2023, the Directors are of the view that all the code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules were met by the Company.

#### Audit and Risk Management Committee

The Audit and Risk Management Committee has reviewed the annual results of the Group for the year ended 31 December 2023 with the management of the Company and the Company's independent auditors and recommended its adoption by the Board.

#### Auditors

SHINEWING (HK) CPA Limited will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**CHEN Qiyuan**

*Chairman*

Hong Kong, 28 March 2024

#### 退休計劃

本集團為本集團之合資格中國僱員參與多種定額供款退休計劃及為香港僱員參與強制性公積金計劃，該等退休計劃之詳情載於本年度報告綜合財務報表附註31。現並無已沒收的供款可用以削減本集團根據上述計劃應支付的供款。

#### 企業管治

董事認為，於二零二三年十二月三十一日止年度，本公司已遵守上市規則附錄C1所載的企業管治守則所列的原則。

#### 審核及風險管理委員會

審核及風險管理委員會已採納與企業管治守則相一致的職責範圍。審核及風險管理委員會已與公司管理層及公司獨立核數師審閱本集團截至二零二三年十二月三十一日止之全年業績，並建議董事會將其採納。

#### 核數師

信永中和(香港)會計師事務所有限公司將任滿告退，惟願應聘連任。在即將召開之股東週年大會上將提呈議案，議決續聘信永中和(香港)會計師事務所有限公司為本公司之核數師。

代表董事會

**陳啟源**

*主席*

香港，二零二四年三月二十八日

# Directors and Senior Management

## 董事及高層管理人員

### Directors

During the year under review, the Board consisted of six Directors, including three executive Directors and three independent non-executive Directors. The following table sets forth certain information in respect of our serving Directors:

Name 姓名	Age 年齡	Position/Title 職位／職銜
Mr. CHEN Qiyuan 陳啟源先生	62	Chairman and Executive Director 主席兼執行董事
Mr. CHEN Zheng He 陳正鶴先生	35	CEO and Executive Director 首席執行官兼執行董事
Mr. WONG Sin Yung 黃善榕先生	69	Chief Financial Officer and Executive Director 首席財務官兼執行董事
Mr. CHEUNG Kin Wing 張建榮先生	69	Independent non-executive Director 獨立非執行董事
Dr. WANG Qi 王琦博士	44	Independent non-executive Director 獨立非執行董事
Dr. LIU Jing 劉婧博士	44	Independent non-executive Director 獨立非執行董事

### Executive Directors

**Mr. CHEN Qiyuan**, aged 62, is the co-founder of our Group, our chairman and has been our executive Director since 12 November 2007. Mr. CHEN is responsible for the overall strategic planning and management of our Group. Mr. CHEN has extensive experience in the Chinese herbal HPC product industry, having been engaged in the consumer chemical product business for over 30 years. Mr. CHEN entered into the HPC product business by establishing Guangzhou Bawang Cosmetics Co., Ltd. (the predecessor entity of the Company) in 1994. Mr. CHEN was engaged in the trading of pesticides in the PRC before the establishment of Guangzhou Bawang Cosmetics Co., Ltd.. In November of 2010, Mr. CHEN Qiyuan was recognised as the “Representative Successor of Chinese Herbal Tea Culture” by the Guangdong Provincial Bureau of Culture. In December 2013, Mr. CHEN Qiyuan had been honoured as the “Distinguished People of Yunfu City” for recognition of his contribution to the development of the city. Mr. CHEN is the father of Mr. CHEN Zheng He, an executive Director and the CEO of the Company. Mr. CHEN is also a director of various subsidiaries of the Company, and he is also a director of Fortune Station Limited and Heroic Hour Limited, the controlling shareholders of the Company,

### 董事

於回顧年度內，董事會由六名董事組成，包括三名執行董事及三名獨立非執行董事。下表載列關於在任董事的若干資料：

### 執行董事

**陳啟源先生**，62歲，為本集團共同創辦人、我們的主席，並自二零零七年十一月十二日出任我們的執行董事。陳先生負責本集團整體策略規劃及管理。陳先生從事日化產品行業方面的業務超過30年，在中草藥家用個人護理產品行業擁有豐富經驗。考慮到中國市場的家用個人護理產品業務，陳先生於一九九四年成立廣州霸王化妝品有限公司（本公司的前身實體）以進軍家用個人護理產品業務。創立廣州霸王化妝品有限公司之前，陳先生曾參與中國農藥貿易生意。二零一零年十一月，陳啟源先生被認定為涼茶傳統技藝的「廣東省非物質文化遺產項目代表性傳承人」。二零一三年十二月，陳啟源先生因其為城市作出的貢獻，被授予「雲浮傑出紳士」的榮譽稱號。陳先生是公司集團首席執行官兼執行董事陳正鶴先生的父親。陳先生亦為本公司各子公司的董事，他亦是公司的控股股東，Fortune Station Limited 以及 Heroic Hour Limited的董事。

## Directors and Senior Management (Continued)

### 董事及高層管理人員(續)

**Mr. CHEN Zheng He**, aged 35, was appointed as our executive Director on 20 October 2014. Mr. CHEN joined the Group in March 2007 and has been officially appointed as a director of Bawang Guangzhou and afterwards certain other subsidiaries of the Group since then and started to involve in the planning of sales, marketing, advertising and promotion campaigns of Bawang Guangzhou. Mr. CHEN was appointed as the personal assistant to the chief executive officer of the Company since March 2012, mainly responsible for the daily administration and management of Bawang Guangzhou. Since mid-2013, Mr. CHEN has also been responsible for the supervision and execution of sales, marketing, advertising and promotion campaigns of Bawang Guangzhou. Mr. CHEN works closely with the chairman and the chief executive officer of the Company on formulating overall strategic plan and management of the Group, and executing strategic plans in marketing, and sales and distribution. Mr. CHEN has been appointed as the CEO and Remuneration Committee Member with effect from 9 December 2015. Mr. CHEN obtained the degree of bachelor of commerce from the University of Toronto in 2012. Mr. CHEN is the son of Mr. CHEN Qiyuan, the chairman and an executive Director of the Company.

**Mr. WONG Sin Yung**, aged 69, is our Chief Financial Officer and executive Director. Mr. WONG joined our Group in April 2008 and was appointed as our executive Director on 10 December 2008. Mr. WONG was also appointed as our Chief Financial Officer and our Company Secretary since December 2008. He is responsible for the finance management and control, accounting, auditing, company secretarial and investor relations of our Group. Prior to joining our Group, Mr. WONG was an executive director of China Ting Group Holdings Limited (Stock Code: 03398), from 2005 to 2008, the shares of which are listed on the Stock Exchange. Mr. WONG was the chief accountant and finance manager of Mark Wong & Associates (Industrial Consultants) Limited from 1988 to 1992 and from 1994 to 2003 respectively. He also worked for a certified public accountant firm from 1992 to 1994. Mr. WONG has over 30 years experience in corporate finance, accounting, auditing, corporation administration, and project consulting. He is an associate member of Hong Kong Institute of Certified Public Accountants. Mr. WONG obtained a master's degree in human resource management from Macquarie University in 1996 and a master's degree in business administration from The University of Hong Kong in 1999.

**陳正鶴先生**，35歲，於二零一四年十月二十日獲委任為我們的執行董事。陳先生於二零零七年三月起加入本集團並自此正式被任命為霸王廣州以及隨後擔任本集團個別其他子公司的董事，並開始參與霸王廣州的銷售、廣告及推廣活動的策劃。陳先生於二零一二年三月起擔任公司首席執行官私人助理一職，負責廣州霸王的日常行政及管理。在二零一三年中開始，陳先生亦同時負責霸王廣州的銷售、廣告及推廣活動的監督及執行。陳先生就制訂本集團之策略性計劃及管理，及銷售、廣告及推廣計劃的執行方面均與公司主席及首席執行官緊密合作。陳正鶴先生於二零一五年十二月九日被委任擔任本公司首席執行官及薪酬委員會成員。陳先生於二零一二年獲得多倫多大學商業學士學位。陳先生是公司集團主席兼執行董事陳啟源先生的兒子。

**黃善榕先生**，69歲，為我們的首席財務官兼執行董事。黃先生於二零零八年四月加入本集團，並於二零零八年十二月十日獲委任為我們的執行董事。自二零零八年十二月起，黃先生亦被委任為我們的首席財務官及公司秘書。彼負責本集團的財務管理及監控、會計、審核、公司秘書及投資者關係。加入本集團之前，黃先生於二零零五年至二零零八年曾為華鼎集團控股有限公司(股票代碼：03398)(其股份於聯交所上市)的執行董事。於一九八八年至一九九二年及一九九四年至二零零三年期間，黃先生在 Mark Wong & Associates (Industrial Consultants) Limited 擔任總會計師及財務經理。彼亦於一九九二年在一家執業會計師事務所工作。黃先生在企業融資、會計、審核、公司管理及項目諮詢方面擁有超過30年的經驗。彼為香港會計師公會會員。黃先生於一九九六年獲麥格理大學的人力資源管理碩士學位，於一九九九年獲香港大學工商管理碩士學位。



## Directors and Senior Management (Continued)

### 董事及高層管理人員(續)

#### Independent non-executive Directors

**Mr. CHEUNG Kin Wing (張建榮先生)**, aged 69, was appointed as our independent non-executive Director on 13 November 2014. Mr. CHEUNG has extensive experience in information technology, financial accounting, auditing and management. Mr. CHEUNG is a member of Hong Kong Institute of Certified Public Accountants and a fellow of the Institute of Chartered Accountants in England and Wales. Since February 1999, Mr. CHEUNG has been a director and lead consultant of Sunplex Consultants Limited, a company providing human resources management and information technology consultancy services to its clients (including government organisations and private companies). Mr. CHEUNG had been an independent director of Principal Trust Company (Hong Kong) Limited (formerly known as AXA China Region Trustees Limited) from August 1999 to August 2015 an independent non-executive director of Bank of Communications Trustee Limited from November 2003 to January 2018 and Trio Industrial Electronics Group Limited (Stock Code: 01710) from February 2017 to May 2022. Mr. CHEUNG has been an independent non-executive director of ENM Holdings Limited (Stock Code: 00128) since June 2016, and Kin Pang Holdings Limited (Stock Code: 01722) since November 2017, companies whose shares are listed on The Stock Exchange of Hong Kong Limited. Mr. CHEUNG joined Self Strengthening Service Centre Limited (自強服務中心有限公司), which is a company limited by guarantee and an approved charitable organization, as a director on a voluntary basis with effect from 30 September 2019. Mr. CHEUNG had held several positions, including Assistant Manager, Manager and Senior Manager between September 1980 and July 1991 in Coopers & Lybrand. Mr. CHEUNG had been a partner of Coopers & Lybrand since March 1995, and had been a partner of PricewaterhouseCoopers since Coopers & Lybrand was merged with Price Waterhouse into PricewaterhouseCoopers in October 1998 until his resignation in May 1999. Mr. CHEUNG was Director of Operations and Finance of Hong Kong Institute of Certified Public Accountants between July 2004 and April 2008 and a consultant of Hong Kong Institute of Certified Public Accountants between April 2008 and August 2008. Mr. CHEUNG obtained a Bachelor of Commerce from The University of Calgary in Canada in June 1979.

#### 獨立非執行董事

**張建榮先生**，69歲，於二零一四年十一月十三日獲委任為我們的獨立非執行董事。張先生於資訊科技、財務會計、審計及管理領域擁有廣泛經驗。張先生是香港會計師公會會員及英格蘭及威爾士特許會計師公會的資深會員。張先生自一九九九年二月起擔任輝柏顧問有限公司的董事兼首席顧問，主要為客戶(包括政府機構及私營企業)提供人力資源管理和資訊科技諮詢服務。張先生於一九九九年八月至二零一五年八月擔任信安信託(香港)有限公司(前稱為安盛信託有限公司)的獨立董事及自二零零三年十一月起至二零一八年一月擔任交通銀行信託有限公司的獨立非執行董事及彼自二零一七年二月至二零二二年五月任致豐工業電子集團有限公司(股票代碼：01710)的獨立非執行董事。張先生自二零一六年六月開始擔任安寧控股有限公司(股票代碼：00128)的獨立非執行董事及自二零一七年十一月開始擔任建鵬控股有限公司(股票代碼：01722)的獨立非執行董事。安寧控股有限公司，及建鵬控股有限公司均為香港聯合交易所有限公司的上市公司。張先生自二零一九年九月三十日起，以義務性質擔任自強服務有限公司的董事，該公司是一家註冊為有限擔保公司及認可慈善機構。張先生於一九八零年九月至一九九一年七月期間曾在容永道會計師事務所擔任不同工作崗位，包括助理經理、經理及高級經理。張先生於一九九五年三月起擔任容永道會計師事務所的合夥人，並自一九九八年十月容永道會計師事務所與羅兵咸會計師事務所合併成羅兵咸永道會計師事務所後繼續擔任其合夥人至一九九九年五月彼離開羅兵咸永道會計師事務所為止。張先生曾於二零零四年七月至二零零八年四月期間擔任香港會計師公會的營運及財務總監及於二零零八年四月至八月期間擔任香港會計師公會顧問。張先生於一九七九年六月獲得加拿大卡爾加里大學的商學士學位。

## Directors and Senior Management (Continued)

### 董事及高層管理人員(續)

**Dr. WANG Qi (王琦博士)**, aged 44, was appointed as an Independent Director of the Company on 17 April 2018. Dr. WANG is currently the vice director of the Dongguan Institute of Opto-electronics, Peking University. Prior to that, from 2010 to 2012, he was a research associate in the Department of Electronic and Electrical Engineering of the University of Sheffield in the United Kingdom, and also worked at Seren Photonics Ltd, a company in the United Kingdom which focuses on the development and manufacturing of semi-polar and non-polar Gallium Nitride templates. From 2012 to 2014, he was a postdoctoral research fellow in the Department of Electrical and Computer Engineering of McGill University in Canada.

Dr. WANG is a member of the Dongguan committee of the Jiusan Society, the chairman of the Songshan Lake branch of the Dongguan committee of the Jiusan Society, a vice chairman of the technological innovation promotion committee of the Dongguan Committee of the Jiusan Society, an entrepreneurship mentor of the Dongguan Business Incubation Association and a member of the Dongguan Songshan Lake High-tech Industry Development Zone Science and Technology Association. He is also the legal representative and an executive director of the Dongguan Yanyuan Technological Assets Management Company Limited. Dr. WANG has been elected as a member of the 14th session of Dongguan's Committee of the Chinese People's Political Consultative (中國人民政治協商會議第十四屆東莞市委員會委員) in 2022. He was recognised as a special professional of Dongguan City (3rd Class Distinctive Talent) by the Office for the Administration of Talent Affairs of Dongguan City in 2017.

Dr. WANG obtained a bachelor's degree in physics (magnetism) from Lanzhou University in 2001. He studied at the Department of Physics of Peking University from 2002 to 2008. He obtained a Doctor of Philosophy in the Faculty of Engineering Department of Electronic and Electrical Engineering from the University of Sheffield in the United Kingdom in 2010.

**王琦博士**，44歲，於二零一八年四月十七日獲委任為我們的獨立非執行董事。王博士現任北京大學東莞光電研究院副院長。在此之前，於二零一零年至二零一二年期間，彼曾擔任英國謝菲爾德大學電子工程系研究員，及任職於Seren Photonics Ltd，一所專注開發及製造半極性和非極性氮化鎵襯底的英國公司。於二零一二年至二零一四年期間，彼曾擔任加拿大麥吉爾大學電子及電腦工程系博士後研究員。

王博士任九三學社東莞市委員會委員、九三學社東莞市委員會松山湖支社主任委員、九三學社東莞市委員會促進科技創新專門工作委員會副主任委員、東莞市科技企業孵化協會科技企業創業導師、東莞松山湖高新技術產業開發區科學技術協會委員及東莞燕園科技產業管理有限公司法定代表人及執行董事。於二零二二年，王博士獲選為中國人民政治協商會議第十四屆東莞市委員會委員。於二零一七年，王博士獲東莞市人才工作領導小組辦公室認定為東莞市特色人才(三類特色人才)。

於二零零一年，王博士獲蘭州大學頒發物理學學士學位(磁學)。於二零零二年至二零零八年期間，王博士曾就學於北京大學物理學院。於二零一零年，王博士獲英國謝菲爾德大學電子工程系頒發哲學博士學位。

## Directors and Senior Management (Continued)

### 董事及高層管理人員(續)

**Dr. LIU Jing (劉婧博士)**, aged 44, is currently the Associate Professor and the supervisor of postgraduate of the School of Accounting, Guangdong University of Finance & Economics. Prior to that, from 2013 to 2019, she had successively served as a full-time teacher, the director of laboratory and the Deputy Dean in the School of Accounting and Finance, Beijing Institute of Technology, Zhuhai. From 2009 to 2013, she worked for Beijing Focus Marketing Consultant Co., Ltd. (北京聚焦營銷顧問有限公司), a company providing consulting services of strategic positioning in China.

Dr. LIU is currently a review expert of the expert team for Zhuhai Assets & Equity Exchange Service (珠海市產權交易中心評審專家庫), a vice chairman of School-Enterprise Alliance for China Accounting Education Transformation Development (中國會計教育轉型發展校企聯盟), a business mentor of Zhuhai Science and Technology Business Entrepreneur Alliance (珠海市科技創業聯盟協會) and a business mentor of Zhuhai Employment and Business Entrepreneur Association (珠海市就業創業協會).

Dr. LIU obtained a bachelor's degree in management from Hunan Business College (currently known as Hunan University of Technology and Business) in 2001. She completed a study of Advanced Studies Course for Postgraduate in Accounting (會計學專業研究生課程進修班) at Central University of Finance and Economics in 2010 and then obtained a master's degree in management (part-time) in 2012. In 2019, Dr. LIU obtained a doctorate degree in management from The Macau University of Science and Technology.

**劉婧博士**，44歲，現擔任廣東財經大學會計學院副教授及研究生導師。這之前，自二零一三年至二零一九年，先後任北京理工大學珠海學院會計與金融學院專職教師、實驗室主任、副院長。自二零零九年至二零一三年，她曾任職於北京聚焦營銷顧問有限公司，這是一家在中國提供戰略定位諮詢服務的公司。

劉博士目前是珠海市產權交易中心評審專家庫的評審專家，中國會計教育轉型發展校企聯盟副主任委員，珠海市科技創業聯盟協會和珠海市就業創業協會創業導師。

劉博士於二零零一年，獲得湖南商學院（現名為湖南工商大學）學士學位。她於二零一零年，完成中央財經大學會計學專業研究生課程進修班學習，並於二零一二年獲得管理學碩士學位（兼讀）。於二零一九年，劉博士獲得澳門科技大學商學院管理學博士學位。

# Independent Auditor's Report

## 獨立核數師報告



SHINEWING (HK) CPA Limited  
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信永中和(香港)會計師事務所有限公司  
香港銅鑼灣告士打道311號  
皇室大廈安達人壽大樓17樓

TO THE MEMBERS OF  
**BAWANG INTERNATIONAL (GROUP) HOLDING LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

致霸王國際(集團)控股有限公司股東  
(於開曼群島註冊成立的有限公司)

### Opinion

We have audited the consolidated financial statements of BaWang International (Group) Holding Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) set out on pages 75 to 167, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Opinion

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

### 意見

我們已審計列載於第75至第167頁霸王國際(集團)控股有限公司(「貴公司」)及其子公司(以下合稱「貴集團」)的綜合財務報表，其中包括於二零二三年十二月三十一日的綜合財務狀況表，以及截至該日止年度的綜合損益表及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈之國際財務報告準則(以下簡稱「國際財務報告準則」)真實而公平地反映貴集團於二零二三年十二月三十一日之財務狀況及其截至該日止年度之財務表現及綜合現金流量，並已遵循《香港公司條例》的披露需要求進行適當編製。

### 意見的基礎

本行已根據香港會計師公會頒佈的《香港審計準則》進行審計。在這些準則下，本行的責任會在本核數師報告的核數師就綜合財務報表須承擔的責任中詳述。根據香港會計師公會之職業會計師道德守則(簡稱「守則」)，本行獨立於貴集團，並已遵循守則履行其他道德責任。本行相信，本行所獲得的審核憑證是充足和適當地為本行的審核意見提供基礎。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### 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.

### Impairment of trade receivables

Refer to note 22 to the consolidated financial statements and the accounting policies on pages 103 to 107.

#### The key audit matter

##### 關鍵審核事項

As at 31 December 2023, the Group had trade receivables of approximately RMB17,655,000, net of accumulated impairment loss of approximately RMB3,849,000.

於二零二三年十二月三十一日，貴集團貿易應收賬款達約人民幣17,655,000元，累計減值淨額為約人民幣3,849,000元。

Allowance for impairment of trade receivables is based on expected credit losses ("ECL"), which is estimated by taking into account the credit loss experience and forward-looking information including both current and forecast general economic conditions.

貿易應收賬款減值的撥備是基於預期信貸損失（「預期信貸損失」），在考慮了信貸損失經驗和前瞻性資料包括了當前和預測的總體經濟狀況後估算的。

We have identified valuation of trade receivables as a key audit matter because of their significance to the consolidated financial statements and the impairment assessment of trade receivables involved a significant degree of management judgement and may be subject to management bias.

我們把貿易應收賬款的減值評估確定為關鍵審計事項，因為在貿易應收賬款減值評估涉及管理層的重大判斷，當中可能存在意見偏頗的情況。

### 關鍵審核事項

根據我們的專業判斷，關鍵審核事項為本行審核本期綜合財務報表中最重要的事項。本行在整體審核綜合財務報表和就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

### 貿易應收賬款的評估

參閱綜合財務報表附註22和第103頁至第107頁的主要會計政策。

#### How the matter was addressed in our audit

##### 在審核中的處理方法

Our audit procedures were designed to assess the assumptions and judgements of the Group's ECL model on impairment assessment of trade receivables.

我們的審計程序旨在對管理層就貿易應收賬款減值評估預期信貸損失模型的假設及判斷做出評估。

We have assessed the reasonableness of management's estimates for impairment allowance by examining the information used by management to form such judgements, including testing accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information.

我們通過檢視管理層用以作出上述判斷的資料，包括測試歷史違約數據的準確性、評估歷史損失率有否根據現時的經濟狀況及前瞻性資料作出適當調整來評估管理層估計減值撥備的合理性。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### Valuation of inventories

Refer to note 20 to the consolidated financial statements and the accounting policies on page 99.

### 存貨估值

參閱綜合財務報表附註20和第99頁的主要會計政策。

#### The key audit matter

##### 關鍵審核事項

As at 31 December 2023, the Group had inventories of approximately RMB25,831,000, net of accumulated allowance of approximately RMB1,102,000.

於二零二三年十二月三十一日，貴集團存貨約人民幣25,831,000元，累計淨撥備為約人民幣1,102,000元。

We have identified valuation of inventories as a key audit matter because of their significance to the consolidated financial statements and the involvement of significant judgement and estimation on the assessment of the net realisable values with reference to the latest invoice prices and current market conditions.

我們把存貨的減值評估確定為關鍵審核事項，因為它們在綜合財務報表中的重要性，以及參考最新的發票價格和當前的市場條件下，涉及到對可變現淨值的評價的重大判斷和估算。

#### How the matter was addressed in our audit

##### 在審核中的處理方法

Our audit procedures were designed to assess the management's estimations and judgements on the assessment of net realisable value of inventories and identification of obsolete item based on their subsequent usage and selling prices subsequent to the end of the reporting period and current market conditions.

我們設計的審計程序旨在評估管理層對存貨的可變現淨值估計和判斷，根據已報廢項目的後續使用情況進行的識別，以及隨後報告期末的銷售價格和目前的市場狀況。

We have assessed the net realisable value and utilisation of inventories subsequent to the end of the reporting period on a sample basis and discussed with the management in respect of the adequacy of the allowance made based on subsequent usage and sales, ageing analysis and current market conditions. We have also assessed the assumptions and critical judgements used by the management by assessing the reliability of the management's past estimates.

我們通過抽樣及和管理層討論有關基於後期的使用 and 銷售情況，賬齡分析，和目前的市場情況撥備充分性後評估了報告期後的存貨可變現淨值和使用價值的情況。我們也評估了管理層所使用的假設和判斷標準，通過評估管理層的過往評估的可靠性。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### Impairment on property, plant and equipment and right-of-use assets

Refer to notes 17 and 18 to the consolidated financial statements and the accounting policies on page 110.

#### The key audit matter

##### 關鍵審核事項

As at 31 December 2023, the Group had property, plant and equipment of approximately RMB34,575,000, net of accumulated impairment losses of approximately RMB103,657,000, and right-of-use assets of approximately RMB22,573,000.

截止二零二三年十二月三十一日，本集團的物業，廠房及設備分別約為人民幣34,575,000元，淨累計減值損失約為人民幣103,657,000元和使用權資產約人民幣22,573,000元。

We have identified impairment on property, plant and equipment and right-of-use assets as a key audit matter because of their significance to the consolidated financial statements and the determination of the recoverable amount of these assets required significant management judgement relating to items such as level of revenue and amount of operating costs and discount rate.

我們已經確定了物業、廠房及設備和使用權資產的減值作為關鍵審核事項，因為他們對綜合財務報告的重要性，和這些資產的可收回金額的確定需要有關項目諸如收入水平、經營成本金額和折扣率的重管理判斷。

### 物業、廠房及設備和使用權資產的減值

參考綜合財務報表中的附註17和18及第110頁的主要會計政策。

#### How the matter was addressed in our audit

##### 在審核中的處理方法

Our audit procedures were designed to assess the reasonableness of the selection of valuation model, adoption of key assumptions and input data by reference to the historical information. In particular, we have tested the future cash flow forecast prepared by management on whether it is agreed to the budget approved by the board of directors and compared the budget with actual results available up to the report date. We have also evaluated the appropriateness of the assumptions, including the sales growth rates and gross profit margin against latest market expectations.

我們設計的審計程序旨在對依據歷史信息選擇估值模型，選取關鍵假設及錄入數據的合理性進行評估。特別是，我們已經測試了未來的現金流預測，董事會是否同意預算的批准並在結果可用到報告日期將預算與實際情況進行了比較。我們也重新評估假設的適當性，包括銷售增長率和毛利率與最新不利的市場預期。

We have also evaluated the discount rate employed in the calculation of value-in-use by reviewing its basis of calculation and comparing its input data to market sources.

我們通過審閱計算標準和對比其輸入數據和市場資源後，也重新評估了用以計算使用價值的折現率。

As any changes in these assumptions and input to valuation model may result in significant financial impact, we have tested management's sensitivity analysis in relation to the key inputs to the impairment assessment.

由於這些假設和估值模型輸入的任何變化可能會導致產生重大的財務影響，我們已經測試了管理層有關與減值評估的主要輸入有關的敏感性分析。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### 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, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

### Responsibilities of Directors of the Company and the Audit and Risk Management 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 IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### 其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的資料，但不包括綜合財務報表及本行就此發出的核數師報告。

本行對綜合財務報表作出的意見並未考慮其他資料。本行不對其他資料發表任何形式的核證結論。

就審計綜合財務報表而言，本行的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或本行在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若本行基於已完成的工作認為其他資料出現重大錯誤陳述，本行須報告此一事實。本行就此並無須報告事項。

### 本公司董事和審核及風險管理委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的《國際財務報告準則》及《香港公司條例》的披露要求編製及真實而公允地列報該等綜合財務報表，並負責貴公司董事認為編製綜合財務報表所必需的有關內部監控，以確保有關綜合財務報表不存在重大錯誤陳述(不論是否由於欺詐或錯誤而導致的)。

在編製綜合財務報表時，貴公司董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非貴公司董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則貴公司董事須採用以持續經營為基礎的會計法。

審核及風險管理委員會須負責監督貴集團的財務報告流程。



## Independent Auditor's Report (Continued)

### 獨立核數師報告(續)

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

#### 核數師就綜合財務報表須承擔的責任

本行的目標是合理確定整體而言此等綜合財務報表是否不存在重大錯誤陳述(不論是否由於欺詐或錯誤而導致的),並根據本行約定的專案約定條款向貴公司(作為一個團體)發出包含審核意見的核數師報告,除此之外別無其他目的。本行不就本報告之內容向任何其他人士承擔任何責任或接受任何義務。合理確定屬高層次的核證,但不能擔保根據《香港審計準則》進行的審計工作總能發現所有存在的重大錯誤陳述。重大錯誤陳述可源於欺詐或錯誤,倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時,被視為重大錯誤陳述。

本行根據《香港審計準則》進行審計的工作之一,是運用專業判斷,在整個審核過程中抱持職業懷疑態度。本行也:

- 識別和評估貴集團綜合財務報告內的重重大錯報風險(無論是否因錯誤或欺詐而導致的),設計和執行響應這些風險的審計程序,和獲取充份和適當的審計證據為發表本行的意見提供基礎。基於欺詐涉及共謀、偽造、故意遺漏、誤導性陳述或對內部控制的否決,因此未能發現由欺詐而導致重大錯報的風險是比由錯誤而導致重大錯報的風險為高。
- 瞭解與審計工作相關的內部控制以設計恰當的審計程序,但並非對貴集團的內部控制有效性發表意見。
- 評價公司董事選用會計政策的恰當性和作出會計估計和相關披露的合理性。

## Independent Auditor's Report (Continued)

### 獨立核數師報告(續)

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- 總結公司董事採用以持續經營為基礎的會計處理是否恰當，並根據已獲取的審核證據，總結是否對貴集團持續經營的能力構成重大疑問的事件或情況等存在重大不確定因素。倘若本行總結認為有重大不確定因素，本行需要在核數師報告中提請注意貴集團綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂本行的意見。本行的結論是基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估貴集團綜合財務報表的整體列報、架構和內容(包括資料披露)，以及貴集團綜合財務報表及是否已公允地反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。本行須負責指導、監督和執行貴集團的審計工作。本行仍為本行的審核意見承擔全部責任。

We communicate with the Audit and Risk Management 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 and Risk Management 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.

本行就審計工作的計劃範圍和時間、在審核過程中的主要發現(包括內部控制的重大缺失)及其他事項與審核及風險管理委員會進行溝通。

本行亦向審核及風險管理委員會作出聲明，確認本行已遵守有關獨立性的道德要求，並就所有被合理認為可能影響核數師獨立性的關係和其他事宜以及相關保障措施(如適用)，與管治層進行溝通。

## Independent Auditor's Report (Continued)

### 獨立核數師報告(續)

From the matters communicated with the Audit and Risk Management 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 Mr. Wong Hon Kei, Anthony.

本行通過與審核及風險管理委員會溝通，確定哪些是本期綜合財務報表審計工作的最重要事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，本行認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則本行會在核數師報告中描述此等事項。

負責此審核項目與簽發獨立核數師報告的項目合夥人為黃漢基先生。

#### **SHINEWING (HK) CPA Limited**

*Certified Public Accountants*

#### **Wong Hon Kei, Anthony**

Practising Certificate Number: P05591

Hong Kong

28 March 2024

信永中和(香港)會計師事務所有限公司

執業會計師

#### **黃漢基**

執業證書號碼：P05591

香港

二零二四年三月二十八日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

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

		Notes 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (Restated) (重列)
Revenue	營業額	7	<b>237,653</b>	246,341
Cost of sales	銷售成本		<b>(117,935)</b>	(153,822)
Gross profit	毛利		<b>119,718</b>	92,519
Other income	其他收入	8	<b>2,907</b>	3,565
Selling and distribution costs	銷售及分銷成本		<b>(81,106)</b>	(83,507)
Administrative expenses	行政開支		<b>(27,602)</b>	(32,379)
Reversal of impairment losses recognised in respect of trade receivables	貿易應收賬款減值損失回撥	22	<b>1,148</b>	2,993
Other expenses	其他開支		<b>(183)</b>	(524)
Operating profit/(loss)	經營利潤/(虧損)		<b>14,882</b>	(17,333)
Finance costs	財務費用	9	<b>(1,338)</b>	(2,098)
Profit/(loss) before taxation	稅前利潤/(虧損)		<b>13,544</b>	(19,431)
Income tax credit	所得稅抵免	10	<b>83</b>	110
Profit/(loss) for the year attributable to owners of the Company	本公司擁有人應佔之年內利潤/(虧損)	11	<b>13,627</b>	(19,321)
Other comprehensive income/(expense)	其他期內全面收入			
<i>Item that will not be reclassified subsequently to profit or loss:</i>	<i>不會被重新分類為損益的項目：</i>			
Exchange differences arising on translation of financial statements from functional currency to presentation currency	因從功能貨幣轉換至記賬本位幣的匯兌差額		<b>(441)</b>	(404)
Profit/(loss) and total comprehensive income/(expense) for the year attributable to owners of the Company	本公司擁有人應佔年內利潤/(虧損)及全面收入/(支出)總額		<b>13,186</b>	(19,725)
<b>Earnings/(loss) per share</b>	<b>每股盈利/(虧損)</b>	14		
Basic	基本		<b>RMB0.4309 cent</b> 人民幣0.4309仙	RMB(0.6110) cent 人民幣(0.6110)仙
Diluted	攤薄		<b>RMB0.4309 cent</b> 人民幣0.4309仙	RMB(0.6110) cent 人民幣(0.6110)仙

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2023 於二零二三年十二月三十一日

			31 December 2023 二零二三年 十二月三十一日 RMB'000 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Restated) (重列)	1 January 2022 二零二二年 一月一日 RMB'000 人民幣千元 (Restated) (重列)
		Notes 附註			
<b>Non-current assets</b>	<b>非流動資產</b>				
Property, plant and equipment	物業、廠房及設備	17	34,575	40,515	61,938
Right-of-use assets	使用權資產	18	22,573	31,301	52,211
Deferred tax assets	遞延所得稅資產	19	379	296	186
Time deposit	定期存款	23	30,000	50,000	50,000
			<b>87,527</b>	122,112	164,335
<b>Current assets</b>	<b>流動資產</b>				
Inventories	存貨	20	25,831	27,056	40,815
Right to returned goods asset	退回存貨之權利	21	719	737	795
Trade and other receivables	貿易及其他應收賬款	22	27,984	20,214	26,308
Amount due from a related party	應收關聯方款項		—	—	242
Time deposit	定期存款		—	—	4,000
Bank balances and cash	銀行結餘及現金	23	88,272	74,404	59,269
			<b>142,806</b>	122,411	131,429
<b>Current liabilities</b>	<b>流動負債</b>				
Trade and other payables	貿易及其他應付賬款	24	59,411	79,640	83,527
Amount due to a related party	應付關聯方款項		—	—	22
Contract liabilities	合約負債	25	5,225	4,261	11,233
Refund liabilities	償還負債	26	1,092	1,030	1,150
Lease liabilities	租賃負債	18	9,208	8,173	10,137
Provision	計提費用		—	—	338
			<b>74,936</b>	93,104	106,407
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>67,870</b>	29,307	25,022
<b>Total assets less current liabilities</b>	<b>資產淨值減流動負債</b>		<b>155,397</b>	151,419	189,357
<b>Non-current liability</b>	<b>非流動負債</b>				
Lease liabilities	租賃負債	18	15,895	25,103	43,316
<b>Net assets</b>	<b>資產淨值</b>		<b>139,502</b>	126,316	146,041

# Consolidated Statement of Financial Position (Continued)

## 綜合財務狀況表(續)

As at 31 December 2023 於二零二三年十二月三十一日

			<b>31 December 2023</b> 二零二三年 十二月三十一日 <b>RMB'000</b> 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元 (Restated) (重列)	1 January 2022 二零二二年 一月一日 RMB'000 人民幣千元 (Restated) (重列)
		Notes 附註			
<b>Capital and reserves</b>	<b>股本及儲備</b>				
Share capital	股本	28(a)	<b>277,932</b>	277,932	277,932
Reserves	儲備	28(b)	<b>(138,430)</b>	(151,616)	(131,891)
Total equity	權益總額		<b>139,502</b>	126,316	146,041

The consolidated financial statements on pages 75 to 167 were approved and authorised for issue by the board of directors on 28 March 2024 and are signed on its behalf by:

第75至167頁面的綜合財務報表經董事會於二零二四年三月二十八日批准並由其代表簽署授權發行：

**Mr. CHEN Qiyuan**

陳啟源  
Director  
董事

**Mr. CHEN Zheng He**

陳正鶴  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Attributable to owners of the Company							Accumulated losses	Total
		Share capital	Share premium	Statutory reserves	Merger reserve	Translation reserve	Other reserve			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(note 28(b))	(note 28(b))	(note 28(b))	(note 28(b))	(note 28(b))	(note 28(b))		
			(附註28(b))	(附註28(b))	(附註28(b))	(附註28(b))	(附註28(b))	(附註28(b))		
At 1 January 2022 (as originally stated)	於二零二二年一月一日 (原列示)	277,932	1,401,815	49,887	8,468	(32,891)	9,421	(1,568,777)	145,855	
Effect of change in accounting policies (note 2)	會計政策改變的影響 (附註2)	—	—	—	—	—	—	186	186	
At 1 January 2022 (as restated)	於二零二二年一月一日 (重列)	277,932	1,401,815	49,887	8,468	(32,891)	9,421	(1,568,591)	146,041	
Loss for the year	年內虧損	—	—	—	—	—	—	(19,431)	(19,431)	
Other comprehensive expense for the year	其他全面支出	—	—	—	—	—	—	—	—	
Exchange differences arising on translation of financial statements from functional currency to presentation currency	海外業務換算之 匯兌差異	—	—	—	—	(404)	—	—	(404)	
Total comprehensive expense for the year	年內全面收入/(支出) 總額	—	—	—	—	(404)	—	(19,431)	(19,835)	
At 31 December 2022 (as originally stated)	於二零二二年 十二月三十一日 (原列示)	277,932	1,401,815	49,887	8,468	(33,295)	9,421	(1,588,208)	126,020	
Effect of changes in accounting policies (note 2)	會計政策改變的影響 (附註2)	—	—	—	—	—	—	296	296	
At 31 December 2022 (as restated)	於二零二二年 十二月三十一日 (重列)	277,932	1,401,815	49,887	8,468	(33,295)	9,421	(1,587,912)	126,316	
At 1 January 2023 (as restated)	於二零二三年一月一日 (重列)	<b>277,932</b>	<b>1,401,815</b>	<b>49,887</b>	<b>8,468</b>	<b>(33,295)</b>	<b>9,421</b>	<b>(1,587,912)</b>	<b>126,316</b>	
Profit for the year	年度內利潤	—	—	—	—	—	—	<b>13,627</b>	<b>13,627</b>	
Other comprehensive expense for the year	其他全面支出	—	—	—	—	—	—	—	—	
Exchange differences arising on translation of financial statements from functional currency to presentation currency	海外業務換算之 匯兌差異	—	—	—	—	(441)	—	—	(441)	
Total comprehensive (expense)/income for the year	年內全面(支出)/收入 總額	—	—	—	—	(441)	—	<b>13,627</b>	<b>13,186</b>	
At 31 December 2023	於二零二三年 十二月三十一日	<b>277,932</b>	<b>1,401,815</b>	<b>49,887</b>	<b>8,468</b>	<b>(33,736)</b>	<b>9,421</b>	<b>(1,574,285)</b>	<b>139,502</b>	

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Profit/(loss) before taxation	稅前虧損	<b>13,544</b>	(19,431)
Adjustments for:	就下列作出調整：		
Bank interest income	銀行利息收入	<b>(1,627)</b>	(1,959)
Reversal of impairment losses recognised in respect of trade receivables	有關物業、廠房及設備的減值回撥	<b>(1,148)</b>	(2,993)
Gain on waiver of account payable	應付賬款豁免收益	<b>(644)</b>	(204)
Government grants	政府補助	<b>(436)</b>	(168)
(Reversal of allowance)/allowance for inventories	(準備之回撥)/存貨減值	<b>(137)</b>	11
Depreciation of right-of-use assets	使用權資產折舊	<b>8,728</b>	10,611
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>7,890</b>	21,911
Finance costs	財務費用	<b>1,338</b>	2,098
Bad debt written off	逾期存貨報廢	<b>730</b>	1,718
Loss on disposals of property, plant and equipment	處置物業、廠房及設備損失	<b>159</b>	461
Reversal of impairment losses in respect of property, plant and equipment	物業、廠房及設備減值損失之回撥	—	(291)
Gain on lease modification	租賃修訂之收益	—	(529)
Gain on waiver of legal cost	法律費用豁免之收益	—	(338)
Operating cash flows before working capital changes	營運資金變動前之經營資金流量	<b>28,397</b>	10,897
Decrease in inventories	存貨減少	<b>1,362</b>	13,748
Decrease in right to returned goods asset	退回存貨之權利減少	<b>18</b>	58
(Increase)/decrease in trade and other receivables	貿易及其他應收款項(增加)/減少	<b>(7,172)</b>	8,919
Decrease in trade and other payables	貿易及其他應付款項減少	<b>(19,585)</b>	(2,395)
Decrease in amount due to a related party	應收關聯方款項減少	—	(22)
Increase/(decrease) in contract liabilities	合同負債增加/(減少)	<b>964</b>	(6,972)
Increase/(decrease) in refund liabilities	償還負債增加/(減少)	<b>62</b>	(120)
<b>CASH GENERATED FROM OPERATIONS AND NET CASH FROM OPERATING ACTIVITIES</b>	<b>經營產生的現金流及經營活動產生的現金淨額</b>	<b>4,046</b>	24,113



## Consolidated Statement of Cash Flows (Continued)

### 綜合現金流量表(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 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Withdrawal of a time deposit	提取定期存款	50,000	1,000
Placement of a time deposit	存放定期存款	(30,000)	—
Bank interest received	已收銀行利息	1,447	459
Proceeds from disposals of property, plant and equipment	處置物業、廠房及設備的所得款項	167	86
Purchase of property, plant and equipment	購買物業、廠房及設備	(2,265)	(1,964)
Repayment from a related party	關聯方償還款項	—	242
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>投資活動產生/(所用)的現金淨額</b>	<b>19,349</b>	<b>(177)</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Repayment of lease liabilities	償還租賃負債	(8,173)	(9,349)
Interest paid	已付利息	(1,338)	(2,098)
Government grants received	收到政府補助金	436	168
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>融資活動所用的現金淨額</b>	<b>(9,075)</b>	<b>(11,279)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物增加淨額</b>	<b>14,320</b>	<b>12,657</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>於年初之現金及現金等價物</b>	<b>74,404</b>	<b>62,269</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>匯率變動影響</b>	<b>(452)</b>	<b>(522)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR (note 23)</b>	<b>於年終之現金及現金等價物(附註23)</b>	<b>88,272</b>	<b>74,404</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 1. General

BaWang International (Group) Holding Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate holding company is Fortune Station Limited (“Fortune Station”), which is incorporated in the British Virgin Islands (the “BVI”) and is owned as to: (1) 49.57% by Heroic Hour Limited, a company that is beneficially owned as to 22.00% by Mr. CHEN Zheng He, the chief executive officer and an executive director of the Company, and 78.00% by Mr. CHEN Zheng He’s six brothers and sisters; and (2) 50.43% by Mr. CHEN Qiyuan, the chairman of the board of directors of the Company (the “Directors”).

The address of the registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is at Bawang Industrial Park, 468 Guanghua 3rd Road, Baiyun District, Guangzhou, 510450, the People’s Republic of China (the “PRC”).

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are manufacturing and sales of the household and personal care products.

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Renminbi (“RMB”), which is the functional currency of the principal subsidiaries of the Group where the primary economic environment is in the PRC. Other than the subsidiaries established in the PRC which functional currencies are RMB, the functional currency of the Company and other subsidiaries is Hong Kong dollars (“HK\$”).

### 1. 一般資料

霸王國際(集團)控股有限公司(「本公司」)於開曼群島註冊成立為獲豁免的有限公司並且在香港聯合交易所有限公司(「聯交所」)上市。其直接母公司為在英屬處女群島(「英屬處女群島」)註冊的Fortune Station Limited(「Fortune Station」)，其股份受益人(1) Heroic Hour Limited擁有49.57%，該公司的22.00%股權由本公司之執行董事及首席執行官陳正鶴先生實益持有，而餘下之78.00%則由陳正鶴先生之六位弟妹實益持有；及(2)本公司的董事會主席陳啟源先生擁有50.43%(「董事」)。

本公司註冊辦事處的地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，主要營業地點為中華人民共和國(「中國」)廣州市白雲區廣花三路468號霸王工業園，郵編510450。

本公司及其附屬公司(以下統稱為「本集團」)的主要從事生產及銷售家用及個人護理產品業務。

本集團每一個實體的財務報表所列項目均使用該實體所處的主要經濟環境的貨幣(「功能貨幣」)來計量。綜合財務報表以人民幣(「人民幣」)表示，人民幣是本集團主要子公司在中國的主要經濟環境下的功能貨幣。除在中國境內設立的以人民幣為記賬本位幣的子公司外，本公司及其他子公司的記賬本位幣為港幣(「港幣」)。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Application of New and Amendments to International Financial Reporting Standards (“IFRS(s)”)

In the current year, the Group has applied, for the first time, the following new and amendments to International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”) and the IFRS Interpretations Committee (“IFRIC”) of the IASB which are effective for the Group’s financial year beginning on 1 January 2023:

IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules

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

## 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)

於當前年度內，本集團已首次應用國際會計準則委員會(「國際會計準則委員會」)和國際財務報告準則解釋委員會(「國際財務報告準則解釋委員會」)頒佈的下列新訂及經修訂國際財務報告準則(「國際財務報告準則」)，該等修訂於本集團自二零二三年一月一日開始的財政年度生效：

國際財務報告準則第17號(包括二零二零年六月和二零二一年十二月對國際財務報告準則第17號的修訂)	保險合約
國際會計準則第1號及國際財務報告準則實務說明第2號(修訂)	會計政策披露
國際會計準則第8號(修訂)	會計估計的定義
國際會計準則第12號(修訂)	單項交易產生的資產及負債相關遞延稅項
國際會計準則第12號(修訂)	國際稅務改革一支柱二立法模板

除下文所披露者外，於當前年度應用新訂及經修訂國際財務報告準則不會對本集團於本年度及過往期間的財務表現及狀況及/或該等簡明綜合財務資料所載的披露事項造成重大影響。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Application of New and Amendments to International Financial Reporting Standards (“IFRS(s)”) (Continued)

### Impact on application of Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained earnings at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The Group previously applied IAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption. Upon application of the amendments, the Group has recognised a separate deferred tax asset and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities. The Group recognises the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings at the beginning of the earliest period presented. This change in accounting policy did not have any impact on the cash flows for the year ended 31 December 2023 and 2022.

## 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

### 應用國際會計準則第12號(修訂)－與單一交易產生的資產及負債相關的遞延稅項的影響

國際會計準則第12號(修訂)縮小了對遞延所得稅負債和遞延所得稅資產的初始確認豁免的範圍，使其不再適用於在初始確認時產生相等的應納稅和可抵扣暫時性差異的交易，如租賃和棄置責任。因此，實體須確認遞延所得稅資產(前提是有足夠的應稅利潤)和由這些交易產生的暫時性差異的遞延所得稅負債。該等修訂應適用於在最早提出的比較期間開始時與租賃和棄置責任有關的交易，任何累積影響均確認為對該日留存收益期初餘額的調整。對於所有其他交易，修訂適用於發生在最早列報期間開始之後的交易。

本集團此前對相關資產和負債分別適用了國際會計準則第12號之要求。由於初始確認豁免的應用，有關資產和負債的初步確認的暫時性差異不予確認。修正案實施後，本集團已確認一項單獨的遞延所得稅資產和所有可抵扣項的遞延所得稅負債以及與使用權資產和租賃負債相關的應稅暫時性差異。本集團確認最初應用修訂的累積影響為調整在最早列報的期間開始時計入留存收益的期初餘額。這項會計政策的變動對截至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的現金流量概無任何影響。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Application of New and Amendments to International Financial Reporting Standards (“IFRS(s)”) (Continued)

### Impact on application of Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

The effects of change in accounting policies as a result of application of amendments to IAS 12 on the consolidated statements of profit or loss and other comprehensive income and earnings/(loss) per share, are as follows:

## 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

### 應用國際會計準則第12號(修訂)－與單一交易產生的資產及負債相關的遞延稅項的影響(續)

因應用國際會計準則第12號(修訂)導致的會計政策變動對綜合損益表及其他全面收益表和每股盈利/(虧損)的影響如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
<b>Impact on profit/(loss) for the year</b>	<b>對本年度利潤/(虧損)的影響</b>		
Increase in income tax credit	遞延所得稅抵免增加	83	110
Increase in profit/(loss) for the year	本年度利潤/(虧損)的增加	83	110
Increase in profit/(loss) for the year attributable to owners of the Company	擁有人應佔年內利潤/(虧損)的增加	83	110
<b>Impact on basic and diluted earnings/(loss) per share</b>	<b>對每股基本及攤薄盈利/(虧損)的影響</b>		
Basic and diluted earnings/(loss) per share before adjustment	調整前每股基本及攤薄盈利/(虧損)	RMB0.4283 cent 人民幣0.4283仙	RMB(0.6144) cent 人民幣(0.6144)仙
Adjustment arising from change in accounting policy in relation to application of amendments to IAS 12	與應用國際會計準則12號(修訂)有關的會計政策變動所引起的調整	RMB0.0026 cent 人民幣0.0026仙	RMB0.0034 cent 人民幣0.0034仙
Reported basic and diluted earnings/(loss) per share	已報告的每股基本及攤薄盈利/(虧損)	RMB0.4309 cent 人民幣0.4309仙	RMB(0.6110) cent 人民幣(0.6110)仙

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Application of New and Amendments to International Financial Reporting Standards (“IFRS(s)”) (Continued)

### Impact on application of Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

The effects of change in accounting policies as a result of application of amendments to IAS 12 on the consolidated statements of financial position at the end of the immediately preceding financial year, 31 December 2022, and the beginning of the comparative period, 1 January 2022, are as follows:

## 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

### 應用國際會計準則第12號(修訂)－與單一交易產生的資產及負債相關的遞延稅項的影響(續)

因應用國際會計準則第12號(修訂)導致的會計政策變動對上一財務二零二二年十二月三十一日年度結束時綜合財務狀況表，及比較期期初二零二二年一月一日的影響如下：

		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 (originally stated) (原列示)	Adjustment 調整	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 (restated) (重列)
Deferred tax assets	遞延所得稅資產	—	296	296
<b>Total effect on net assets</b>	<b>對淨資產的總影響</b>	—	296	296
Reserves	儲備	(151,912)	296	(151,616)
<b>Total effect on equity</b>	<b>對權益的總影響</b>	(151,912)	296	(151,616)

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Application of New and Amendments to International Financial Reporting Standards (“IFRS(s)”) (Continued)

##### Impact on application of Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

#### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

##### 應用國際會計準則第12號(修訂)－與單一交易產生的資產及負債相關的遞延稅項的影響(續)

		As at 1 January 2022 於二零二二年 一月一日 RMB'000 人民幣千元 (originally stated) (原列示)	Adjustment 調整	As at 1 January 2022 於二零二二年 一月一日 RMB'000 人民幣千元 (restated) (重列)
Deferred tax assets	遞延所得稅資產	—	186	186
<b>Total effect on net assets</b>	<b>對淨資產的總影響</b>	—	186	186
Reserves	儲備	(132,077)	186	(131,891)
<b>Total effect on equity</b>	<b>對權益的總影響</b>	(132,077)	186	(131,891)

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Application of New and Amendments to International Financial Reporting Standards (“IFRSs”) (Continued)

### Amendments to IFRSs issued but not yet effective

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

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that, the application of amendments to IFRSs will have no material impact on the results and the financial position of the Group.

## 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

### 已頒佈但尚未生效的經修訂國際財務報告準則

本集團並未提早採納以下已頒佈但尚未生效的經修訂國際財務報告準則及詮釋：

國際財務報告準則第10號和國際會計準則第28號(修訂)	投資者與其聯營企業或合資企業之間出售或投入資產 <sup>3</sup>
國際財務報告準則第16號(修訂)	售後回租的租賃負債 <sup>1</sup>
國際會計準則第1號(修訂)	流動與非流動負債的劃分 <sup>1</sup>
國際會計準則第1號(修訂)	有契約的非流動負債 <sup>1</sup>
國際會計準則第7號和國際財務報告準則第7號(修訂)	供貨商融資安排 <sup>1</sup>
國際會計準則第21號(修訂)	缺乏可互換性 <sup>2</sup>

<sup>1</sup> 二零二四年一月一日起或之後開始之年度期間生效

<sup>2</sup> 二零二五年一月一日起或之後開始之年度期間生效

<sup>3</sup> 適用於自某日起或之後的年度期間

本公司董事預期，應用新訂及經修訂國際財務報告準則將不會對本集團業績及財務狀況產生重大影響。



# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Material Accounting Policy Information

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

### 3. 重大會計政策信息

本綜合財務報表乃根據國際會計準則委員會發佈的國際財務報告準則編製。此外，本綜合財務報表包括了聯交所證券上市規則(「上市規則」)和香港公司條例要求的適用披露事項。

綜合財務報表按歷史成本基準而編製。

歷史成本通常基於就交換貨品而支付代價的公允價值。

公允價值是於計量日期市場參與者間在主要市場(或最有利的市場)按照現行市況(即平倉價)進行的有序交易所出售資產所收取或轉讓負債須支付的價格，不論該價格是否直接可觀察或使用另一估值技術估計所得。有關公允價值計量的詳情於下文所載會計政策中解釋。

主要會計政策載列如下：

#### 綜合賬目之基準

綜合財務報表包括本公司及受其控制實體(即其子公司)的財務報表。

控制乃指本集團擁有：(i)權力支配被投資方；(ii)藉對被投資方的參與而有權改變由其獲取的回報；及(iii)藉對該被投資方行使權力而有能力影響本集團回報。

倘有事實及情況顯示上述三項控制因素中有一項或以上出現變化，本集團將重新評估其是否對投資對象擁有控制權。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

#### Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods.

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

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

### 3. 重大會計政策信息(續)

#### 綜合賬目之基準(續)

當本集團取得附屬公司之控制權時，該等附屬公司之賬目開始合併，而當本集團失去附屬公司之控制權時終止合併。

附屬公司之收入及開支自本集團取得控制權之日起至本集團失去控制權之日計入綜合損益表的其他全面收益中。

集團內部各實體之間之資產及負債、所有者權益、收入、開支以及現金流量，將於綜合賬目時悉數對銷。

#### 收入確認

收入確認用以描述向客戶轉讓約定貨物的金額，該金額反映了實體預期有權以該等貨物換取的對價。

當(或於)滿足履約義務時，本集團確認收入，即於特定履約義務的相關商品或服務的「控制權」轉讓予客戶時確認。

履約義務指個別的商品(或一組商品)或大致相同的個別商品或服務。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Revenue from contracts with customers (Continued)

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

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

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

#### Contract liabilities

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration from the customer.

The Group recognised revenue from the sales of goods including (i) hair-care products; (ii) skin-care products; and (iii) other household and personal care products.

### 3. 重大會計政策信息(續)

#### 收入確認(續)

控制權隨時間轉移，而倘滿足以下其中一項標準，則收入乃參照完全滿足相關履約義務的進展情況而隨時間確認。

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團之履約創建或強化一資產，該資產於創建或強化之時即由客戶控制；或
- 本集團之履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約之款項具有可執行之權利。

否則，收入於客戶獲得個別商品或服務控制權的時間點確認。

收入是根據與客戶簽訂的合同中規定的對價計算的，不包括代表第三方收取的款項、折扣和與銷售有關的稅費。

#### 合同負債

合同負債表示本集團已經收到了客戶的對價未來需要向客戶交付貨物的義務。

集團確認銷售產品的收入，包括(i)護髮產品；(ii)護膚產品；(iii)其他家庭和個人護理用品。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Revenue from contracts with customers (Continued)

##### Sales of goods

Revenue from sales of goods is recognised at the point when control of the products has transferred, being when the products are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

##### Right of return

When a contract provides a customer with a right to return the goods within a specified period, the consideration received from the customer is variable because the contract allows the customer to return the products. The Group uses the expected value method to estimate the goods that will be returned. For goods expected to be returned, the Group presents a refund liability as "Refund liabilities" and an asset for the right to recover products from a customer as "Right to returned goods asset".

#### Leasing

##### Definition of a lease

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

##### *The Group as lessee*

For contracts entered into or modified on or after the date of initial application of IFRS16, the Group assesses whether a contract is or contains a lease, at inception of the contract or modification date, as appropriate. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

### 3. 重大會計政策信息(續)

#### 收入確認(續)

##### 貨物銷售

當產品的控制權轉移時，即產品交付給客戶時，而且沒有會影響客戶對產品接受的未履行義務，銷售產品的收入才會被確認。

##### 退貨權利

當合同規定客戶有權在規定期限內退貨時，從客戶處收到的對價是可變的，因為合同允許客戶退貨。本集團使用期望值法來估計將被退回的貨物。對於預計將被退回的貨物，本集團將退款責任列為「償還負債」，將從客戶收回產品的權利列為「退回存貨之權利」。

#### 租賃

##### 租賃的定義

如果合約賦予客戶在一段時期內控制特定資產的使用的權利以換取對價，則該合約屬租賃或包含租賃。

##### 本集團作為承租人

對在國際財務報告準則第16號之開始日或之後簽訂或修改的合同，集團在合同開始時或之後簽訂或修改日評估合約是否為或包含租賃。本集團就其為承租人的所有租賃安排，確認一項使用權資產和相應的租賃負債，但短期租賃(定義為自生效日期始租期不超過12個月的租賃且不包含購買選擇權)和低價值資產租賃除外。就該等租賃而言，本集團於有關租賃期內以直線法將與該等相關之租賃付款確認為營運費用，除非另一系統化基準更能體現耗用租賃資產所產生的經濟利益的時間模式則除外。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Leasing (Continued)

##### Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

### 3. 重大會計政策信息(續)

#### 租賃(續)

##### 租賃負債

於生效日期，本集團按當日尚未支付的租賃付款的現值計量租賃負債。租賃付款乃採用租賃中的內含利率進行折現。如果這個利率不容易確定，本集團將使用其增量借款利率。

租賃付款包括在由固定租賃付款(包括實質固定付款)的租賃負債的計量中。

租賃負債在簡明綜合財務報表中單獨列示。

租賃負債其後按調增賬面價值以反映租賃負債利息(使用實際利率法)和調減賬面值以反映所作出租賃付款額的方式計量。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Leasing (Continued)

##### Lease liabilities (Continued)

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

### 3. 重大會計政策信息(續)

#### 租賃(續)

##### 租賃負債(續)

倘出現以下情況，本集團重新計量租賃負債(並就相關使用權資產作出相應調整)：

- 租賃期有所變動或發生重大事件或情況變動導致行使購買選擇權的評估發生變化，在此情況下，租賃負債透過採用經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因指數或利率變動或有擔保剩餘價值下預期付款變動而出現變動，在此情況下，租賃負債採用初始貼現率貼現經修訂租賃付款而重新計量(除非租賃付款乃由於浮動利率變動而有所變動，則在此種情況下，採用經修訂貼現率)。
- 租賃合約已修改且租賃修改不作為一項單獨租賃入賬，在此情況下，租賃負債透過採用於修改生效日期的經修訂貼現率貼現經修訂租賃付款而重新計量。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Leasing (Continued)

##### Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

##### Lease modification

The Group accounts for a lease modification as a separate lease if:

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

For a lease modification that is not accounted for a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

### 3. 重大會計政策信息(續)

#### 租賃(續)

##### 使用權資產

使用權資產包括租賃負債的初始計量金額，於生效日期或之前作出的任何租賃付款，以及產生的任何初始直接成本，減去收到的租賃激勵。

使用權資產按成本減去累計折舊和減值損失後的價值重新計量。使用權資產按租期和相關資產的可使用年限內較短者折舊。折舊自租賃生效之日起計算。

本集團在簡明綜合財務報表中單獨列有使用權資產的項目。

本集團應用國際會計準則第36號，以確定資產使用權是否減值，並已確認任何的減值損失。

##### 租賃修改

倘存在以下情形，本集團將租賃修改作為獨立租賃入賬：

- 該項修改增加使用一項或多項相關資產的權利，從而擴大了租賃範圍；及
- 調增租賃代價，增加的金額相當於範圍擴大對應的單獨價格，加上按特定合約的實際情況對該單獨價格作出的任何適當調整。

對於不作為一項單獨租賃入賬的租賃修訂，於租賃修訂生效日期，本集團根據經修訂租賃的租期，通過使用經修訂的貼現率對經修訂的租賃付款額進行貼現以重新計量租賃負債。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Foreign currencies

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

#### Retirement benefit costs and termination benefits

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### 3. 重大會計政策信息(續)

#### 外幣

就呈列綜合財務報表而言，本集團之海外業務資產及負債採用呈報期末之通行匯率換算為本集團之呈列貨幣(即人民幣)。否則收入及開支項目按年內之平均匯率換算。所產生之匯兌差額(如有)於其他全面收益內確認並累計入權益項下之匯兌儲備中。

#### 退休福利成本和辭退福利

支付給國家管理的退休福利計劃及強制性公積金計劃「強積金計劃」被認為是當僱員提供使其有權獲得有關供款的服務時在損益中確認為開支。

#### 短期和其他長期僱員福利

僱員就工資和薪金於提供服務期間按預期就服務所支付的福利未折現金額而確認為負債。

有關短期僱員福利的負債確認，於提供服務期間按預期就服務所支付的福利未折現金額予以計量。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit/(loss) for the year. Taxable profit/(loss) differs from profit/(loss) before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

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

### 3. 重大會計政策信息(續)

#### 稅項

所得稅支出指應繳即期稅項及遞延稅項之總和。

應繳即期稅項根據本年度之應課稅溢利計算。應課稅溢利與綜合損益表中其他全面收益呈報的稅前溢利不同，乃基於其並無計入其他年度應課稅收入或可扣稅開支以及無需課稅及不獲扣稅之項目所致。本集團之即期稅項負債乃按呈報期末已訂定或大致訂定之稅率計算。

遞延稅項乃於綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者間之暫時性差異確認。遞延稅項負債一般按所有應課稅暫時性差異確認。遞延稅項資產一般按可能會出現可用作抵銷可扣稅暫時性差異之應課稅溢利就所有可扣稅的暫時性差異確認。倘暫時性差異乃初始確認一項交易中的資產及負債所產生但不影響應課稅溢利或會計溢利，則不會確認該等遞延資產及負債。

遞延稅項負債乃按附屬公司投資有關之應課稅臨時差額確認，惟若本集團可控制臨時差額之回撥及臨時差額有很可能不會於可見將來回撥之情況除外。有關該等投資及權益之可扣除暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可動用暫時差額利益且預計於可見將來撥回時確認。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Taxation (Continued)

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

### 3. 重大會計政策信息(續)

#### 稅項(續)

遞延稅項資產及負債乃根據於呈報期末時已頒佈或實際已頒佈之稅率(及稅法)·按預期於清償負債或變現資產期間適用之稅率計算。

遞延稅項負債及資產之計算反映本集團預期於呈報期末時收回或償還其資產及負債之賬面值所產生之稅務後果。

為計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延所得稅，集團首先確定稅收減免是否歸屬於使用權資產或是租賃負債。

對於因租賃負債而導致稅收減免的租賃交易，本集團對使用權資產和租賃負債分別適用國際會計準則第12號所得稅要求。有關資產使用權和租賃負債的暫時性差異，在初步確認時及超過租賃期，因申請初步確認豁免而不予確認。

遞延所得稅資產和負債在法律有可強制執行的抵銷當期稅收資產的權利，當期納稅義務以及與徵收的所得稅有關的情況由同一稅務機關向同一納稅單位徵稅。

即期及遞延所得稅項於損益中確認。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Property, plant and equipment

Property, plant and equipment other than properties under construction are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

#### Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment other than construction in progress and immature bearer plants less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

### 3. 重大會計政策信息(續)

#### 物業、廠房及設備

物業、廠房及設備乃以成本值減隨後累計折舊及隨後累計減值損失(如有)於綜合財務狀況表列賬。

#### 租賃土地和建築物的所有權權益

當本集團就包括租賃土地及建築物部分的物業之所有權權益款項，無法可靠地於租賃土地及建築物部分之間分配，整體對價在租賃土地和建築物部分之間按比率進行分配，按照相對公允價值作為初始確認金額。在某種程度上可以可靠地分配有關款項的，租賃土地之權益在綜合財務狀況表中列示為「使用權資產」。當整體對價不能合理地在非租賃建築物部分和非租賃土地下的未分割權益之間分配時，整體物業被分類為物業，廠房及設備。

折舊於其估計可使用年期內撤銷廠房及設備之成本減其估計剩餘價值後以直線法確認。估計可使用年期、剩餘價值及折舊方法於每個呈報期末審查，其估計變動之影響按未來適用基準入賬。

物業指用作生產、供應或行政用途乃按成本值減任何已確認減值虧損列賬。成本包括專業費用，符合條件之資產需根據本集團會計政策將貸款成本資本化。該等物業需在完工後合適地分類至物業、廠房及設備。相關的折舊亦應根據其他物業資產的基準，在該等物業可供其擬定用途時入賬。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Property, plant and equipment (Continued)

##### Ownership interests in leasehold land and buildings (Continued)

Bearer plants are classified as immature until the produce can be commercially harvested. At that point, immature bearer plants are reclassified to bearer plants and depreciation commences. Immature bearer plants are measured at accumulated costs.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

##### Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

##### Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method, and include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of the production overheads based on normal operating capacity. Net realisable value of inventories represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

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

### 3. 重大會計政策信息(續)

#### 物業、廠房及設備(續)

##### 租賃土地和建築物的所有權權益 (續)

生產性植物被歸類為不成熟，直到能產生商業收穫。此時，不成熟的生產性植物被重新分類為生產性植物並開始計提折舊。不成熟的生產性植物以累計投入的成本計量。

一項物業廠房和設備報廢或者將來預期繼續使用該項資產不會帶來經濟效益時被終止確認。任何有報廢或者設備的退出所帶來的收入或者損失於銷售收入和該項資產的賬面價值之間的差異被確認為利潤或者損失。

##### 研究及開發支出

研究活動之支出於其發生期間確認為費用。

##### 存貨

存貨以成本與可變現淨值的較低者計量。存貨成本按加權平均成本原則決定，並包括購入存貨、生產或轉換成本及其他將其運送至現有地點及狀況所產生的開支。就製成品及在製品而言，成本包括按正常產能計算，按照適當比例分配的生產製造費用。可變現淨值指存貨的估計售價減估計全部完工成本及必要的銷售開支。

存貨撇減至可變現淨值之減幅及所有存貨損失均於撇減或損失產生期間確認為開支。任何已撇減存貨之撥回金額，在作為撥回期間內確認為減少已確認為開支的存貨金額。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdraft which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

#### Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

### 3. 重大會計政策信息(續)

#### 現金及現金等價物

在合併財務狀況報表中，現金和銀行結餘包括現金(即手頭現金和存款)和現金等價物。現金等價物是短期的(一般存款期為三個月或以下)，高流動性的投資，很容易轉換為已知金額的現金，並受到輕微的風險價值變化。持有現金等價物的目的是滿足短期現金承諾，而不是用於投資或其他用途。

就綜合現金流量表而言，現金及現金等價物由上文所定義之現金和現金等價物減去未償還的即付即還的銀行透支餘額構成本集團的現金管理，這種透支列示在綜合財務狀況表的短期借款位置。

#### 金融工具

當一間集團實體成為金融工具合約條款的一方時，金融資產及金融負債須於綜合財務狀況表中進行確認。

金融資產及金融負債初步按公允價值計量，但因初始計量根據國際財務報告準則15號合約客戶而產生的貿易應收賬款除外。初步確認時，直接歸於收購或發行金融資產及金融負債的交易成本須加入該等金融資產或金融負債的公允價值或從中扣除(如適用)。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Financial instruments (Continued)

##### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group's financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

##### *Financial assets at amortised cost (debt instruments)*

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

### 3. 重大會計政策信息(續)

#### 金融工具(續)

##### 金融資產

所有常規買賣之金融資產乃按交易日期確認及終止確認。以常規方式買賣指須根據市場規則或慣例所規定之限期內交付資產之金融資產買賣。

所有認可金融資產隨後均按攤銷成本或公允價值(視金融資產類別而定)整體計量。金融資產在初始確認時分類，隨後按攤餘成本計量。

初始確認時的金融資產分類取決於金融資產的契約現金流特徵和集團管理這些資產的業務模式。

##### *按攤銷成本計算的金融資產(債務工具)*

如符合下列兩項條件，本集團隨後會按攤銷成本計算金融資產

- 金融資產是在一個商業模式內持有的，該商業模式的目標是持有金融資產，以收合同現金流；以及
- 金融資產的合同條款在特定日期產生現金流，這些現金流僅是未償付本金的本金和利息的支付。

按攤銷成本計算的金融資產隨後採用有效利息法進行計量，並可能出現減值。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

###### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses (“ECL”), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the “Other income” line item (note 8).

### 3. 重大會計政策信息(續)

#### 金融工具(續)

##### 金融資產(續)

###### *攤銷成本與實際利率法*

實際利率法乃計算相關期間內債務工具之攤銷成本及分配利息收入之方法。

對於金融資產，實際利率指確切折現金融資產之預計可使用年期或較短期間(如適用)內估計未來現金收入(包括構成實際利率不可或缺部分之已付或已收之一切費用及利率差價、交易成本及其他溢價或折讓)不包括預期信貸損失(「預期信貸損失」)，至初步確認賬面淨值之利率。

金融資產的攤銷成本是指金融資產在初始確認時的攤銷金額減去本金償還額，再加上使用實際利率法計算的累積攤銷金額，即該初始金額與到期金額之間的任何差額，並根據任何損失備抵額進行調整。金融資產的賬面總額是指金融資產在調整損失備抵前的攤銷成本。

利息收入乃按攤銷成本計算的債務工具的實際利率法確認。對於後來信用受損的金融資產，利息收入按該金融資產的實際利率攤銷成本確認。如在其後的報告期內，信貸受損金融工具的信貸風險有所改善，以致該金融資產不再受信貸受損，則利息收入會按該金融資產賬面價值的實際利率計算。

利息收入確認為損益，並包括在「其他收入」項目內(附註8)。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

###### *Impairment of financial assets*

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

###### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

### 3. 重大會計政策信息(續)

#### 金融工具(續)

##### 金融資產(續)

###### *金融資產減值*

本集團認可按攤銷成本計算的債務工具投資預期信貸損失撥備。預期信貸損失金額在每個報告日更新，以反映自初步確認有關金融工具以來信貸風險的變化。

本集團一向認可貿易應收賬款的使用期預期信貸損失。預期信貸損失提供這些金融資產估計使用矩陣根據集團的歷史信用損失的經驗，調整的特定於債務人的因素，綜合經濟條件和評估當前和預測的方向在報告日期條件，包括在適當的地方貨幣的時間價值。

對於所有其他金融工具，本集團計算相當於12個月預期信貸損失的損失備抵額，除非自首次確認以來信貸風險顯著增加，否則本集團確認的是使用期預期信貸損失。對使用期預期信貸損失是否應予以確認的評估，是基於自初始確認以來發生違約的可能性或風險的顯著增加。

###### *信貸風險顯著增加*

在評估信貸風險的金融工具是否顯著增加自首次承認，該集團比較違約發生的風險的金融工具在報告日期發生違約的風險在金融工具的初始確認的日期。在作出這一評價時，本集團考慮到合理和可支持的數量和質量資料，包括歷史經驗和前瞻性資料，這些資料無需付出不必要的代價或努力即可獲得。前瞻性信息考慮包括集團債務人所在行業未來前景的運營，以及考慮各種外部實際資源和有關集團運營的經濟預測信息。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular debtor, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic; or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

### 3. 重大會計政策信息(續)

#### 金融工具(續)

##### 金融資產(續)

##### 信貸風險顯著增加(續)

特別是在評估信貸風險自最初確認以來是否顯著增加時，考慮到下列資料：

- 金融工具的外部(如有)或內部信用評級實際或預期顯著惡化；
- 針對特別債務人的信貸風險的外部市場指標明細惡化，例如，一項信貸差價的顯著增加，債務人信貸違約互換的價格，或期限加長或者延長至一項金融資產的公允價值已顯著低於其攤餘成本；
- 經營、財務、經濟狀況發生可能導致債務人償債能力顯著下降的現有或者預測的不利變化；
- 債務人經營成果實際或者預期顯著惡化的；
- 同一債務人的其他金融工具信貸風險顯著增加的；
- 債務人在監管、經濟或技術環境中發生的實際或預期的重大不利變化，導致債務人履行債務的能力顯著下降。

不論上述評估的結果如何，除非本集團有合理和可支持的資料證明並非如此，否則本集團假定，自首次確認合約付款逾期超過30天以來，金融資產的信貸風險已顯著增加。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

###### *Significant increase in credit risk (Continued)*

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) the debt instrument has a low risk of default, (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

###### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

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

### 3. 重大會計政策信息(續)

#### 金融工具(續)

##### 金融資產(續)

###### *信貸風險顯著增加(續)*

儘管有上述情況，本集團假定，如果在報告日期確定金融工具的信貸風險較低，則該金融工具的信貸風險自最初確認以來沒有顯著增加。確定一個債務工具信貸風險較低，如果(i)債務工具有一個低違約風險，(ii)借款人有很強的能力在短期內滿足其義務合同現金流，和(iii)不良長期的經濟和商業環境的變化，但並不一定會降低借款人的能力履行其合同現金流的義務。本集團認為，如果債務的外部信用評級為「投資級」(符合全球公認的定義)，或如果沒有外部評級，則該資產的內部評級為「履行」，則該金融資產的信貸風險較低。履行是指交易對手擁有強大的財務實力，沒有過去到期的款項。

本集團定期監測用於確定信貸風險是否顯著增加的標準的有效性，並酌情修訂這些標準，以確保這些標準能夠在貸款逾期前確定信貸風險的顯著增加。

###### *違約之定義*

本集團認為以下事項構成內部信貸風險管理方面的違約事件，因為歷史經驗顯示，符合以下任何一項準則的應收賬款一般是不可收回的：

- 債務人違反財務契約的；或
- 內部開發或從外部來源獲得的信息表明，債務人不太可能向包括本集團在內的債權人全額支付債務(不考慮本集團持有的任何抵押)。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

###### Definition of default (Continued)

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

###### Credit-impaired financial assets

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

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or past due event;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

###### Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

### 3. 重大會計政策信息(續)

#### 金融工具(續)

##### 金融資產(續)

###### 違約之定義(續)

不管以上的分析，本集團認為，金融資產逾期超過90天即發生違約，除非本集團有合理和可支持的信息證明較遲的違約標準更為合適。

###### 信用損失金融資產

當一個或多個事件對該金融資產的未來現金流量估計產生不利影響時，該金融資產即為信用損失。金融資產信用受損的證據包括以下可觀察到的數據：

- 債務人有重大財務困難的；
- 違約，如違約或逾期事件；
- 債務人有可能破產或進行其他財務重組；或
- 由於財政困難，該金融資產的活躍市場消失了。

###### 註銷政策

當有資料顯示債務人有嚴重的財政困難，而且沒有實際的回收前景時，集團會註銷一項金融資產，例如：交易對方被清算或者進入破產程序的。根據本集團的追討程序，在適當情況下，考慮到法律意見，註銷的金融資產仍可能受到執行活動的影響。任何收回的款項均確認為損益。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

###### *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

### 3. 重大會計政策信息(續)

#### 金融工具(續)

##### 金融資產(續)

###### *預期信貸損失的計量和確認*

預期信貸損失的計量是違約概率、違約損失率(即違約時損失程度)和違約風險的函數。違約概率和違約造成損失的評估是基於由前瞻性資料如上述調整的歷史數據。對於金融資產的違約風險，則以資產在報告日期的賬面總值及其他有關前瞻性資料表示。

對於金融資產，預期信貸損失估計為根據合約中應付本集團之所有合同現金流與本集團預期收到的所有現金流之間的差額(按最初實際利率折現)。

如本集團在上一個報告期間已計算一項財務工具的損失備抵額，其金額相當於使用期預期信貸損失，但決定在當前報告日期壽命內的預期信貸損失的條件不再滿足，本集團計量損失備抵額的金額相當於當前報告期的12個月的預期信貸虧損，使用了簡化計量方法的資產除外。

本集團對所有金融工具在損益表中確認撥備利得或損失，通過損失備抵賬戶對其賬面價值作相應調整。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

###### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

##### Financial liabilities and equity instruments

###### *Classification as debt or equity*

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

###### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

###### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

### 3. 重大會計政策信息(續)

#### 金融工具(續)

##### 金融資產(續)

###### *終止確認金融資產*

當從金融資產收取現金流之合約權利已屆滿，或當本集團向另一方轉移金融資產及其擁有權之絕大部份風險及回報時，方會終止確認金融資產。

一項金融資產終止確認以攤餘成本計量，資產賬面金額與已收及應收代價及已於其他全面收益確認並於權益累計之累積盈虧之總和之差額，會於損益中確認。

##### 金融負債及權益工具

###### *重分類為債券或權益*

集團實體發行之債務及股權工具按所訂立之合約安排性質，以及金融負債及股權工具之定義分類為金融負債及股權。

###### *權益工具*

權益工具為證明一間實體的資產經扣除其所有負債後之剩餘權益的任何合約。本集團發行之股權工具以扣除直接發行成本後之已收所得款項確認。

###### *金融負債*

所有的金融負債使用實際利率法按攤銷成本計算。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity instruments (Continued)

###### *Financial liabilities subsequently measured at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method.

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

###### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

### 3. 重大會計政策信息(續)

#### 金融工具(續)

##### 金融負債及權益工具(續)

###### *金融負債持續以攤銷成本計量*

金融負債不是(i)業務合併收購對價的或有負債，(ii)持有交易，或(iii)以公允價值計入損益之金融資產，隨後用實際利率法按照攤銷成本計量。

實際利率法為計算有關期間金融負債之攤銷成本及分配利息開支之方法。實際利率乃準確將金融負債在預計年期或較短期間(如適用)內產生之估計未來現金付款(包括所支付或所收取構成實際利率一部份之所有費用及息差、交易成本及其他溢價或折現)折現至金融負債之攤銷成本。

###### *終止確認金融負債*

當且僅當本集團之債務獲解除、撤銷或屆滿時，本集團方會終止確認金融負債。終止確認之金融負債賬面金額與已付及應付代價(包括已轉移的非現金資產或已承擔的負債)之差額會於損益中確認。

#### 計提準備

倘本集團因過往事件而須承擔現有法律責任或推定責任，且本集團極有可能須履行該責任，並能可靠地估計所須承擔之金額，則須確認計提準備。

確認為計提準備之金額乃呈報期間未履行現時責任所需代價之最佳估計，並計及有關責任之風險及不確定因素。當計提準備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值(當貨幣時間價值之影響為顯著)。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Material Accounting Policy Information (Continued)

#### Impairment losses on property, plant and equipment and right of use assets

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment and right of use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

### 3. 重大會計政策信息(續)

#### 物業、廠房及設備和使用權資產之減值損失

於呈報期末，本集團審閱其物業、廠房及設備和使用權資產之賬面值以釐定是否有任何跡象顯示該等資產已蒙受減值損失。倘存在任何該等跡象，將對資產之可收回金額作出估計以確定減值損失(如有)之程度。倘無法估計個別資產之可收回金額，本集團將估計該資產所屬之現金產生單位之可收回金額。倘可辨識到合理及一致之分配基準，企業資產亦分配到個別現金產生單位或彼等獲分配到可辨識合理及一致之分配基準之現金產生單位最小之組別。

可收回金額乃公允價值減處置成本及使用價值兩者中之較高者。評估使用價值時，估計之未來現金流量在未作出調整時應按當時市場對貨幣時間值及該資產特定風險之估計之稅前折現率折現至其現值。

倘估計一項資產(或現金產生單位)之可收回金額低於其賬面值，該資產(或該現金產生單位)之賬面值將減少至其可收回金額。減值損失將即時於損益確認。

倘減值損失於其後撥回，其資產之賬面值(或現金產生單位)將增加至其經修訂之估計可收回金額，惟所增加賬面值不得超過過往年度該資產(或現金產生單位)沒有減值損失情況下所釐定之賬面值。減值損失撥回即時被確認為收入。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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 Judgement and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

##### Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 4. 關鍵會計判斷和估計不確定因素之主要來源

本集團於應用附註3所述之會計政策時，本公司董事須就該等資產、負債、收入和支出報告及綜合財務報表作出的披露作出判斷、估計及假設。該等估計及相關假設乃根據董事過往經驗及其認為相關之其他因素而作出。實際結果與估計可能出現誤差。

該等估計及相關假設按持續基準進行審閱。會計估計之修訂乃於作出修訂估計之期間內確認(倘修訂僅影響該期間)，或於修訂期間及未來期間確認(倘修訂影響本期及未來期間)。

##### 估計不確定因素之主要來源

於呈報期末就未來和其他估計的不明朗因素的主要來源所作出的主要假設，此等假設足以致使下一個財政年度的資產及負債賬面值發生重大調整的風險，列載如下。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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 Judgement and Key Sources of Estimation Uncertainty (Continued)

##### Key sources of estimation uncertainty (Continued)

###### Impairment of trade receivables

The impairment of trade receivables is based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience, existing market conditions of the industry in which the debtors operated and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. At 31 December 2023, the carrying amount of trade receivables was approximately RMB17,655,000 (2022: RMB14,281,000), net of allowance for impairment of trade receivables of approximately RMB3,849,000 (2022: RMB4,997,000). During the year ended 31 December 2023, reversal of impairment loss of trade receivables of approximately RMB1,148,000 (2022: RMB2,993,000) was recognised.

#### 4. 關鍵會計判斷和估計不確定因素之主要來源(續)

##### 估計不確定因素之主要來源(續)

###### 貿易應收款項之減值

貿易應收款項的減值準備是基於對預期信貸損失的假設。本集團在作出這些假設和選擇減值計算的投入時，會根據個別應收賬款未清償的天數，以及本集團在報告期末的歷史經驗債務人經營所在行業的現行市場情況和前瞻性資料，作出判斷。這些假設和估計數的改變可能會對評估結果產生重大影響，因此可能有必要在綜合損益及其他全面收益表的合併報表中追加減值費用。於二零二三年十二月三十一日，應收賬款賬面價值約為人民幣17,655,000元(二零二二年：人民幣14,281,000元)，應收賬款減值準備淨額約人民幣3,849,000元(二零二二年：人民幣4,997,000元)。截至二零二三年十二月三十一日止年度內，回撥了約人民幣1,148,000元的貿易應收款項減值損失(二零二二年：確認了貿易應收賬款之減值損失約人民幣2,993,000元)。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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 Judgement and Key Sources of Estimation Uncertainty (Continued)

##### Key sources of estimation uncertainty (Continued)

###### Valuation of inventories

The Group makes the allowance for inventories based on assessments of the net realisable value and ageing analysis of inventories and makes allowance for obsolete and slow-moving items identified that are no longer suitable for sale. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. As at 31 December 2023, the carrying amount of inventories was approximately RMB25,831,000 (2022: RMB27,056,000), net of accumulated allowance of approximately RMB1,102,000 (2022: RMB1,239,000). During the year ended 31 December 2023, obsolete inventories written-off and reversal of allowance for inventories of approximately RMB798,000 (2022: RMB1,961,000) and RMB137,000 (2022: allowance for inventories of approximately RMB11,000) were recognised, respectively.

###### Impairment on property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs.

#### 4. 關鍵會計判斷和估計不確定因素之主要來源(續)

##### 估計不確定因素之主要來源(續)

###### 存貨估值

本集團根據對存貨可變現淨值的評估和存貨的老化分析，對存貨進行備抵，並對已確定不再適合銷售的過時和滯銷項目進行備抵。管理層主要根據最新的發票價格和當前的市場狀況來估計存貨的可變現淨值。截至二零二三年十二月三十一日，存貨賬面價值約人民幣25,831,000元(二零二二年：人民幣27,056,000元)，扣除累計撥備淨值約人民幣1,102,000元(二零二二年：人民幣1,239,000元)。截至二零二三年十二月三十一日止年度內，分別確認了約人民幣798,000元(二零二二年：人民幣1,961,000元)的逾期存貨報廢和約人民幣137,000元的存貨減值準備(二零二二年：回撥了約人民幣11,000元的存款減值準備)。

###### 物業、廠房及設備和使用權資產減值

物業、廠房及設備和使用權資產(如有)按成本減累計折舊和減值(如有)入賬。在確定資產是否減值時，本集團必須作出判斷和估計，特別是在評估：(i)是否發生了事件或任何可能影響資產價值的指標；(ii)資產的賬面價值是否可以由可收回金額來支撐，在使用價值的情況下，根據資產的繼續使用估計的未來現金流量的淨現值；及(iii)在估計可收回金額時，包括現金流量預測和適當的貼現率時所應用的適當關鍵假設。當不可能估計單個資產的可收回金額時，集團就估計該資產所屬的現金產生單元的可收回金額。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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 Judgement and Key Sources of Estimation Uncertainty (Continued)

##### Key sources of estimation uncertainty (Continued)

##### Impairment on property, plant and equipment and right-of-use assets (Continued)

The future cash flow is estimated based on past performance and expectation for market development. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2023, the carrying values of property, plant and equipment and right-of-use assets were approximately RMB34,575,000 and RMB22,573,000 (2022: RMB40,515,000 and RMB31,301,000) respectively. Reversal of impairment losses in respect of property, plant and equipment of approximately RMB291,000 (2023: nil) has been recognised in 2022. No impairment losses were recognised for property, plant and equipment and right-of-use assets for the years ended 31 December 2023 and 2022.

##### Estimated useful life of property, plant and equipment

The Group depreciates the property, plant and equipment on a straight-line basis between the rates of 4% to 50% per annum, commencing from the date the property, plant and equipment are available for use. The estimated useful lives that the Group places the property, plant and equipment into productive use reflects the Directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. As at 31 December 2023, the carrying values of property, plant and equipment was approximately RMB34,575,000 (2022: RMB40,515,000). Depreciation of approximately RMB7,890,000 (2022: RMB21,911,000) has been recognised for the current year.

#### 4. 關鍵會計判斷和估計不確定因素之主要來源(續)

##### 估計不確定因素之主要來源(續)

##### 物業、廠房及設備和使用權資產減值(續)

未來的現金流是根據過去的業績和市場發展預期(包括但不限於新冠病毒大流行的影響)估算的。由於當前環境的不確定性，估計的現金流量和貼現率具有較高的估計不確定性。改變假設和估計，包括現金流預測中的貼現率或增長率，可能對可收回金額產生重大影響。

於二零二三年十二月三十一日，物業、廠房及設備和使用權資產之賬面值分別約為人民幣34,575,000元和人民幣22,573,000元(二零二二年：人民幣40,515,000元和人民幣31,301,000元)。二零二二年回撥有關物業、廠房及設備的減值損失約人民幣291,000元(二零二三年：無)並已被確認於當前年度。於二零二三年和二零二二年十二月三十一日止，無物業、廠房和設備及使用權資產於本年度被確認減值損失。

##### 預計物業、廠房和設備的使用壽命

本集團自物業、廠房及設備可供使用之日起，按每年4%至50%的直線折舊。本集團將物業、廠房和設備投入生產使用的預計使用壽命反映了董事對本集團打算從使用本集團財產、廠房和設備中獲得未來經濟利益的期間的估計。截至二零二三年十二月三十一日，物業、廠房和設備賬面價值約人民幣34,575,000元(二零二二年：人民幣40,515,000元)。折舊約人民幣7,890,000元(二零二二年：人民幣21,911,000元)於本年度被確認。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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 Judgement and Key Sources of Estimation Uncertainty (Continued)

##### Key sources of estimation uncertainty (Continued)

###### Income taxes

Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

#### 5. Capital Risk Management

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, net of time deposit, bank balances and cash and equity attributable to owners of the Company, comprising share capital and reserves.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Directors review the capital structure on a semi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt.

#### 4. 關鍵會計判斷和估計不確定因素之主要來源(續)

##### 估計不確定因素之主要來源(續)

###### 所得稅

釐定所得稅撥備涉及對若干交易日後稅務處理之判斷。本集團謹慎評估交易之稅務影響並據此製訂稅務撥備。本集團定期重新審議上述交易之稅務處理以便將所有稅法變動考慮在內，並就未動用之稅務虧損及可抵扣暫時差額確認遞延稅項資產。由於遞延稅項資產只限極可能抵扣之未來應課稅溢利時才會確認，因此需要管理層判斷獲得未來應課稅溢利之可能性。本集團定期審閱管理層之評估，倘若未來應課稅溢利可能使遞延所得稅資產收回。便會確認遞延稅項資產。

#### 5. 資本風險管理

本集團的政策旨在維持穩健資本基礎，以保持債權人及市場信心，以及支持日後的業務發展。本集團整體策略與去年維持不變。

本集團的資本結構包括債務淨額(包括扣除銀行結存及現金)及本公司權益持有人應佔權益(包括股本和儲備)。

本公司及其任何附屬公司概不受外界資本規定限制。

本公司董事每半年會審閱資本結構。就有關審閱，董事考慮資本成本及與各級別資本相關之風險。根據本公司董事建議，本集團將透過發行新股份、發行新債務或贖回現有債務，以平衡其整體資本架構。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Financial Instruments

##### (a) Categories of financial instruments

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Financial assets	金融資產		
At amortised cost (including cash and cash equivalents)	攤餘成本(包括現金和現金等價物)	136,521	141,221
Financial liabilities	金融負債		
At amortised cost	攤餘成本	57,216	75,661

##### (b) Financial risk management objective and policies

The Group's major financial instruments include time deposit, trade and other receivables, bank balances and cash and trade and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### 6. 金融工具

##### (a) 金融工具類別

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Financial assets	金融資產		
At amortised cost (including cash and cash equivalents)	攤餘成本(包括現金和現金等價物)	136,521	141,221
Financial liabilities	金融負債		
At amortised cost	攤餘成本	57,216	75,661

##### (b) 金融風險管理目標及政策

本集團之主要金融工具包括定期存款、貿易及其他應收款項、應收關聯方款項、銀行結存及現金、貿易及其他應付款項及應付關聯方款項。該等金融工具之詳情於各附註內披露。與該等金融工具有關之風險包括市場風險(貨幣風險和利率風險)、信貸風險及流動性風險。下文載列如何降低該等風險之政策。管理層管理及監控該等風險，以確保適時及有效地採取適當措施。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Financial Instruments (Continued)

#### (b) Financial risk management objective and policies (Continued)

##### Market risk

##### Currency risk

Several subsidiaries of the Company have foreign currency sales, which expose the Group to foreign currency risk. Approximately 2% (2022: 2%) of the Group's sales is denominated in currencies other than the functional currency of the group entity making the sale. The Group currently does not have a foreign currency hedging policy. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

### 6. 金融工具(續)

#### (b) 金融風險管理目標及政策(續)

##### 市場風險

##### 貨幣風險

本公司旗下多間附屬公司之銷售是外幣計價，本集團因而面對外匯風險。本集團約2% (二零二二年：2%) 之銷售以集團實體功能貨幣以外之貨幣計價。本集團目前並無任何外幣對沖政策。本集團會監控外匯風險，如有必要時，亦會考慮對沖重大外匯風險。

本集團以外幣計價之貨幣資產及負債於呈報期末之賬面價值如下：

		Assets 資產		Liabilities 負債	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
RMB	人民幣	525	1,727	7,653	7,617
HK\$	港元	1,781	649	1,256	1,067
United States dollars ("USD")	美元(「美元」)	1,019	2,601	—	—

In the opinion of the Directors, no sensitivity analysis is presented because the risk is considered insignificant.

根據董事們的意見，因為風險被認為不重要，故概無呈列敏感度分析。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Financial Instruments (Continued)

##### (b) Financial risk management objective and policies (Continued)

###### Market risk (Continued)

###### Interest rate risk

As at 31 December 2023 and 2022, the Group is exposed to cash flow interest rate risk in relation to bank balances (see note 23). The management of the Group considered that a reasonably possible change in interest rates would not have a material impact to the Group's result.

###### Credit risk

As at 31 December 2023, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of the Group mainly arises from time deposit, trade and other receivables and bank balances and cash. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

#### 6. 金融工具(續)

##### (b) 金融風險管理目標及政策(續)

###### 市場風險(續)

###### 利率風險

於二零二三年及二零二二年十二月三十一日，本集團承擔之現金流利率風險涉及銀行結存及現金(附註23)。本集團之管理層認為利率有合理可能性的變動不會對集團業績產生重大影響。

###### 信貸風險

於二零二三年十二月三十一日，本集團之最高信貸風險(因交易方未能履行責任及本集團提供之財務擔保而令本集團蒙受財務損失)來自各項金融資產於綜合財務狀況表所列之賬面值。

本集團之信貸風險主要來源於定期存款、貿易及其他應收款項、應收關聯方款項和銀行結存及現金。這些餘額之賬面值代表了本集團與金融資產相關之最高信貸風險。

為盡可能減低信貸風險，本集團之管理層已委派一支隊伍負責釐定信貸限額、審批信貸及進行其他監察程序，確保採取跟進行動以收回逾期債務。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Financial Instruments (Continued)

##### (b) Financial risk management objective and policies (Continued)

###### Credit risk (Continued)

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the allowance for impairment at lifetime ECL. The Group determines the ECL collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Management considered that other receivables to be low credit risk and thus the allowance for impairment recognised during the year was limited to 12-month ECL.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or with good reputation.

#### 6. 金融工具(續)

##### (b) 金融風險管理目標及政策(續)

###### 信貸風險(續)

對於貿易應收款項，本集團已採用國際財務報告準則第9號中的簡化方法來衡量使用期預期信貸損失的減值準備。本集團根據歷史信用損失經驗，以及債務人經營的行業的綜合經濟狀況，採用撥備矩陣，就這些項目共同確定預期信貸損失。在這方面，董事們認為集團的信貸風險大大降低。

管理層認為應收關聯方款項的信貸風險較低，因此在年內確認的減值準備只限於12個月的預期信貸損失。

由於交易方為具有高信貸評級之銀行，因其由國際信用評級機構或有良好信譽的機構指派，故流動資金之信貸風險有限。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Financial Instruments (Continued)

##### (b) Financial risk management objective and policies (Continued)

###### Credit risk (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

#### 6. 金融工具(續)

##### (b) 金融風險管理目標及政策(續)

###### 信貸風險(續)

本集團考慮在初步確認資產時違約的可能性，以及在整個報告期間，信貸風險是否持續顯著增加。為評估信貸風險是否顯著增加，本集團將資產在報告日期發生違約的風險與初始確認日期發生違約的風險進行比較。它考慮可用的、合理的和支持性的前瞻性信息。特別是納入了以下指標：

- 內部信用評級
- 預計會對債務人履行債務的能力造成重大變化的實際或預期的業務、財務或經濟狀況重大不利變化
- 債務人運營結果中的實際或預期的重大變化
- 債務人預期業績和行為的重大變化，包括債務人在集團內的支付狀況的變化和借款人經營業績的變化。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Financial Instruments (Continued)

##### (b) Financial risk management objective and policies (Continued)

###### Credit risk (Continued)

*The Group's exposure to credit risk*

The Group's current credit risk grading framework comprises the following categories:

Category 分類	Description 描述	Basis for recognising ECL 確慮預期信貸虧損的基準
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired (refer to as Stage 1)	12-month ECL
履行	交易對手之違約風險低，或自初始確認以來信貸風險沒有顯著增加及未發生信貸減值(作為階段1參考)	12個月預期信貸虧損
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired (refer to as Stage 2)	Lifetime ECL — not credit-impaired
呆賬	內部產生資料或外部來源顯示信貸風險自初步確認以來顯著增加但未發生信貸減值(作為階段2參考)	使用期預期信貸虧損 — 未發生信貸減值
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL — credit impaired
違約	當一個或多個事件對該金融資產的未來現金流量估計產生不利影響時，該金融資產即為信貸減值(作為階段3參考)	使用期預期信貸虧損 — 已發生信貸減值
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off
撇銷	有證據顯示債務人面臨嚴重財務困且本集團認為不可能收回有關賬款	有關金額已撇銷

#### 6. 金融工具(續)

##### (b) 金融風險管理目標及政策(續)

###### 信貸風險(續)

*集團信貸風險敞口*

本集團現時的信貸風險評級架構如下列項目：

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Financial Instruments (Continued)

##### (b) Financial risk management objective and policies (Continued)

###### Credit risk (Continued)

*The Group's exposure to credit risk (Continued)*

The table below details the credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades.

	Notes	Internal credit rating	12-month or lifetime ECL	2023 二零二三年			2022 二零二二年		
				Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
	附註	內部信用評級	12個月或使用期預期信貸虧損	賬面價值總額 RMB'000 人民幣千元	減值準備 RMB'000 人民幣千元	賬面淨值 RMB'000 人民幣千元	賬面價值總額 RMB'000 人民幣千元	減值準備 RMB'000 人民幣千元	賬面淨值 RMB'000 人民幣千元
Trade receivables 貿易應收款	22	Note 附註	Lifetime ECL (not credit impaired) 使用期預期借貸損失 (未發生信貸減值)	21,504	(3,849)	17,655	19,278	(4,997)	14,281
Other receivables 其他應收款	22	Performing 履行	12-month ECL 12個月預期信貸虧損	594	—	594	2,536	—	2,536
Time deposit, bank balances and cash 定期存款· 銀行結餘及現金	23	Performing 履行	12-month ECL 12個月預期信貸虧損	118,272	—	118,272	124,404	—	124,404
				<b>140,370</b>	<b>(3,849)</b>	<b>136,521</b>	146,218	(4,997)	141,221

Note: The Group has applied simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Details are set out in note 22.

附註：本集團已應用簡化的國際財務報告準則9號來計量使用期預期借貸虧損下的減值損失。詳情載列於附註22。

#### 6. 金融工具(續)

##### (b) 金融風險管理目標及政策(續)

###### 信貸風險(續)

*集團信貸風險敞口(續)*

下表詳列了本集團金融資產信用質量和本集團最大披露之按信貸風險等級評定信貸風險。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Financial Instruments (Continued)

#### (b) Financial risk management objective and policies (Continued)

##### Credit risk (Continued)

*The Group's exposure to credit risk (Continued)*

As at 31 December 2023, the Group's concentration of credit risk by geographical location is mainly in the PRC, which accounted for 97% (2022: 99%) of the total trade receivables.

As at 31 December 2023, the Group has concentration of credit risk, as 16% (2022: 32%) of the total trade receivables, which was due from the Group's five largest customers.

None of the Group's financial assets are secured by collateral or other credit enhancements.

##### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it maintains sufficient reserves of cash on demand to meet its liquidity requirement in the short and longer term; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

### 6. 金融工具(續)

#### (b) 金融風險管理目標及政策(續)

##### 信貸風險(續)

*集團信貸風險敞口(續)*

本集團按地理位置劃分，信貸風險主要集中於中國，於二零二三年十二月三十一日，這部分應收賬款總額佔97% (二零二二年：99%)。

於二零二三年十二月三十一日，本集團五大客戶集中信貸風險佔總的貿易應收款為16% (二零二二年：32%)。

本集團之金融資產概無抵押或其他信貸提升。

##### 流動性風險

流動性風險指本集團無法履行到期的財務責任的風險。本集團管理流動資金風險的方法，為盡量確保在一般及緊急情況下備有足夠的流動資金應付到期的負債，使本集團毋須承擔不能接受的虧損或聲譽受損的風險。

本集團確保在需要時保持足夠現金儲備，以滿足其短期及長期流動資金需求，惟不包括無法合理預計的特殊情況，如自然災害的潛在影響。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Financial Instruments (Continued)

##### (b) Financial risk management objective and policies (Continued)

###### Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates are based on the agreed repayment dates. The table includes both interest and principal cash flows.

#### 6. 金融工具(續)

##### (b) 金融風險管理目標及政策(續)

###### 流動性風險(續)

下表詳列本集團之非衍生金融負債和租賃負債之剩餘合約期限。該表乃基於本集團須作出支付之最早日期並根據金融負債之未折現現金流量制定。其他非衍生金融負債和租賃負債之到期日以協定償還日期為基礎。表中包括利息及本金現金流量。

		On demand or within one year 按要求或 一年內 RMB'000 人民幣千元	2-5 years 二至五年 RMB'000 人民幣千元	Over 5 years 超過五年 RMB'000 人民幣千元	Total undiscounted cash flows 未折現 現金流總額 RMB'000 人民幣千元	Carrying amount 賬面價值 RMB'000 人民幣千元
<b>At 31 December 2023</b>	於二零二三年 十二月三十一日					
<b>Non-derivative financial liability</b>	非衍生金融負債					
Trade and other payables	貿易及其他應付款項	57,216	—	—	57,216	57,216
Lease liabilities	租賃負債	10,163	16,298	270	26,731	25,103

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Financial Instruments (Continued)

##### (b) Financial risk management objective and policies (Continued)

###### Liquidity risk (Continued)

	On demand or within one year 按要求或 一年內 RMB'000 人民幣千元	2-5 years 二至五年 RMB'000 人民幣千元	Over 5 years 超過五年 RMB'000 人民幣千元	Total undiscounted cash flows 未折現 現金流總額 RMB'000 人民幣千元	Carrying amount 賬面價值 RMB'000 人民幣千元
<b>At 31 December 2022</b>	於二零二二年十二月三十一日				
<b>Non-derivative financial liabilities</b>	非衍生金融負債				
Trade and other payables	貿易及其他應付款項				
	75,661	—	—	75,661	75,661
Lease liabilities	租賃負債				
	9,510	26,431	300	36,241	33,276

##### (c) Fair value measurements of financial instruments

The Directors consider that the carrying amounts of non-current and current financial assets and current financial liabilities recognised at amortised cost in the consolidated financial statements as at 31 December 2023 and 2022 approximate their fair values.

#### 6. 金融工具(續)

##### (b) 金融風險管理目標及政策(續)

###### 流動性風險(續)

##### (c) 以公允價值計量之金融工具

本公司董事認為，由於綜合財務報表內流動金融資產及流動金融負債會於二零二三年及二零二二年十二月三十一日，故其賬面值近似於公允價值。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Revenue and Segment Information

Revenue represents revenue arising on sales of goods, net of discounts and sales related taxes. An analysis of the Group's revenue for the year is as follows.

#### 7. 營業額及分部資料

營業額是指扣除折扣和銷售相關稅金後的銷售收入，集團年度營業額分析如下：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Disaggregated by major products		
Manufacturing and sales of the household and personal care products		
Hair-care products	217,684	211,115
Skin-care products	25	87
Other household and personal care products	19,944	35,139
	<b>237,653</b>	246,341

#### Disaggregation of revenue from contracts with customers by timing of recognition

#### 按合約收入的確認時間分類

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
<b>Timing of revenue recognition</b>		
At a point in time	<b>237,653</b>	246,341

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance, focuses on types of goods delivered. The Directors have chosen to organise the Group around differences in products. The segments are managed separately as each operating segment offers different products which require different production information to formulate different strategies.

為分配資源及評估分部表現，向主要經營決策者，即本公司之執行董事報告之訊息，着重於所交付貨品的類型。主要運營決策者選擇圍繞產品差異來組織本集團。由於各經營分部提供不同的產品且需要不同的產品信息以制定不同的產品策略，因而各分部係單獨管理。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Revenue and Segment Information (Continued) 7. 營業額及分部資料(續)

### Transaction price allocated to the remaining performance obligations for contracts with customers

As at 31 December 2023 and 2022, all the remaining performance obligations will be recognised as revenue within one year from the end of the reporting period. As permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Specifically, the Group's reportable segments are as follows:

- Hair-care products
- Skin-care products
- Other household and personal care products

Operating segments including manufacture and sale of other household and personal care products have been aggregated into a single reporting segment after taking into account that none of which are of a sufficient size to be reported separately.

The CODM is provided with segment information concerning segment revenue and result. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

### 交易價格分配給與客戶合同的剩餘履約義務

截至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，所有剩餘履約義務將在報告期結束後一年內確認為收入。按照國際財務報告準則第15號的規定，分配給這些未履行合同的交易價格不予披露。

本集團之可報告的經營分部為：

- 護髮產品
- 護膚產品
- 其他家用及個人護理產品

經營分部包括其他家庭和個人護理產品的生產和銷售，在考慮到沒有一個足夠規模的分部可以單獨報告後，已合併為一個單獨的報告分部。

主要運營決策者定期獲提供有關分部收入和分部業績的信息，由於分部資產和分部負債信息不會定期向主要運營決策者提供，因此沒有對它們進行分析。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Revenue and Segment Information (Continued) 7. 營業額及分部資料(續)

### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

### 分部營業額及業績

以下是本集團按可報告分部收入及業績分析：

		Hair-care products		Skin-care products		Other household and personal care products		Total	
		護髮產品		護髮產品	護膚產品	其他家用及個人護理產品		合計	
		2023	2022	2023	2022	2023	2022	2023	2022
		二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Sales to external customers	銷售於外部客戶	217,684	211,115	25	87	19,944	35,139	237,653	246,341
Segment profit/(loss)	分部盈利/(虧損)	16,871	(12,044)	(17)	(22)	(1,775)	(5,994)	15,079	(18,060)
Bank interest income	銀行利息收入							1,627	1,959
Other income	其他收入							1,280	1,315
Corporate and other unallocated expenses	總部未分配之其他開支							(4,442)	(4,645)
Profit/(loss) before taxation	稅前利潤/(虧損)							13,544	(19,431)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the profit earned/(loss from) by each segment without allocation of bank interest income, gain on sales of scrap materials, government grants, net foreign exchange gains/(losses), central administrative costs and directors' emoluments. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment.

各營業部門的會計政策與本集團在附註3中描述的會計政策相同。分部結果代表每個分部獲得的利潤/(虧損)，不包括銀行利息收入、銷售廢料的收益、政府補助、淨匯兌收益/(損失)、中央管理成本、董事薪酬和銀行借款利息。此乃為資源分配及表現評估而向本公司之執行董事報告之計量方式。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Revenue and Segment Information (Continued) 7. 營業額及分部資料(續)

#### Other segment information

#### 其他分部資料

		Hair-care products		Skin-care products		Other household and personal care products		Total	
		護髮產品		護膚產品		其他家用及個人護理產品		合計	
		2023	2022	2023	2022	2023	2022	2023	2022
		二零二三年 RMB'000 人民幣千元	二零二二年 RMB'000 人民幣千元	二零二三年 RMB'000 人民幣千元	二零二二年 RMB'000 人民幣千元	二零二三年 RMB'000 人民幣千元	二零二二年 RMB'000 人民幣千元	二零二三年 RMB'000 人民幣千元	二零二二年 RMB'000 人民幣千元
<b>Amounts included in the measure of segment results</b>	計算分部結果時已計入款項								
Additions to property, plant and equipment	物業、廠房及設備增加	2,075	580	—	—	190	96	2,265	676
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,227	18,778	1	8	662	3,125	7,890	21,911
Depreciation of right-of-use assets	使用權資產折舊	7,995	9,093	1	4	732	1,514	8,728	10,611
Interest on lease liabilities	租賃負債利息	1,226	1,798	—	1	112	299	1,338	2,098
Loss on disposals of property, plant and equipment	處置物業、廠房及設備的損失	146	395	—	—	13	66	159	461
Gain on lease modification	修改租賃合同之收益	—	(453)	—	—	—	(76)	—	(529)
Bad debt written off	壞賬註銷	668	1,472	1	1	61	245	730	1,718
Reversal of impairment losses recognised in respect of trade receivables	就貿易應收賬款確認之減值虧損回撥	(1,052)	(2,565)	—	(1)	(96)	(427)	(1,148)	(2,993)
Reversal of impairment losses recognised in respect of property, plant and equipment	回撥有關確認的物業、廠房及設備確認的減值損失	—	(250)	—	—	—	(41)	—	(291)
(Reversal of allowance)/ allowance for inventories	存貨減值(回撥)/撥備	(126)	9	—	—	(11)	2	(137)	11
Obsolete inventories written-off	逾期存貨報廢	731	1,680	—	1	67	280	798	1,961
<b>Amounts regularly provided to the CODM but not included in the measure of segment results</b>	定期提供給主要運營決策者的金額，但不包括於分部業績的計量中								
Government grants	政府補助	—	—	—	—	—	—	(436)	(168)
Bank interest income	銀行利息收入	—	—	—	—	—	—	(1,627)	(1,959)

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Revenue and Segment Information (Continued) 7. 營業額及分部資料(續)

### Geographical information

The Group's operations are mainly located in the PRC (country of domicile) and Hong Kong.

The geographical location of customers is based on the location at which the goods delivered. The geographical location of the non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and right-of-use assets.

### 地區資料

本集團經營業務主要集中在中國(所在國家)和香港。

客戶的所在地區乃根據交付貨品的位置釐定。非流動資產的地理位置乃根據資產實際所在位置(如屬物業、廠房和設備及使用權資產)而釐定。

		Revenue from external customers 來自外部客戶的收入		Non-current assets 非流動資產	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
The PRC (country of domicile)	中國(所在國家)	233,696	243,239	56,345	71,022
Hong Kong	香港	2,051	1,136	803	794
Malaysia	馬來西亞	775	1,056	—	—
Outer Mongolia	外蒙古	647	216	—	—
Thailand	泰國	484	344	—	—
Russia	俄羅斯	—	350	—	—
Total	總計	237,653	246,341	57,148	71,816

### Information about major customers

Details of the customer contributing over 10% of total revenue of the Group are as follows:

### 主要客戶信息

對本集團總收入貢獻超過10%的客戶信息列示如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Customer A <sup>1</sup>	客戶A <sup>1</sup>	N/A <sup>2</sup>	26,785

<sup>1</sup> Revenue from segment of hair-care products.

<sup>2</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

<sup>1</sup> 來自護髮產品分部的收入。

<sup>2</sup> 相應的收入對集團總收入的貢獻不超過10%。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Other Income

#### 8. 其他收入

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	1,627	1,959
Government grants (note a)	政府補助金(附註(a))	436	168
Gain on sales of scrap materials	處置廢料收益	200	569
Gain on waiver of legal cost	法律費用豁免之收益	—	338
Reversal of impairment losses in respect of property, plant and equipment	有關物業、廠房及設備減值損失調撥	—	291
Others (note b)	其他(附註(b))	644	240
		<b>2,907</b>	<b>3,565</b>

Notes:

- (a) Various government grants were granted to the Group in respect of application of Chinese herbs in daily products. There are no unfulfilled conditions and other contingencies related to receipts of these grants.
- (b) During the year ended 31 December 2023, the Group wrote off account payable of RMB644,000 (2022: RMB204,000), which would be payable to suppliers as performance bond and are long outstanding, are considered to be no longer needed and have been recognised as other income.

附註：

- (a) 本集團獲得有關中草藥在日用產品中的應用的各項政府補助。目前未履行的條件和其他與這些補助有關的或有事項。
- (b) 截至二零二三年十二月三十一日止年度，本集團核銷應付賬款人民幣644,000元(二零二二年：人民幣204,000元)，該款項原應作為履約保證金支付給供應商，但長期未付，被認為不再需要並已確認為其他收入。

#### 9. Finance Costs

#### 9. 財務費用

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	1,338	2,098

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Income Tax Credit

#### 10. 所得稅抵免

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (Restated) (重列)
Deferred income tax (note 19)	遞延稅項	<b>83</b>	110

- (a) Under the Law of the PRC on Enterprise Income Tax (the "PRC EIT Law") and Implementation Regulation of the PRC EIT Law, the tax rate of the subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to circular issued by Ministry of Finance and State Taxation Administration on 17 January 2019, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 1 January 2019 to 31 December 2021. On 2 April 2021, a circular was issued by Ministry of Finance and State Taxation Administration, the corporate income tax was halved on the basis of above preferential policies and the policies were extended from 1 January 2021 to 31 December 2022. On 26 March 2023, a circular was issued by Ministry of Finance and State Taxation Administration, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 is entitled to a preferential tax treatment of 25% included in taxable income and application of income tax rate as 20% from 1 January 2023 to 31 December 2024. On 2 August 2023, a circular was issued by Ministry of Finance and State Taxation Administration and the above preferential policies were further extended to 31 December 2027. Certain PRC subsidiaries of the Group were qualified for this preferential tax treatment during the years ended 31 December 2023 and 2022.

- (a) 根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，本集團附屬公司的稅率自二零零八年一月一日起為25%。

根據財政部、國家稅務局二零一九年一月十七日下發的通知，年應納稅所得額在人民幣1,000,000元(含人民幣1,000,000元)以下的小型微利企業，自二零一九年一月一日起至二零二一年十二月三十一日，享受免徵75%應納稅所得額的稅收優惠政策，適用20%的所得稅稅率。於二零二一年四月二日，財政部和國家稅務局下發通知，在上述優惠政策基礎上減半徵收企業所得稅，並將政策期限從二零二一年一月一日延長至二零二二年十二月三十一日。於二零二三年三月二十六日，財政部和國家稅務總局下發通知，自二零二三年一月一日至二零二四年十二月三十一日，對小型微利企業年應納稅所得額不超過100萬元的部分，減按25%計入應納稅所得額，按20%的稅率繳納企業所得稅；於二零二三年八月二日，財政部和國家稅務總局發佈通知，將這一政策進一步延長至二零二七年十二月三十一日。本集團在中國的某些子公司在截至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期間獲得享受此優惠政策的資格。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Income Tax Credit (Continued)

(a) (Continued)

The PRC EIT Law allows enterprises to apply for the certificates of “High and New Technology Enterprise” (“HNTE”) which entitles the qualified companies to a preferential income tax rate of 15%. Bawang (Guangzhou) Co., Ltd. (“Bawang Guangzhou”), a PRC subsidiary of the Group, was qualified as a HNTE since 2009. For the year ended 31 December 2023, Bawang Guangzhou has no tax payable on the profit arising in PRC since the assessable profit is wholly absorbed by tax losses brought forward.

(b) No provision for Hong Kong Profits Tax has been provided for the years ended 31 December 2023 and 2022 as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the years ended 31 December 2023 and 2022.

(c) Pursuant to the laws and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI during the years ended 31 December 2023 and 2022.

#### 10. 所得稅抵免(續)

(a) (續)

中國企業所得稅法允許企業申請高新技術企業(「高新技術企業」)證書，而獲得該資格的企業可以享有15%的優惠稅率。霸王(廣州)有限公司(「霸王廣州」)自二零零九年起被認定為高新技術企業。截至二零二三年十二月三十一日，由於應課稅利潤已悉數由結轉稅項虧損抵銷，霸王廣州並無在中國產生利潤應付稅項。

(b) 截至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止年度，並無香港利得稅撥備，因為本集團在二零二三年十二月三十一日和二零二二年十二月三十一止的年度內還沒有任何須按香港利潤計算的應評稅利潤。

(c) 根據開曼群島及英屬處女群島的法律及法規，本集團無須為截至二零二三年及二零二二年十二月三十一日止年度繳納開曼群島及英屬處女群島的任何稅項。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Income Tax Credit (Continued)

Income tax credit for the year can be reconciled to the profit/(loss) before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

#### 10. 所得稅抵免(續)

根據綜合損益表和其他綜合收益表，年度內的所得稅費用可於稅前扣除列示如下：

		<b>2023</b> 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (Restated) (重列)
Profit/(loss) before taxation	稅前利潤/(虧損)	<b>13,544</b>	(19,431)
Tax calculated at the domestic income tax rate of 25% (2022: 25%)	按本地所得稅稅率25%計算之稅項(二零二二年：25%)	<b>3,386</b>	(4,857)
Effect of different tax rates of entities operating in other jurisdictions	於其他司法權區經營之不同稅率之稅務影響	<b>(3,011)</b>	6,120
Tax effect of expenses not deductible for tax purpose	不可扣減費用之稅務影響	<b>4,129</b>	1,063
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	<b>(1,747)</b>	(3,140)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	<b>24</b>	2,427
Income tax on concessionary rate	優惠稅率所得稅	<b>(65)</b>	(63)
Utilisation of deductible temporary differences not recognised	可用可抵扣的未確認的暫時性差異	<b>(1,266)</b>	(1,550)
Utilisation of tax losses previously not recognised	可用以前年度未確認的稅務損失	<b>(1,367)</b>	—
Tax effect of deductible temporary differences previously not recognised	以前年度未確認的可抵扣暫時性差異的稅務影響	<b>—</b>	110
Income tax credit for the year	年度所得稅抵免	<b>83</b>	110

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Profit/(Loss) for the Year

### 11. 年內利潤／(虧損)

Profit/(loss) for the year has been arrived at after charging (crediting):

年內虧損已扣除／(計入)下列項目：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Auditor's remuneration	核數師酬金		
— Statutory audit	— 法定審計	939	850
— Other non-audit services	— 其他非審計服務	224	162
Cost of inventories recognised as an expense (note (a))	確認為開支之存貨成本 (附註(a))	118,072	153,811
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,890	21,911
Depreciation of right-of-use assets	使用權資產折舊	8,728	10,611
Loss on disposals of property, plant and equipment	處置物業、廠房及設備的損失	159	461
Net foreign exchange (gains)/losses	匯兌虧損(收益)／淨額	(503)	594
Research and development costs recognised as an expense (note (b))	確認為開支之研發成本 (附註(b))	12,507	14,123
Bad debt written off	壞賬註銷	730	1,718
(Reversal of allowance)/allowance for inventories (included in cost of inventories recognised as an expense)	存貨跌價之(回撥)／準備 (包括在確認為費用的存貨成本中)	(137)	11
Obsolete inventories written-off (included in cost of inventories recognised as an expense)	逾期存貨報廢(包括在確認為費用的存貨成本中)	798	1,961

Notes:

- (a) Cost of inventories recognised as an expense included depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs of approximately RMB7,577,000 (2022: RMB20,068,000), RMB8,728,000 (2022: RMB10,611,000) and RMB15,368,000 (2022: RMB18,262,000) respectively. The amounts were also included in the respective amounts disclosed above or in staff costs in note 12.
- (b) Included in research and development expenses was staff costs of approximately RMB5,687,000 (2022: RMB4,549,000) which has been included in staff costs in note 12.

附註：

- (a) 確認為開支之存貨成本包括物業、廠房及設備折舊，使用權資產折舊及員工成本分別約為人民幣7,577,000元(二零二二年：約人民幣20,068,000元)、約人民幣8,728,000元(二零二二年：約人民幣10,611,000元)及約人民幣15,368,000元(二零二二年：約人民幣18,262,000元)。以上金額均已分別包含在以上披露附註12金額中。
- (b) 研發費用中包含的員工成本約為人民幣5,687,000元(二零二二年：人民幣4,549,000元)，已包含在上述披露附註12的員工成本中。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Staff Costs

#### 12. 僱員成本

		<b>2023</b>	2022
		二零二三年	二零二二年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Staff costs (including directors' and chief executive's emoluments) comprise:	僱員成本(包括董事及最高行政人員的最高酬金):		
Salaries, allowances and benefits	薪金、津貼及福利	<b>36,858</b>	46,506
Contributions to retirement benefits schemes (note 31)	退休福利計劃供款(附註31)	<b>3,719</b>	4,033
Termination benefits	辭退福利	—	4,482
		<b>40,577</b>	55,021

#### 13. Dividends

No dividend was paid or proposed for the year ended 31 December 2023 (2022: nil), nor has any dividend been proposed since the end of the reporting period (2022: nil).

#### 13. 股息

截至二零二三年十二月三十一日止年度並無派付或擬派任何股息(二零二二年:無),自呈報期間後亦無擬派任何股息(二零二二年:無)。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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

#### 14. Earnings/(Loss) Per Share

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (Restated) (重列)
<b>Profit/(Loss)</b>	<b>盈利/(虧損)</b>		
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	用以計算本公司擁有人年度應佔每股基本及攤薄虧損的虧損	<b>13,627</b>	(19,321)
		2023 二零二三年 '000 千股	2022 二零二二年 '000 千股
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	用以計算每股基本盈利/(虧損)的加權平均普通股數量	<b>3,162,441</b>	3,162,441

Diluted earnings/(loss) per share was the same as the basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2023 and 2022 or at the end of both reporting periods.

#### 14. 每股盈利/(虧損)

本公司擁有人應佔之每股基本及攤薄盈利/(虧損)根據以下數據計算。

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (Restated) (重列)
<b>Profit/(Loss)</b>	<b>盈利/(虧損)</b>		
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	用以計算本公司擁有人年度應佔每股基本及攤薄虧損的虧損	<b>13,627</b>	(19,321)
		2023 二零二三年 '000 千股	2022 二零二二年 '000 千股
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	用以計算每股基本盈利/(虧損)的加權平均普通股數量	<b>3,162,441</b>	3,162,441

由於在截至二零二三年和二零二二年十二月三十一日止年度沒有潛在的攤薄普通流通股，因此每股攤薄盈利/(虧損)與每股基本盈利/(虧損)相同。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Directors' and Chief Executive's Emoluments

The emoluments paid or payable to each of the six (2022: seven) directors and the chief executive were as follows:

For the year ended 31 December 2023

#### 15. 董事及最高行政人員酬金

已付或應付六名(二零二二年: 七名)董事及最高行政人員之酬金如下:

截至二零二三年十二月三十一日止年度

		Executive directors 執行董事			Independent non-executive directors 非執行董事			
		Mr. CHEN Qiyuan (Chairman) 陳啟源先生 (主席)	Mr. CHEN Zheng He (Chief executive) 陳正鶴先生 (首席執行官)	Mr. WONG Sin Yung 黃善榕先生	Mr. CHEUNG Kin Wing 張建榮先生	Dr. WANG Qi 王琦博士	Dr. Liu Jing 劉靖博士	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
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries	本公司或其附屬公司的董事就其服務支付或應收的酬金							
Fees	袍金	—	—	—	273	182	182	637
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiaries	本公司或其附屬公司的董事就其管理其他事務服務支付或應收的酬金							
Other emoluments	其他酬金							
Salaries	薪金、津貼	—	138	1,110	—	—	—	1,248
Discretionary bonus	酌情花紅	—	—	182	—	—	—	182
Contributions to retirement benefits schemes	退休福利計劃供款	—	7	16	—	—	—	23
Total emoluments	合計酬金	—	145	1,308	273	182	182	2,090

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Directors' and Chief Executive's Emoluments (Continued)

For the year ended 31 December 2022

### 15. 董事及最高行政人員酬金 (續)

截至二零二二年十二月三十一日止年度

	Executive directors 執行董事			Independent non-executive directors 非執行董事				Total 合計	
	Mr. CHEN Qiyuan (Chairman) 陳啟源先生 (主席) RMB'000 人民幣千元	Mr. CHEN Zheng He (Chief executive) 陳正鶴先生 (首席執行官) RMB'000 人民幣千元	Mr. WONG Sin Yung 黃善裕先生 RMB'000 人民幣千元	Dr. NGAI Wai Fung 魏偉峰博士 RMB'000 人民幣千元 (Note (a)) (附註(a))	Mr. CHEUNG Kin Wing 張建榮先生 RMB'000 人民幣千元	Dr. WANG Qi 王琦博士 RMB'000 人民幣千元	Dr. Liu Jing 劉靖博士 RMB'000 人民幣千元 (Note (b)) (附註(b))		
<b>Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries</b>	<b>本公司或其附屬公司的董事就其服務支付或應收的酬金</b>								
Fees	袍金	—	—	—	115	240	185	110	650
<b>Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiaries</b>	<b>本公司或其附屬公司的董事就其管理其他事務服務支付或應收的酬金</b>								
Other emoluments	其他酬金								
Salaries	薪金、津貼	—	124	1,034	—	—	—	—	1,158
Contributions to retirement benefits schemes	退休福利計劃供款	—	6	16	—	—	—	—	22
<b>Total emoluments</b>	<b>合計酬金</b>	<b>—</b>	<b>130</b>	<b>1,050</b>	<b>115</b>	<b>240</b>	<b>185</b>	<b>110</b>	<b>1,830</b>

Notes:

- (a) Dr. Ngai Wai Fung retired as an independent non-executive director of the Company on 27 May 2022.
- (b) Dr. Liu Jing is appointed as an independent non-executive director of the Company on 27 May 2022.

附註：

- (a) 魏偉峰博士於二零二二年五月二十七日退任獨立非執行董事。
- (b) 劉靖博士於二零二二年五月二十七日被委任為獨立非執行董事。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Directors' and Chief Executive's Emoluments (Continued)

Discretionary bonus of approximately RMB182,000 (2022: nil) was provided to Mr. WONG Sin Yung for the year ended 31 December 2023. The discretionary bonus is determined by the Remuneration Committee having regard to his performance and the Company's performance and profitability and the prevailing market conditions.

Mr. CHEN Zheng He is also the chief executive of the Company and his emoluments disclosed above included those for services rendered by him as the chief executive.

Neither the chief executive of the Company nor any of the Directors waived or agreed to waive any emoluments in the year ended 31 December 2023 (2022: nil).

#### 16. Employees' Emoluments

Of the five individuals with the highest emoluments in the Group, one (2022: one) was a Director whose emolument is included in the disclosures in note 15 above. The emoluments of the remaining four (2022: four) individuals were as follows:

Their emoluments were all within nil to HK\$1,000,000, equivalent to approximately RMB911,000 (2022: equivalent to approximately RMB862,000).

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

#### 15. 董事及最高行政人員酬金 (續)

截至二零二三年十二月三十一日止年度，約人民幣182,000元的酌情計算之花紅提供給黃善榕先生(二零二二年：無)。酌情計算之花紅由薪酬委員會根據其工作表現以及公司的業績和盈利能力市場環境釐定。

陳正鶴先生擔任本公司首席執行官，上述披露之薪酬包括其擔任首席執行官的服務酬金。

截至二零二三年十二月三十一日止年度，本集團無董事及執行董事放棄或同意放棄任何酬金(二零二二年：無)。

#### 16. 僱員薪酬

五位最高薪酬人士中，一位(二零二二年：一位)為董事，其薪酬於以上附註15披露。有關其他四名(二零二二年：四位)薪酬人士的薪酬詳情如下：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Salaries, allowances and benefits 薪金、津貼及福利	1,706	1,563
Contributions to retirement benefits schemes 退休福利計劃供款	334	333
	<b>2,040</b>	1,896

其薪酬全部介乎零至港幣1,000,000元大約等於人民幣911,000元(二零二二年：大約等於人民幣862,000元)。

於截至二零二三年及二零二二年十二月三十一日止年度期間，本集團並無支付酬金予本集團五名最高薪酬人士(包括董事及僱員)或其他董事，作為邀請加入或於加盟本集團時之獎勵或作為離職補償。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Property, Plant and Equipment

### 17. 物業、廠房及設備

		Land and buildings 土地和建築物 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Leasehold improvements 經營租賃改良支出 RMB'000 人民幣千元	Motor vehicles 運輸工具 RMB'000 人民幣千元	Office equipment and others 辦公室設備及其他 RMB'000 人民幣千元	Display furniture 展示專櫃 RMB'000 人民幣千元	Bearer plants 生產性植物 RMB'000 人民幣千元	Immature bearer plants 不成熟的生產性植物 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>										
At 1 January 2022	於二零二二年一月一日	5,494	127,967	201,698	11,560	24,558	932	43	1,641	7,170	381,063
Exchange realignment	匯兌調整	—	—	—	666	1	—	—	—	—	667
Additions	添置	—	266	—	—	232	—	—	178	—	676
Disposals	出售	—	(4,720)	—	(22)	(19)	—	—	—	—	(4,761)
Transfer	轉讓	—	791	—	—	—	—	—	—	(791)	—
Write-off	報廢	—	—	—	—	—	—	—	—	(6,379)	(6,379)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	5,494	124,304	201,698	12,204	24,772	932	43	1,819	—	371,266
Exchange realignment	匯兌調整	—	—	—	113	—	—	—	—	—	113
Additions	添置	—	1,499	99	397	270	—	—	—	—	2,265
Disposals	出售	—	(2,544)	—	(581)	(69)	—	—	—	—	(3,194)
At 31 December 2023	於二零二三年十二月三十一日	5,494	123,259	201,797	12,133	24,973	932	43	1,819	—	370,450
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊</b>										
At 1 January 2022	於二零二二年一月一日	2,802	92,183	184,275	11,200	21,114	852	29	—	6,670	319,125
Exchange realignment	匯率調整	—	—	—	599	—	—	—	—	—	599
Depreciation provided for the year	年內折舊撥備	247	5,067	15,561	99	936	—	1	—	—	21,911
Impairment losses reversed in profit or loss	回撥於損益表的減值損失	—	—	—	—	—	—	—	—	(291)	(291)
Eliminated on disposals	出售時對銷	—	(4,177)	—	(20)	(17)	—	—	—	—	(4,214)
Write-off	報廢	—	—	—	—	—	—	—	—	(6,379)	(6,379)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	3,049	93,073	199,836	11,878	22,033	852	30	—	—	330,751
Exchange realignment	匯率調整	—	—	—	102	—	—	—	—	—	102
Depreciation provided for the year	年內折舊撥備	247	5,387	1,341	27	887	—	1	—	—	7,890
Eliminated on disposals	出售時對銷	—	(2,289)	—	(523)	(56)	—	—	—	—	(2,868)
At 31 December 2023	於二零二三年十二月三十一日	3,296	96,171	201,177	11,484	22,864	852	31	—	—	335,875
<b>CARRYING VALUES</b>	<b>賬面值</b>										
At 31 December 2023	於二零二三年十二月三十一日	2,198	27,088	620	649	2,109	80	12	1,819	—	34,575
At 31 December 2022	於二零二二年十二月三十一日	2,445	31,231	1,862	326	2,739	80	13	1,819	—	40,515

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Property, Plant and Equipment (Continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using straight-line method over their estimated useful lives as follows:

Land and buildings 土地及建築物	Over the shorter of term of the lease or 20 years 租期可較短或20年
Machinery 機器	15 years 15年
Leasehold improvements 經營租賃改良支出	Over the shorter of term of the lease or 10 years 租期較短或10年
Motor vehicles 運輸工具	5–8 years 5–8年
Office equipment and others 辦公室設備及其他	5 years 5年
Display furniture 展示專櫃	2 years 2年
Bearer plants 生產性植物	3–25 years 3–25年

No depreciation is provided in respect of construction in progress and immature bearer plants until it is substantially completed and ready for its intended use. Upon completion and commissioning for operation, depreciation will be provided at the appropriate rates specified above.

During the year ended 31 December 2022, due to certain impaired construction in progresses were completed and have been used for production, the Directors conducted a review of the Group's property, plant and equipment and determined that reversal of impairment loss of approximately RMB291,000 (2023: nil) was recognised in respect of the Group's property, plant and equipment in which the recoverable amounts were determined on the basis of their value-in-use amount.

#### 17. 物業、廠房及設備(續)

折舊是基於物業、廠房及設備的成本金額減去其預計剩餘價值(如有)後以下列預計可使用年期按直線法計算。

在建工程及不成熟的生物資產不計提折舊，直至當資產實質上完工，並達到可使用狀態。當其完工及投入運作時，將按上文所載適當比率開始計提折舊。

截止二零二二年十二月三十一日年度期間，由於某些減值的在建工程已經完工，並已達到可使用狀態，在經公司董事檢閱了本集團的物業，廠房及設備後，決定根據其使用價值回撥減值損失約人民幣291,000元(二零二三年：無)確認於有關本集團物業，廠房及設備的可收回金額。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Leases

##### (i) Right-of-use assets

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
<b>Buildings</b>	<b>建築物</b>		
At 1 January	於一月一日	<b>31,301</b>	52,211
Depreciation	折舊	<b>(8,728)</b>	(10,611)
Lease modification	租賃修改	—	(10,299)
At 31 December	於十二月三十一日	<b>22,573</b>	31,301

The Group has lease arrangements for buildings. The lease terms are generally ranged from one to thirty years. None of the leases include variable lease payments.

During the year ended 31 December 2022, the Group entered into a supplemental lease agreement to amend the lease terms of the current production premises, office premises and a staff dormitory (note 32(a)(iii)). The Group remeasures the existing lease liability of approximately RMB10,828,000 and a corresponding adjustment of approximately RMB10,299,000 is made to the right-of-use assets (2023: nil).

#### 18. 租賃

##### (i) 使用權資產

本集團有建築物的租賃安排。租賃期限一般為1年至30年。這些租賃都不包括可變的租賃付款。

截至二零二二年十二月三十一日止年度，本集團簽訂補充租賃協議對目前生產場所、辦公場所房地及員工宿舍（註32(a)(iii)）的租賃條款進行修訂。本集團重估現有租賃負債約人民幣10,828,000元及相應調整了約人民幣10,299,000使用權資產（二零二三年：無）。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Leases (Continued)

##### (ii) Lease liabilities

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Non-current	非流動	15,895	25,103
Current	流動	9,208	8,173
		<b>25,103</b>	33,276

##### Amount payable under lease liabilities

##### 租賃負債應付款項

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Within one year	一年內	9,208	8,173
After one year but within two years	一年以上兩年以內	10,307	9,208
After two years but within five years	兩年以上五年以內	5,375	15,663
After five years	五年以上	213	232
		<b>25,103</b>	33,276
Less: amount due for settlement within 12 months (shown under current liabilities)	減：12個月內應付款項 (列於流動負債項下)	<b>(9,208)</b>	(8,173)
Amount due for settlement after 12 months	12個月後到期的應付款項	<b>15,895</b>	25,103

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Leases (Continued)

#### (ii) Lease liabilities (Continued)

##### Amount payable under lease liabilities (Continued)

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At 1 January	於一月一日	33,276	53,453
Interest on lease liabilities	租賃負債利息	1,338	2,098
Lease payment	租賃付款	(9,511)	(11,447)
Lease modification	租賃修改	—	(10,828)
At 31 December	於十二月三十一日	25,103	33,276

The weighted average incremental borrowing rate applied was 4.53% (2022: 4.52%).

適用的加權平均增量借款利率為4.53%(二零二二年: 4.52%)。

#### (iii) Amounts recognised in profit or loss

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Depreciation on right-of-use assets	使用權資產折舊	8,728	10,611
Interest expenses on lease liabilities	租賃負債利息支出	1,338	2,098
Expenses relating to short-term leases	短期租賃相關費用	126	118
Gain on lease modification (included in cost of sales)	租賃修訂之收益(包括於銷售成本中)	—	529

#### (iv) Others

During the year ended 31 December 2023, the total cash outflow for leases amount to approximately RMB9,637,000 (2022: RMB11,565,000).

### 18. 租賃(續)

#### (ii) 租賃負債(續)

##### 租賃負債應付款項(續)

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At 1 January	於一月一日	33,276	53,453
Interest on lease liabilities	租賃負債利息	1,338	2,098
Lease payment	租賃付款	(9,511)	(11,447)
Lease modification	租賃修改	—	(10,828)
At 31 December	於十二月三十一日	25,103	33,276

適用的加權平均增量借款利率為4.53%(二零二二年: 4.52%)。

#### (iii) 確認為損益之金額

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Depreciation on right-of-use assets	使用權資產折舊	8,728	10,611
Interest expenses on lease liabilities	租賃負債利息支出	1,338	2,098
Expenses relating to short-term leases	短期租賃相關費用	126	118
Gain on lease modification (included in cost of sales)	租賃修訂之收益(包括於銷售成本中)	—	529

#### (iv) 其他

截至二零二三年十二月三十一日止年度內，租賃的現金流出總額約為人民幣9,637,000元(二零二二年: 人民幣11,565,000)。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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

#### 19. Deferred Taxation

The following is the analysis of the deferred tax asset, after set off certain deferred tax assets against deferred tax liabilities of the same taxable entity, for financial reporting purposes:

	<b>2023</b> 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (Restate) (重列)
Deferred tax assets 遞延所得稅資產	<b>379</b>	296

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the current and prior years:

為財務報告目的，將統一機構之若干遞延所得稅資產與遞延所得稅負債抵銷後，遞延所得稅負債的分析如下：

以下是主要的遞延所得稅資產／(負債)及其在當年度和以前年度的變動情況：

		<b>Right-of-use assets</b> 使用權資產 RMB'000 人民幣千元	<b>Lease liabilities</b> 租賃負債 RMB'000 人民幣千元	<b>Total</b> 總計 RMB'000 人民幣千元
At 1 January 2022 於二零二二年一月一日		—	—	—
Adjustments (note 2) 調整(附註2)		(7,832)	8,018	186
At 1 January 2022 (restated) 於二零二二年一月一日(重列)		(7,832)	8,018	186
Credited/(charged) to profit or loss 歸還/(支出)至利潤或虧損		3,137	(3,027)	110
At 31 December 2022 (restated) 於二零二二年十二月三十一日(重列)		(4,695)	4,991	296
Credited/(charged) to profit or loss 借記/(貸記)至利潤或虧損		1,309	(1,226)	83
At 31 December 2023 於二零二三年十二月三十一日		(3,386)	3,765	379

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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

#### 19. Deferred Taxation (Continued)

As at 31 December 2023, the Group has unused estimated tax losses of approximately RMB327,726,000 (2022: RMB336,840,000) and RMB38,453,000 (2022: RMB38,309,000) for certain subsidiaries in the PRC and Hong Kong respectively. The tax losses incurred by the subsidiaries incorporated in the PRC (except for HNTE) will expire in five years from the year in which the loss originated, while the ones incurred by the subsidiaries in Hong Kong will not expire under current tax legislation in Hong Kong. With effective from 1 January 2018, the tax losses incurred by HNTE will expire in ten years from the year in which the loss originated. No tax losses have expired during the years ended 31 December 2023 and 2022. No deferred tax asset had been recognised as at 31 December 2023 and 2022 in respect of the estimated tax losses due to the unpredictability of future profit streams.

As at 31 December 2023, the Group has deductible temporary differences in respect of impairment loss on property, plant and equipment and trade receivables of approximately RMB336,487,000 (2022: RMB344,927,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

#### 19. 遞延所得稅(續)

截至二零二三年十二月三十一日，本集團在中國內地和香港的部分子公司未使用的估計稅收損失分別約為人民幣327,726,000元(二零二二年：人民幣336,840,000元)和人民幣38,453,000元(二零二二年：人民幣38,309,000元)。在中國境內註冊的子公司(高新科技企業除外)所發生的稅務損失，自虧損發生之日起5年內屆滿；而在香港註冊的子公司所發生的稅務損失，根據香港現行的稅務法例，不會屆滿。從二零一八年一月一日起，高新科技企業產生的稅收損失將在其產生當年起10年內到期。截至二零二三年和二零二二年十二月三十一日止年度內，沒有任何稅收損失已經到期。截至二零二三年和二零二二年十二月三十一日，由於未來利潤流的不可預測性，尚未確認遞延稅項資產的預估稅收損失。

截至二零二三年十二月三十一日，本集團可扣除暫時性差異約人民幣336,487,000元(二零二二年：人民幣344,927,000元)。由於不太可能有應稅利潤可用來抵扣可抵扣的暫時性差異，因此遞延稅項資產未確認與可抵扣暫時性差異有關。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Inventories

#### 20. 存貨

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Raw materials	原材料	11,794	12,573
Work-in-progress	在製品	3,073	3,287
Finished goods	製成品	8,973	9,095
Packing materials and consumable goods	包裝材料及消耗品	1,991	2,101
		<b>25,831</b>	27,056

As at 31 December 2023, the carrying amount of inventories of approximately RMB25,831,000 (2022: 27,056,000), has been net of accumulated allowance of approximately RMB1,102,000 (2022: RMB1,239,000). During the year ended 31 December 2023, obsolete inventories written-off as defected and reversal of allowance for inventories to their net realisable values of approximately RMB798,000 (2022: RMB1,961,000) and RMB137,000 (2022: allowance for inventories of approximately RMB11,000) were recognised, respectively.

截至二零二三年十二月三十一日，存貨的賬面金額為約人民幣25,831,000元人民幣(二零二二年：人民幣27,056,000元)，已扣除累計減值撥備約人民幣1,102,000元(二零二二年年：人民幣1,239,000元)。於二零二三年十二月三十一日的年度內，逾期存貨報廢庫存作為報廢和報廢註銷存貨抵減至其可變現淨值約人民幣798,000元(2022年：人民幣1,961,000元)13.7萬元人民幣(2022年：庫存補貼約為人民幣1.1萬元)分別得到認可。

#### 21. Right to Returned Goods Asset

#### 21. 退回貨物之權利

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Right to returned goods asset	退回貨物之權利	719	737

The right to returned goods asset represents the Group's right to recover products from customers where customers exercise their right of return under the Group's returns policy. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

退貨資產的權利代表本集團有權向根據本集團退貨政策行使退貨權的客戶收回產品。該集團利用其積累的歷史經驗，利用期望值法在組合層次上估計未來進貨的數量。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Trade and Other Receivables

## 22. 貿易及其他應收款項

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Receivables within the scope of IFRS 15 at amortised cost comprise:	在國際財務報告準則第15號範圍內的應收賬款攤餘成本包括：		
Trade receivables	貿易應收款	21,504	19,278
Less: allowance for impairment of trade receivables	減：貿易應收款項減值準備	(3,849)	(4,997)
		<b>17,655</b>	14,281
Prepayment for purchase of raw materials	購買原材料預付款	8,553	1,864
Other prepayments	其他預付款項	1,007	1,402
Bank interest receivables	應收銀行利息	180	1,500
Non-income tax receivables	非所得稅應收款	175	131
Other receivables	其他應收款	414	1,036
		<b>27,984</b>	20,214

The Group allows an average credit period of 30 to 90 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

本集團允許貿易客戶平均信貸期限為30至90天。以下為於各報告期末根據接近收入確認日期的發票日期呈列的應收貿易賬款(經扣除應收貿易賬款減值撥備)的賬齡分析。

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Less than 3 months	少於3個月	17,452	14,281
More than 3 months but less than 6 months	多於3個月但少於6個月	193	—
More than 6 months but less than 12 months	多於6個月但少於12個月	6	—
More than 12 months	多於12個月	4	—
		<b>17,655</b>	14,281

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Trade and Other Receivables (Continued)

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtors' current financial positions, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operated and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

As the trade receivables related to a number of customers with common risk characteristics and the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The Group recognises lifetime ECL for trade receivables based on past due status of customers collectively that are not individually significant as follows:

As at 31 December 2023	於二零二三年十二月三十一日	Weighted average expected loss rate 加權平均 預期損失率 %	Gross carrying amount 賬面價值 總額 RMB'000 人民幣千元	Loss allowance 減值準備 RMB'000 人民幣千元
Less than 3 months	少於3個月	0.25%	17,687	44
More than 3 months but less than 6 months	多於3個月但少於6個月	23.50%	9	2
More than 6 months but less than 12 months	多於6個月但少於12個月	76.07%	19	14
More than 12 months	多於12個月	100%	3,789	3,789
			<b>21,504</b>	<b>3,849</b>

#### 22. 貿易及其他應收款項(續)

本集團計算的貿易應收款項損失備抵額相等於使用期預期信貸損失。應收貿易賬款的預期信貸損失使用撥備矩陣並參考債務人的過往拖欠記錄及債務人的目前財務狀況分析而作出估計，並就債務人的特定因素、債務人經營所在行業的整體經濟情況及對於報告日期的當前情況及對未來情況預測的評估作出調整。

在本報告所述期間，評估方法或作出的重大假設方面沒有改變。

由於交易應收賬款涉及多個具有常見風險特徵的客戶，且本集團的歷史信貸損失經驗並不表明不同客戶群體的損失模式存在顯著差異，基於過去逾期狀態的損失備抵沒有進一步區分集團的不同客戶群。

本集團根據客戶的整體賬齡，就個別並不重要的貿易應收款項，確認使用期預期信貸損失如下：

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Trade and Other Receivables (Continued)

#### 22. 貿易及其他應收款項(續)

As at 31 December 2022	於二零二二年十二月三十一日	Weighted average expected loss rate 加權平均預期損失率 % 百分比	Gross carrying amount 賬面價值總額 RMB'000 人民幣千元	Loss allowance 減值準備 RMB'000 人民幣千元
Less than 3 months	少於3個月	0.72%	14,385	104
More than 3 months but less than 6 months	多於3個月但少於6個月	100%	692	692
More than 6 months but less than 12 months	多於6個月但少於12個月	100%	100	100
More than 12 months	多於12個月	100%	4,101	4,101
			19,278	4,997

Generally, trade receivables are written-off if there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. During the year ended 31 December 2023, approximately RMB730,000 (2022: RMB1,718,000) was being written off.

一般來說，如果有信息顯示債務人有嚴重經濟困難及復蘇的前景並不現實時，貿易應收賬款就會被註銷。於二零二三年十二月三十一日止的年度內，約人民幣730,000元貿易應收賬款被註銷(二零二二年：人民幣1,718,000元)。

The movements in the allowance for impairment of trade receivables are set out below:

貿易應收款項減值損失撥備的變動情況如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At 1 January	於一月一日	4,997	7,990
Reversal of impairment loss recognised (note (a))	減值損失回撥(附註(a))	(1,148)	(2,993)
At 31 December	於十二月三十一日	3,849	4,997

Note:

(a) The Group writes off trade receivables where there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier.

附註：

(a) 如果有信息表明，集團將撤銷貿易應收賬款債務人存在財政困難，沒有可收回的現實前景例如債務人已被清盤或已進入破產程序(以較早者為準)。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Time Deposit/Bank Balances and Cash

#### 23. 定期存款/銀行結存及現金

##### (i) Time deposit

##### (i) 定期存款

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Non-current	非流動		
— Time deposit with original maturity over one year	— 超過一年到期的定期存款	30,000	50,000

##### (ii) Cash and cash equivalents

##### (ii) 現金及現金等價物

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Bank balances and cash	銀行結存及現金	88,272	74,404

As at 31 December 2023, cash at bank carries interest at floating rates based on daily bank deposits rates ranged from 0.001% to 1.9% (2022: 0.001% to 0.63%) per annum and time deposit carry interest at fixed rate of 2.15% per annum (2022: 3.0% per annum) with original maturity of 2 years (2022: 3 years).

於二零二三年十二月三十一日，銀行現金按每日銀行存款浮動年利率0.001%至1.9%（二零二二年：0.001%至0.63%）計算利息，定期存款有固定利率每年為2.15%（二零二二年：3.0%）到期日二年（二零二二年：三年）。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Trade and Other Payables

#### 24. 貿易及其他應付款項

		<b>2023</b>	2022
		二零二三年	二零二二年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	<b>19,078</b>	35,710
Promotion fee payables	應付推廣費用	<b>9,218</b>	10,091
Accrued payroll	應付工資	<b>3,651</b>	1,897
Non-income tax payables	非所得稅應付款	<b>2,195</b>	3,979
Other payables and accruals	其他應付款項及預提費用	<b>25,269</b>	27,963
		<b>59,411</b>	79,640

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

根據發票日期之日呈列之貿易應付款項於呈報期末之賬齡分析如下：

		<b>2023</b>	2022
		二零二三年	二零二二年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Within 1 month	1個月內或按要求	<b>10,525</b>	21,451
After 1 month but within 3 months	1個月後但於3個月內	<b>8,553</b>	14,259
		<b>19,078</b>	35,710

The average credit period on purchases is 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

由供應商給予的信貸期介於30至90日。本集團有相應的財務風險管理策略保證所有應付款項在信貸期限內償還。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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

#### 25. Contract Liabilities

#### 25. 公司負債

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Advances received to deliver goods	發出貨物預收款	5,225	4,261

Revenue recognised during the year ended 31 December 2023 that was included in the contract liabilities as at 1 January 2023 is RMB4,261,000 (2022: RMB11,233,000). There was no revenue recognised in the current year that related to performance obligations that were satisfied in prior year.

截至二零二三年十二月三十一日止，確認的營業額包括了截止二零二三年一月一日的合約負債人民幣4,261,000元(二零二二年：人民幣11,233,000元)。概無與上一年度履行的履行義務有關的營業額在本年度確認收入。

#### 26. Refund Liabilities

#### 26. 償還負債

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Refund liabilities	償還負債	1,092	1,030

The refund liabilities relate to customers' right to return products within three months of purchase. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

退款責任涉及顧客在購買三個月後有權退貨。在銷售點，預計會被退回的產品須承擔退款責任，並按收入作出相應調整。該集團利用其積累的歷史經驗，利用期望值法估計投資組合水平上的回報率。

#### 27. Bank Loan Facilities

#### 27. 銀行貸款授信

As at 31 December 2023, the Group had no available unutilised bank loan facilities. (2022: RMB500,000,000).

於二零二三年十二月三十一日，本集團沒有可供尚未借用的銀行貸款授信。(二零二二年：人民幣500,000,000元)。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Share Capital and Reserves

#### (a) Share capital

		Number of shares 股份數目 '000 千股	RMB'000 人民幣千元
Ordinary shares of HK\$0.1 each	每股港元0.10之普通股		
Authorised:	法定普通股：		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年一月一日， 二零二二年十二月 三十一日，二零二三年 一月一日及二零二三年 十二月三十一日	10,000,000	880,500
Issued and fully paid:	已發行及已付訖普通股：		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年一月一日， 二零二二年十二月 三十一日，二零二三年 一月一日及二零二三年 十二月三十一日	3,162,441	277,932

#### (b) Nature and purpose of reserves

##### (i) Share premium

The application of the share premium account of the Company is governed by the Companies Act (Revised) of the Cayman Islands. The funds in the share premium are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

### 28. 股本及儲備

#### (a) 股本

		Number of shares 股份數目 '000 千股	RMB'000 人民幣千元
Ordinary shares of HK\$0.1 each	每股港元0.10之普通股		
Authorised:	法定普通股：		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年一月一日， 二零二二年十二月 三十一日，二零二三年 一月一日及二零二三年 十二月三十一日	10,000,000	880,500
Issued and fully paid:	已發行及已付訖普通股：		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年一月一日， 二零二二年十二月 三十一日，二零二三年 一月一日及二零二三年 十二月三十一日	3,162,441	277,932

#### (b) 儲備性質及用途

##### (i) 股本溢價

本公司股本溢價的應用受開曼群島公司法(經修訂)所規管。除非緊隨建議派付股息的日期後，本公司有能力償還日常業務中到期的債務，否則本公司不得自股本溢價向股東分派股息。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Share Capital and Reserves (Continued)

### (b) Nature and purpose of reserves (Continued)

#### (ii) Statutory reserves

Statutory reserves are established in accordance with the relevant PRC rules and regulations and the articles of association of the PRC subsidiary of the Group, Bawang Guangzhou. Transfers to the reserves are approved by the directors of Bawang Guangzhou.

Bawang Guangzhou, which is wholly foreign owned enterprise established in the PRC, is required to transfer at least 10% of its net profit (after offsetting prior year losses), as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve balance reaches 50% of the registered capital under the PRC Company Law and the articles of association of the entity. The transfer to this reserve must be made before distribution of dividends to the equity shareholder.

Statutory general reserve can be used to make good prior years' losses, if any, and may be converted into share capital by issuing new shares to equity shareholders proportionate to their existing percentage of equity interests provided that the balance after such issue is not less than 25% of the registered capital.

## 28. 股本及儲備(續)

### (b) 儲備性質及用途(續)

#### (ii) 法定儲備

法定儲備乃根據有關中國規則及規例以及本集團的中國附屬公司霸王廣州的公司章程設立。轉撥的儲備已獲霸王廣州董事會批准。

霸王廣州及霸王(中國)飲料有限公司乃於中國成立的外商獨資企業，其須根據中國會計規則及規例，轉撥其溢利最少10%的淨溢利(彌補以往年度的虧損後)至一般法定儲備，直至儲備結餘達到中國公司法及該實體的公司章程規定的註冊資本的50%為止。轉撥至該儲備須於向權益持有人分派股息前進行。

一般法定儲備可用作彌補以往年度的虧損(如有)，亦可透過按照權益持有人的現有的股權百分比向彼等發行新股，以將有關儲備轉換為股本，惟進行有關發行後的結餘不得少於註冊資本的25%。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Share Capital and Reserves (Continued)

### (b) Nature and purpose of reserves (Continued)

#### (iii) Merger reserve

On 20 December 2007, Bawang International Group Holding (HK) Limited, a wholly-owned subsidiary of the Company, acquired all the equity interest of Bawang Guangzhou amounting to USD12,500,000, which was previously held by a company owned by the controlling shareholders of the Group, at a consideration of the same amount. Accordingly, the share capital of Bawang Guangzhou was eliminated and a merger reserve arose due to foreign exchange differences.

#### (iv) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the operations outside the PRC into the presentation currency of the Group (i.e. RMB).

#### (v) Other reserve

The other reserve represents the deemed contribution by the controlling shareholders in the form of non-interest bearing loans to a subsidiary. The amounts are estimated by discounting the nominal value of the non-interest bearing loans to the subsidiary at an effective interest rate.

## 28. 股本及儲備(續)

### (b) 儲備性質及用途(續)

#### (iii) 合併儲備

於二零零七年十二月二十日，本公司全資附屬公司霸王國際集團控股(香港)有限公司以同等價格收購美元12,500,000的霸王廣州全部權益(之前由控股股東擁有的一家公司持有)。因此霸王廣州的股本被抵銷，抵銷時的匯兌差額產生合併儲備。

#### (iv) 匯兌儲備

匯兌儲備包括換算中國境外業務之財務報表(即人民幣)所產生的全部匯兌差額。

#### (v) 其他儲備

其他儲備是指控股股東借給於附屬公司的免息貸款所產生之視同注資。該數額由以實際利率折現的借給子公司之免息貸款的賬面價值來估算。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Equity-Settled Share-Based Transactions

Pursuant to an ordinary resolution of the shareholders of the Company at the annual general meeting of the Company on 29 May 2020, the Company adopted a 2020 share option scheme (the “2020 Share Option Scheme”) to attract and retain the best available personnel to provide additional incentive to (i) any director, employee, consultant, professional, customer, supplier, agent, business or joint venture partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the “Affiliate”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, business or joint venture partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, business or joint venture partner, adviser of or contractor to the Group or an Affiliate.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company’s shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company’s shareholders. Option granted to substantial shareholders or independent non-executive directors or any of their respective associates (including a discretionary trust whose discretionary objects include substantial shareholders, independent non-executive directors, or any of their respective associates) in any 12-month period in excess of 0.1% of the Company’s share capital or with a value in excess of HK\$5 million must be approved in advance by the Company’s shareholders.

No share options were granted under the 2020 Share Option Scheme since the adoption. As at 31 December 2023, there was no outstanding options granted under the 2020 Share Option Scheme.

#### 29. 以股權結算並以股份為基礎的交易

根據本公司於二零二零年五月二十九日股東週年大會的普通決議案，本公司採納了一項二零二零年購股權計劃（「二零二零年購股權計劃」），旨在吸引並留住優秀的人才並向其提供額外的激勵，包括(i)本集團或本集團擁有權益的公司或該公司附屬公司（「聯屬公司」）的任何董事、僱員、顧問、專家、客戶、供應商、代理人、商業夥伴或合資公司夥伴、諮詢人或承包商；或(ii)本集團或聯屬公司的任何董事、僱員、顧問、專家、客戶、供應商、代理人、商業夥伴或合資公司夥伴、諮詢人或承包商作為受益人的任何信託或作為全權信託對象的任何全權信託的受託人；或(iii)本集團或聯屬公司的任何董事、僱員、顧問、專家、客戶、供應商、代理人、商業夥伴或合資公司夥伴、諮詢人或承包商實益擁有的公司。

有關購股權計劃下的認購數量在未經本公司股東事先批准下合計不得超過本公司當日已發行股份的10%。未經本公司股東事先批准，已發行及擬發行的購股權數量的授予和可能授予，並可授予任何一人中的任何個人不得超過本公司當日已發行股份的1%。授予大股東或獨立非執行董事或他們各自的聯繫人（包括其自由支配對象信託也包括大股東，獨立非執行董事或他們各自的聯繫人）的購股權數量超過在任何12個月期間內本公司股本的0.1%或金額超過500萬港元，必須事先經本公司的股東批准。

自採納二零二零年購股權計劃以來，在其項下沒有授予任何購股權。截至二零二三年十二月三十一日，概無二零二零年購股權計劃項下尚未授予的購股權。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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

### 30. Statement of Financial Position of the Company

### 30. 本公司財務狀況表

		Notes 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Non-current asset	非流動資產			
Unlisted investments in subsidiaries	於非上市附屬公司的投資		—*	—*
Current assets	流動資產			
Other receivables	其他應收款		110	136
Amounts due from subsidiaries	應收附屬公司款項	(a)	145	146
Bank balances and cash	銀行結存及現金		1,781	649
			<b>2,036</b>	931
Current liabilities	流動負債			
Other payables	其他應付款項		1,256	1,167
Amount due to a subsidiary	應付附屬公司款項	(a)	2,996	2,865
			<b>4,252</b>	4,032
Net current liabilities	淨流動負債		<b>(2,216)</b>	(3,101)
Net liabilities	淨負債		<b>(2,216)</b>	(3,101)
Capital and reserves	資本及儲備			
Share capital	股本		277,932	277,932
Reserves	儲備	(b)	(280,148)	(281,033)
Deficiency of equity	權益不足		<b>(2,216)</b>	(3,101)

\* Less than RMB1,000

Notes:

(a) The amount is unsecured, non-interest bearing and repayable on demand. During the years ended 31 December 2023 and 2022, the Directors have performed an impairment assessment based on the expected credit loss model. As at 31 December 2023, the carrying amount of amounts due from subsidiaries was approximately RMB145,000 (2022: RMB146,000), net of accumulated allowance for impairment loss of approximately RMB1,595,987,000 (2022: RMB1,583,362,000).

\* 該金額低於人民幣1,000元。

附註：

(a) 該款項無抵押、免息並按要求償還。截至二零二三年及二零二二年十二月三十一日止年度，董事們根據預期信貸損失模型進行了減值評估。截至二零二三年十二月三十一日止，應收附屬公司賬面金額約為人民幣145,000元(二零二二年：人民幣146,000元)，扣除累計減值準備約人民幣1,595,987,000元(二零二二年：人民幣1,583,362,000元)。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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

### 30. Statement of Financial Position of the Company (Continued)

Notes: (Continued)

(b) Movements in the reserves during the years are as follows:

		<b>Share premium</b>	<b>Translation reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
		股本溢價	匯兌儲備	累計虧損	總額
		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
		(note 28(b))	(note 28(b))		
		(附註28(b))	(附註28(b))		
At 1 January 2022	於二零二二年一月一日	1,401,815	(109,738)	(1,571,432)	(279,355)
Total comprehensive expense for the year	年內全面支出 總額	—	(1,219)	(459)	(1,678)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及 二零二三年一月一日	1,401,815	(110,957)	(1,571,891)	(281,033)
Total comprehensive income/ (expense) for the year	年內全面收入/(支出) 總額	—	1,363	(478)	885
At 31 December 2023	於二零二三年 十二月三十一日	1,401,815	(109,594)	(1,572,369)	(280,148)

### 30. 本公司財務狀況表(續)

附註：(續)

(b) 儲備年內變動情況如下：

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Retirement Benefit Scheme Contributions

##### (a) The PRC

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in a defined contribution retirement benefit scheme (the “Scheme”) organised by the local authority whereby the PRC subsidiaries are required to make contributions to the Scheme based on certain percentages of the eligible employee’s salaries. The local government authority is responsible for the entire pension obligations payable to the retired employees.

##### (b) Hong Kong

The Group also maintains the MPF Scheme for all qualifying employees in Hong Kong in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, of which the contribution was matched by employees and subject to a cap of HK\$1,500 per employee per month.

The Group has no other obligations for payment of retirement and other post-retirement benefits of employees other than the contribution described above. Forfeited contributions in respect of unvested benefits of employees leaving the Group’s employment cannot be used to reduce ongoing contributions.

The total expense recognised in profit or loss of approximately RMB3,719,000 (2022: RMB4,033,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

#### 31. 退休福利計劃供款

##### (a) 中國大陸地區

根據中國有關勞動法規，中國附屬公司參與由中國有關當地政府機構組織之定額供款退休福利計劃(「該計劃」)。有關附屬公司須按照工資之一定百分比向該計劃供款。當地政府機構會負責支付退休僱員的全部退休金。

##### (b) 香港地區

根據強制性公積金計劃(「強積金計劃」)的相關條例及規定，本集團亦為所有符合條件的香港僱員設立強積金計劃。強積金計劃之資產與本集團其他資產分開，由受託人控制之基金持有。本集團按相關工資之5%向計劃供款。每名僱員的供款上限為每月港元1,500。

本集團除了上述供款計劃，並無其他義務為僱員支付退休及其他退休後福利。僱員離職時的未歸屬權益當中的已失效供款不可用作減少現有供款。

損益表中之總開支約人民幣3,719,000元(二零二二年：人民幣4,033,000元)，即本集團就該等計劃制定的一定百分比應付之供款。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Related Party Transactions

##### (a) Related party transactions

The Group had the following material transactions with its related parties:

	Nature of transaction 交易性質	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Guangzhou Bawang Cosmetics Co., Ltd. ("Guangzhou Bawang") (note i)	Rental fee of production plant and office premises (notes ii and iii)	9,456	11,417
廣州霸王化妝品有限公司 (「廣州霸王」)(附註i)	生產廠房和辦公場所的 租金(附註ii和iii)		

Notes:

- (i) Guangzhou Bawang was ultimately 100% owned by Mr. CHEN Zheng He.
- (ii) The Directors are of the opinion that the above transactions were conducted on normal commercial terms in the ordinary course of business and the basis of consideration for the transactions is the prevailing market price.

#### 32. 關聯方交易

##### (a) 關聯方交易

本集團與其關聯人士進行以下重大交易：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Guangzhou Bawang Cosmetics Co., Ltd. ("Guangzhou Bawang") (note i)	9,456	11,417
廣州霸王化妝品有限公司 (「廣州霸王」)(附註i)		

附註：

- (i) 廣州霸王最終由陳正鶴先生100%持有。
- (ii) 董事認為，上述交易乃按一般商業條款於日常業務過程中進行，交易代價基準為現行市價。

# Notes to the Consolidated Financial Statements (Continued)

## 綜合財務報表附註(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. Related Party Transactions (Continued)

#### (a) Related party transactions (Continued)

Notes: (Continued)

- (iii) On 17 November 2020, Bawang Guangzhou and Guangzhou Bawang entered into a new lease agreement with 1 year of lease from 1 December 2020. The monthly rental fee for the production premises, office premises and a staff dormitory are RMB1,040,000 in total. On 23 April 2021, the lease agreement was renewed with monthly rental fees of approximately RMB1,090,000 from 1 July 2021 to 30 June 2024 and approximately RMB1,240,000 from 1 July 2024 to 30 June 2026. On 1 September 2022, a supplemental lease agreement reduced the leased area from 49,928.17 sq.m. to 37,997.70 sq.m., and the monthly rental fees to approximately RMB830,000 from 1 September 2022 to 30 June 2024 and approximately RMB944,000 from 1 July 2024 to 30 June 2026. Details of which were set out in the Company's announcement dated on 17 November 2020, 23 April 2021 and 1 September 2022 respectively.

As at 31 December 2023, the carrying amount of such lease liabilities is approximately RMB24,806,000 (2022: RMB32,964,000). During the year ended 31 December 2023, the Group has made lease payment of approximately RMB9,456,000 (2022: RMB11,417,000) to the related company.

### 32. 關聯方交易(續)

#### (a) 關聯方交易(續)

附註：(續)

- (iii) 於二零二零年十一月十七日，霸王廣州與廣州霸王簽署了一份就生產廠房、辦公場所和職工宿舍自二零二零年十二月一日開始為期一年的新租賃協議，月租金約為人民幣1,040,000元。於二零二一年四月二十三日，霸王廣州和廣州霸王更新了租賃協議，自二零二一年七月一日至二零二四年六月三十日期間的生產廠房、辦公場所以及員工宿舍的月租費合計為人民幣1,090,000元，及自二零二四年七月一日至二零二六年六月三十日期間租金增加至月租費合計人民幣1,240,000元。於二零二二年九月一日，霸王廣州與廣州霸王簽署了一份補充租賃協議，就現在租賃面積由49,928.17平方米減少至37,997.70平方米，月租金自二零二二年九月一日至二零二四年六月三十日為約人民幣830,000元，自二零二四年七月一日至二零二六年六月三十日期間約為人民幣944,000元。上述相關詳情分別載列於本公司於二零二零年十一月十七日，二零二一年四月三十日及二零二二年九月一日的公告中。

於二零二三年十二月三十一日止，這項租賃負債的賬面價值約為人民幣24,806,000元(二零二二年：人民幣32,964,000元)。截至二零二三年十二月三十一日止年度，集團已向關聯公司支付了約人民幣9,456,000元的租金(二零二二年：人民幣11,417,000元)。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Related Party Transactions (Continued)

#### (b) Compensation of key management personnel

The remuneration of key management personnel of the Group during the year was as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Short-term benefits	短期福利	3,484	3,157
Post-employment benefits	離職後福利	442	369
		<b>3,926</b>	<b>3,526</b>

The remuneration of key management personnel of the Group was determined by the board of Directors, in consultation with the remuneration committee, having regard to the performance of individuals and market trends.

### 32. 關聯方交易(續)

#### (b) 主要管理人員報酬

本集團於年內主要管理人員的酬金載列如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Short-term benefits	短期福利	3,484	3,157
Post-employment benefits	離職後福利	442	369
		<b>3,926</b>	<b>3,526</b>

本集團主要管理人員之報酬由董事諮詢薪酬委員會就彼等個人表現及市場趨勢釐定的。

### 33. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

### 33. 融資活動產生的負債對賬

下表詳述本集團來自融資活動的負債變動，包括現金和非現金的變動。融資活動產生的負債是現金流量或未來現金流量將在綜合現金流量表中分類為融資活動現金流量的負債。

		1 January 2023 二零二三年 一月一日 RMB'000 人民幣千元	Financing cash flows 融資 現金流量 RMB'000 人民幣千元	Non-cash changes 非現金變化 Finance costs incurred 已發生的 融資成本 RMB'000 人民幣千元	31 December 2023 二零二三年 十二月三十一日 RMB'000 人民幣千元
Lease liabilities	租賃負債	33,276	(9,511)	1,338	25,103

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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

### 33. Reconciliation of Liabilities Arising from Financing Activities (Continued)

### 33. 融資活動產生的負債對賬 (續)

				Non-cash changes 非現金變化		
				Finance costs incurred	Lease modification (note 18)	31 December 2022
1 January 2022 二零二二年 一月一日 RMB'000 人民幣千元	Financing cash flows 融資 現金流量 RMB'000 人民幣千元			已發生的 融資成本 RMB'000 人民幣千元	租賃修改 (附註18) RMB'000 人民幣千元	二零二二年 十二月三十一日 RMB'000 人民幣千元
Lease liabilities	租賃負債	53,453	(11,447)	2,098	(10,828)	33,276

### 34. Litigation

In prior years, a lawsuit was filed by a former subcontractor against Bawang (China) Beverage Co., Limited (“Bawang Beverage”) in People’s Court of Songjiang District of Shanghai in respect of a dispute in the material processing contract between the former subcontractor and Bawang Beverage.

On 20 June 2014, Shanghai No. 1 Intermediate People’s Court gave its final ruling that Bawang Beverage was liable to the former subcontractor for an amount of approximately RMB643,000 and a legal cost of approximately RMB19,000. Accordingly, provision for litigation in amount of approximately RMB662,000 was recognised in the profit or loss and an amount of approximately RMB324,000 was settled in 2014. During the year ended 31 December 2022, the remaining provision of approximately RMB338,000 (2023: nil) had been waived as Bawang Beverage was deregistered on 30 September 2022.

### 34. 法律訴訟

早前，一名前分銷商在上海松江區人民法院就該前分銷商及霸王(中國)飲料有限公司(「霸王飲料」)之間的原料加工合同糾紛向霸王飲料提起訴訟。

上海第一中級人民法院於二零一四年六月二十日作出最終裁決，霸王飲料須向前分銷商支付約人民幣643,000元的賠償金和約人民幣19,000元的訴訟費。此外，訴訟計提合計約人民幣662,000元已被確認於綜合損益及其他全面收益表中為其他費用，約人民幣324,000元已在截至二零一四年十二月三十一日止年度內償還。於二零二二年十二月三十一日截止的年度內，由於霸王飲料於二零二二年九月三十日被註銷註冊，剩餘的約人民幣338,000元(二零二三年：無)的計提已獲豁免。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Principal Subsidiaries

Details of the Company's principal subsidiaries at 31 December 2023 and 2022 are as follows:

Name 名稱	Place of incorporation/ establishment and operation 成立及經營地點	Issued and paid-up/ registered capital 已發行及繳足資本	Proportion ownership interest and voting power held by the Company 本公司持有的權益及 擁有的投票權比例				Principal activities 主要業務
			2023 二零二三年		2022 二零二二年		
			Direct 直接 %	Indirect 間接 %	Direct 直接 %	Indirect 間接 %	
Bawang International Group Holding (HK) Limited 霸王國際集團控股(香港)有限公司	Hong Kong 香港	HK\$1 港元1	—	100	—	100	Investment holding and trading of household and personal care products 投資控股及營銷家用及個人護理產品
Hong Kong Bawang International Trading Limited 香港霸王國際貿易公司	Hong Kong 香港	HK\$1 港元1	—	100	—	100	Trading of household and personal care products 營銷家用及個人護理產品
Bawang Guangzhou (note (a)) 霸王廣州(附註(a))	The PRC 中國	USD67,500,000 美元67,500,000	—	100	—	100	Manufacturing and trading of household and personal care products 製造及營銷家用及個人護理產品
Guangzhou Fanmei Electronic Business Company Limited* (note (a)) 廣州梵魅電子商務有限公司(附註(a))	The PRC 中國	RMB1,000,000 人民幣1,000,000元	—	100	—	100	e-Commerce and trading of household and personal care products 電子商務及營銷家用及個人護理產品
Guangzhou Bawang Trading Company Limited* (note (a)) 廣州霸王貿易有限公司(附註(a))	The PRC 中國	RMB1,000,000 人民幣1,000,000元	—	100	—	100	Trading of household and personal care products 營銷家用及個人護理產品

\* For identification purposes only

Notes:

(a) These entities are wholly foreign owned and limited liability companies established in the PRC.

### 35. 主要附屬公司

於二零二三年及二零二二年十二月三十一日，本公司主要附屬公司詳情如下：

\* 僅供認別

附註：

(a) 此等實體為於中國成立的外商全資擁有的有限責任公司。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(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. Principal Subsidiaries (Continued)

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

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

At the end of the reporting period, the Company has other wholly-owned subsidiaries that are not material to the Group. A summary of these subsidiaries are as follows:

#### 35. 主要附屬公司(續)

上表僅列出本公司董事認為主要影響本集團業績或資產和負債之附屬公司。本公司董事認為提供其他附屬公司之詳情將令資料過於冗長而不在此列示。

於當年及上一年度期內，概無任何附屬公司發行任何債權債務。

於呈報期末，公司擁有其他就集團而言非重大的全資附屬公司。該等附屬公司之主要業務概述如下：

Principal activities 主要業務	Principal place of business 主要業務地點	Number of subsidiaries 附屬公司數目	
		2023 二零二三年	2022 二零二二年
Investment holding 投資控股	The BVI 英屬處女群島	1	1
Investment holding 投資控股	Hong Kong 香港	1	1



# Five Years Summary

## 五年財務概要

As at 31 December 2023 於二零二三年十二月三十一日

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元 (Restated) (重列)	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Result</b>	<b>業績</b>					
Revenue	營業額	<b>237,653</b>	246,341	273,604	275,987	258,158
Profit/(loss) before taxation	稅前利潤/(虧損)	<b>13,544</b>	(19,431)	(9,084)	(4,038)	(15,164)
Taxation	稅項	<b>83</b>	110	—	—	9,064
Profit/(loss) for the year attributable to the owners of the Company	本公司擁有人應佔之年內利潤/(虧損)	<b>13,627</b>	(19,321)	(9,084)	(4,038)	(6,100)
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Property, plant and equipment	物業、廠房及設備	<b>34,575</b>	40,515	61,938	78,699	98,305
Prepaid advertising fee	預付廣告費用	<b>148</b>	654	850	33	—
Net current assets	流動資產淨值	<b>67,870</b>	29,307	25,022	65,499	53,732
Total assets less current liabilities	資產總值減流動負債	<b>155,397</b>	151,419	189,171	155,051	182,426
<b>Net assets</b>	<b>資產淨值</b>	<b>139,502</b>	126,316	145,855	154,726	158,660
<b>Capital and reserves</b>	<b>資本及儲備</b>					
Share capital	股本	<b>277,932</b>	277,932	277,932	277,932	277,932
Reserves	儲備	<b>(138,430)</b>	(151,616)	(132,077)	(123,206)	(119,272)
<b>Total equity</b>	<b>權益總額</b>	<b>139,502</b>	126,316	145,855	154,726	158,660
Earning/(loss) per share Basic and diluted (RMB)	每股盈利/(虧損)基本及攤薄(人民幣)	<b>0.4309</b>	(0.6110)	(0.0029)	(0.0013)	(0.0019)

BaWang International (Group) Holding Limited

霸王國際(集團)控股有限公司\*

*\* for identification purposes only*  
僅供識別