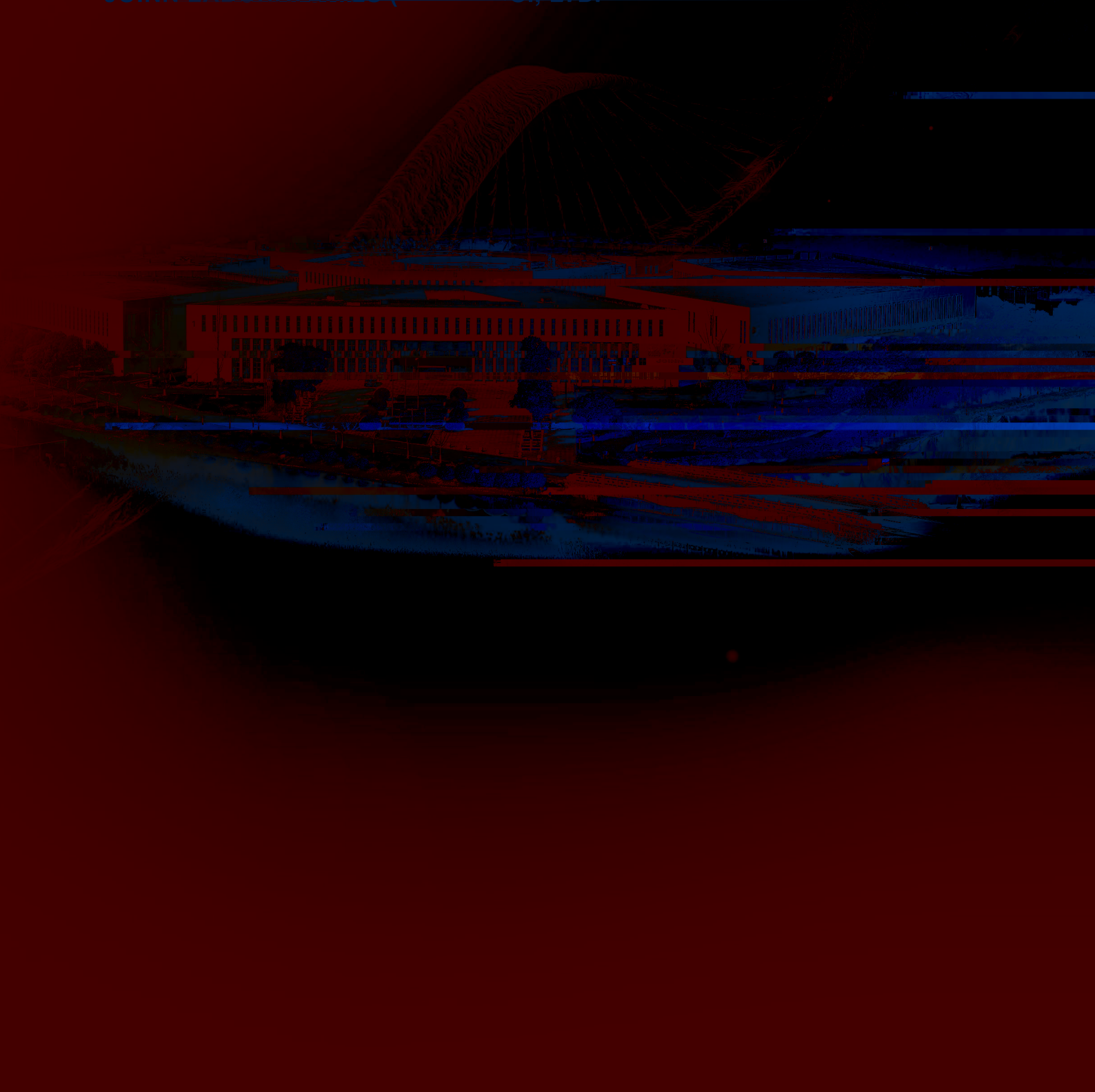


昭衍

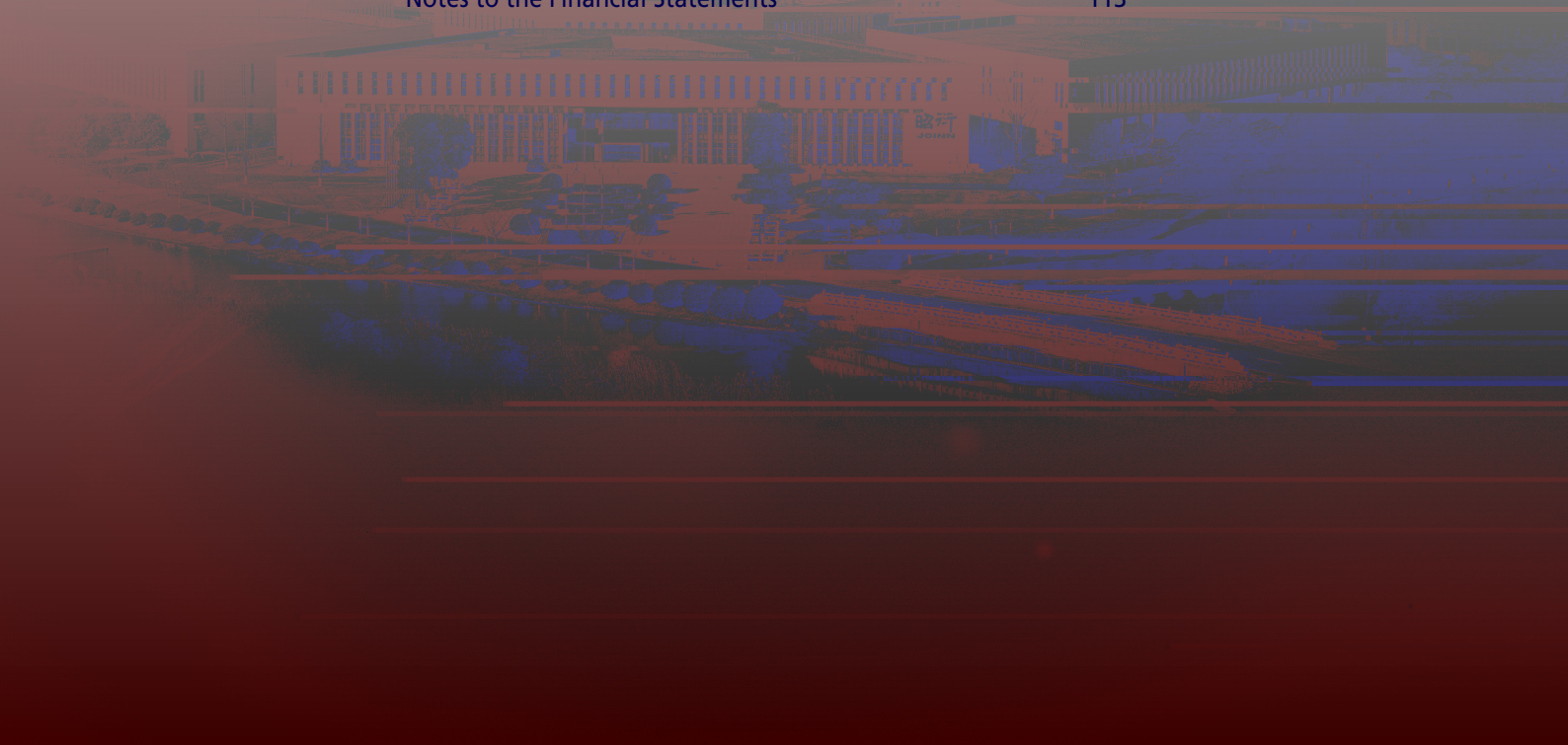
JOINN

北京昭衍新藥研究中心股份有限公司
JOINN LABORATORIES CO., LTD.



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Definitions

	<p>“2018 Share Option and Restricted Share Award Scheme”</p>	<p>the share option and restricted share award scheme approved by the shareholders of the Company on 27 February 2018, as amended from time to time.</p>
	<p>“2019 Share Option and Restricted Share Award Scheme”</p>	<p>the share option and restricted share award scheme approved by the shareholders of the Company on 15 April 2019, as amended from time to time.</p>
	<p>“2020 Share Option Scheme”</p>	<p>the share option scheme approved by the shareholders of the Company on 15 July 2020, as amended from time to time.</p>
	<p>“2021 A Share Employee Stock Ownership Plan”</p>	<p>the A share employee stock ownership plan approved by the shareholders of the Company on 19 July 2022, as amended from time to time, and the A share employee stock ownership plan approved by the shareholders of the Company on 30 December 2021.</p>
	<p>“2021 Restricted A Share Incentive Scheme”</p>	<p>the restricted A share incentive scheme approved by the shareholders of the Company on 19 July 2022, as amended from time to time, and the restricted A share incentive scheme approved by the shareholders of the Company on 30 December 2021.</p>
	<p>“2022 A Share Employee Stock Ownership Plan”</p>	<p>the A share employee stock ownership plan approved by the shareholders of the Company on 18 July 2022, as amended from time to time, and the A share employee stock ownership plan approved by the shareholders of the Company on 31 August 2022.</p>
	<p>“2022 H Shares Incentive Scheme”</p>	<p>the H shares incentive scheme approved by the shareholders of the Company on 24 July 2022, as amended from time to time, and the H shares incentive scheme approved by the shareholders of the Company on 26 August 2022.</p>
	<p>“A Shareholders”</p>	<p>the shareholders of the Company who hold A shares.</p>
	<p>“A Shares”</p>	<p>the shares of the Company with a par value of RMB1.00, which are listed on the Shanghai Stock Exchange and are not subject to any lock-up arrangements under the Company’s share award schemes or other arrangements.</p>
	<p>“AGM”</p>	<p>the annual general meeting of the Company to be held in 2024.</p>
	<p>“Articles of Association” or “Articles”</p>	<p>the articles of association of the Company approved by the shareholders of the Company on 18 July 2021, as amended from time to time.</p>
	<p>“Associate(s)”</p>	<p>the associates of the Company as defined in the Listing Rules.</p>
	<p>“Audit Committee”</p>	<p>the audit committee of the Company as defined in the Listing Rules.</p>

Definitions

"Biomere"

北京昭衍新药研究中心股份有限公司，一家于 1996 年 11 月 11 日在中华人民共和国注册成立并于 2019 年 10 月 10 日在开曼群岛注册成立的公司（以下简称“CLO”）及其全资子公司。

"Board"

昭衍药业的董事会（以下简称“CLO”）。

**"CG Code" or
"Corporate Governance Code"**

昭衍药业集团的《上市规则》第 2.07 条附录 C1 所载的《上市规则》。

"Chief Executive Officer"

昭衍药业的行政总裁（以下简称“CLO”）。

"Chief Financial Officer"

昭衍药业的财务总监（以下简称“CLO”）。

"China" or "PRC"

指中华人民共和国，包括香港特别行政区、澳门特别行政区及台湾地区（统称为“H.K.”）。

**"Company", "Our Company" or
"JOINN"**

昭衍药业集团（以下简称“CLO”）及其全资子公司（北京昭衍新药研究中心股份有限公司）于 1995 年 11 月 11 日在中华人民共和国注册成立并于 2012 年 12 月 26 日在开曼群岛注册成立（股票代码：Euronext CLO: 603127）的香港交易所有限公司（股票代码：Euronext HK: 6127）。

"Connected Person(s)"

指根据《上市规则》定义的联系人（以下简称“CLO”）。

"Controlling Shareholder(s)"

指根据《上市规则》定义的控股股东（以下简称“CLO”）。

"CSDC"

昭衍药业集团的董事（以下简称“CLO”）。

"CSRC"

昭衍药业集团的上海证券交易所（以下简称“CLO”）。

"Director(s)"

昭衍药业集团的董事（以下简称“CLO”）。

"Employee Stock Ownership Plans"

2021 年 11 月 26 日通过的《员工持股计划》及 2022 年 11 月 26 日通过的《员工持股计划》。

"Global Offering"

指香港交易所有限公司（股票代码：Euronext HK: 6127）。

**"Group", "our Group", "our",
"we" or "us"**

昭衍药业集团及其全资子公司（以下简称“CLO”）及其全资子公司（北京昭衍新药研究中心股份有限公司）及其全资子公司（以下简称“CLO”）。

Definitions

“Guangxi Weimei”

Guangxi Weimei Biotechnology Co., Ltd. (廣西瑋美生物科技有限公司), a company incorporated in the PRC.

“H Shareholders”

holders of H Shares

“H Shares”

the shares of the Company listed on the GSE, each with a par value of HK\$1.00, and the shares of the Company listed on the HKSE, each with a par value of HK\$1.00.

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the PRC

“HK\$”, “HKD” or “HK dollars”

the Hong Kong dollar, the legal tender of the Hong Kong SAR

“JOINN Laboratories (CA)”

JOINN Laboratories (China) Co., Ltd. (昭衍(蘇州)新藥研究中心有限公司), a company incorporated in the PRC on 21 June 2013.

“JOINN Laboratories (Suzhou)”

JOINN Laboratories (Suzhou) Co., Ltd. (昭衍(蘇州)新藥研究中心有限公司), a company incorporated in the PRC on 11 December 2008.

“Listing”

the listing of the H Shares on the GSE and the listing of the H Shares on the HKSE

“Listing Date”

26 February 2021

“Listing Rules”

the applicable listing rules of the GSE and the applicable listing rules of the HKSE

“Model Code”

the Code on Corporate Governance and the Listing Rules of the GSE and the Appendix A to the Listing Rules of the HKSE

“Mr. Zhou”

Mr. Zhou Zhiwen (周志文), the Chairman of the Board of Directors

“Ms. Feng”

Ms. Feng Yuqun (馮宇霞), the Director of the Company and the General Manager of the Company

“Post-IPO Restricted Award Scheme and ESOP”

the 2021 Restricted Award Scheme and the 2021 ESOP and the 2022 Restricted Award Scheme and the 2022 ESOP

“Pre-IPO Share Option and Restricted Share Award Schemes”

2018 年 1 月 1 日至 2019 年 12 月 31 日 (即“**A**”) 期間內, 本公司實施的各項預-IPO 股權激勵計劃及限制性股權激勵計劃, 包括 2018 年、2019 年及 2020 年。

“Prospectus”

本公司於 2021 年 1 月 16 日發行的招股說明書。

“Relevant Period”

2018 年 1 月 1 日至 2020 年 12 月 31 日。

“Reporting Period”

2023 年 1 月 1 日至 2023 年 12 月 31 日。

“RMB” or “Renminbi”

人民幣, 即中華人民共和國法定貨幣。

“RSU(s)”

本公司根據預-IPO 股權激勵計劃及限制性股權激勵計劃向合資格受託人授出的未歸屬限制性股票單位, 包括 A 類未歸屬限制性股票單位及 B 類未歸屬限制性股票單位。

“SFO”

香港證券及期貨條例第 571 條所指的《證券及期貨條例》, 即《證券及期貨條例》。

“Shanghai Stock Exchange”

上海證券交易所 (上海證券交易所)。

“Share(s)”

本公司發行的 A 類普通股 (H 股) 及 B 類普通股 (B1.00)。

“Shareholder(s)”

股東 (包括個人及公司)。

“Staidson”

舒泰神 (北京) 生物製藥股份有限公司, 於 2002 年 1 月 16 日 (即“**C**”) 成立, 其後於 2010 年 10 月 16 日 (即“**A**”) 在 H 股上市 (證券編號: 300204), 其時本公司 (即“**B**”) 持有 36.11% 股權。本公司 (即“**B**”) 與 2015 年 10 月 16 日 (即“**E**”) 成立的舒泰神 (北京) 醫藥科技有限公司 (即“**D**”) 85% 股權, 以及 2015 年 10 月 16 日 (即“**E**”) 成立的舒泰神 (北京) 醫藥科技有限公司 (即“**D**”) 1.96% 股權, 均由 H 股持有人 A 類普通股 (H 股) 及 B 類普通股 (B1.00) 持有。本公司 (即“**B**”) 於 2021 年 1 月 16 日 (即“**A**”) 在香港證券交易所 (即“**H**”) 上市 (即“**C**”) 後, 本公司 (即“**B**”) 持有 1.10% 股權。本公司 (即“**B**”) 於 2021 年 1 月 16 日 (即“**A**”) 在香港證券交易所 (即“**H**”) 上市 (即“**C**”) 後, 本公司 (即“**B**”) 持有 1.10% 股權。

“Staidson Group”

本公司及其附屬公司。

“Stock Exchange” or “Hong Kong Stock Exchange”

香港證券交易所 (即“**H**”) 及上海證券交易所 (即“**E**”)。

“Supervisor(s)”

香港證券及期貨委員會 (即“**K**”) 及上海證券交易所 (即“**E**”)。

Definitions

“Suzhou Qichen”

苏州奇陈生物科技股份有限公司 (Suzhou Qichen Bio-Technology Co., Ltd.)

“Trust”

信托 (Trust) 是指委托人基于对受托人的信任，将其财产权委托给受托人，由受托人按委托人的意愿以自己的名义，为受益人的利益或者特定目的，进行管理或者处分的行为。

“Trustee”

受托人 (Trustee) 是指受委托管理或者处分他人财产的人。在本信托中，受托人是指 2022 年 12 月 31 日 (或之前) 由委托人指定或选定的自然人、法人或者其他组织。

“Trust Deed”

信托文件 (Trust Deed) 是指信托当事人之间就信托事宜达成的书面协议，包括信托合同、遗嘱、信托章程、信托协议、信托决定书等。

“U.S.” or “United States”

美国 (U.S. or United States) 是指美利坚合众国，包括哥伦比亚特区、各州、领地、海外领地、属地、以及所有或任何部分在美国行使主权或管辖权的地区。

“US\$” or “USD”

美元 (US\$ or USD) 是指美国的法定货币。

“Yunnan Yinmore”

云南英茂生物科技有限公司 (Yunnan Yinmore Biotechnology Co., Ltd.)

Glossary of Technical Terms

"ADC"

Antibody drug conjugate

"antibody"

Protein molecules that are produced by the immune system in response to the presence of an antigen. They are used to identify and neutralize foreign objects like bacteria and viruses, and to destroy cancer cells.

"assay"

A procedure used to measure the concentration of a substance in a sample. Assays are used to measure the concentration of a substance in a sample, such as a drug in a blood sample, or to measure the activity of an enzyme.

"CAR-T cell"

Chimeric antigen receptor (CAR) T cell. A type of T cell that has been genetically engineered to express a chimeric antigen receptor (CAR) that recognizes and binds to a specific antigen on the surface of a cancer cell.

"CRO"

Contract research organization. A company that provides pharmaceutical research and development services to pharmaceutical companies.

"drug discovery"

The process of identifying and developing new drugs. It involves the discovery of new chemical entities, the optimization of their properties, and the development of a safe and effective formulation.

"GLP"

Good Laboratory Practice

"metabolism"

The chemical and biochemical processes that occur in the body to break down and eliminate drugs. Metabolism is a key factor in determining the pharmacokinetics of a drug.

"pharmacology"

The study of the effects of drugs on the body. It involves the study of the drug's mechanism of action, its pharmacokinetics, and its toxicity.

"R&D"

Research and development

Corporate Information

BOARD OF DIRECTORS

Executive Directors

李國君 先生 (Chairperson of the Board)
李國君 先生
李國君 先生
李國君 先生
李國君 先生

Non-executive Director

李國君 先生 (自 2023 年 2 月 27 日起)

Independent Non-executive Directors

李國君 先生
李國君 先生
李國君 先生
李國君 先生

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

A5 樓, 廣東省佛山市江門區
江門區, 廣東省, 中國
D. 100176, C. 100176
B. 100176, 100176, C. 100176

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, 廣東省佛山市江門區
348 K, 廣東省佛山市江門區
K. 廣東省佛山市江門區

REGISTERED OFFICE

A5 樓, 廣東省佛山市江門區
江門區, 廣東省, 中國
D. 100176, C. 100176
B. 100176, 100176, C. 100176

H SHARE REGISTRAR

香港中央證券登記有限公司
17/F, 廣東省佛山市江門區
16H, 廣東省佛山市江門區
H. 廣東省佛山市江門區

JOINT COMPANY SECRETARIES

李國君 先生
李國君 先生

AUTHORIZED REPRESENTATIVES

李國君 先生
李國君 先生

AUDIT COMMITTEE

李國君 先生 (Chairperson)
李國君 先生
李國君 先生

REMUNERATION AND EVALUATION COMMITTEE

李國君 先生 (Chairperson)
李國君 先生
李國君 先生

NOMINATION COMMITTEE

李國君 先生 (Chairperson)
李國君 先生
李國君 先生

STRATEGIC DEVELOPMENT COMMITTEE

李國章 (Chairperson)
李國章
李國章
李國章

STOCK CODE

香港交易所
(H.K.): 6127
安聯證券有限公司
(A.S.): 603127

AUDITOR

KPMG
安聯證券有限公司
安聯證券有限公司
安聯證券有限公司
8/F, 1000033 C
10 C
H.K.

LEGAL ADVISOR TO OUR COMPANY

As to Hong Kong law
J & G, LL
3203-3207, 32/F
E, L
15
H.K.

As to PRC law
L
509, A, C, D
35, D
100033 C

COMPANY'S WEBSITE

://

Financial Summary

	For the year ended 31 December				
	2023 RMB'000	2022 ¥ B'000	2021 ¥ B'000	2020 ¥ B'000	2019 ¥ B'000
Operating results					
Revenue	2,376,487	2,267,971	1,516,680	1,075,905	639,379
Cost of sales	1,377,094	1,330,774	852,212	620,280	311,042
Gross profit	979,393	1,081,428	735,678	550,625	328,786
Operating expenses	588,400	600,200	429,811	338,961	191,112
Operating profit	391,553	1,073,200	556,417	311,564	187,677
Finance income	1,346	1,346	1,346	1,346	1,346
Finance expense	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)
Other income	1,346	1,346	1,346	1,346	1,346
Other expense	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)
Profit before income tax	396,993	1,074,257	557,460	312,950	187,838
Income tax expense	(375,283)	(300,000)	(200,000)	(100,000)	(100,000)
Profitability					
Gross profit margin	41.21%	47.68%	48.51%	51.18%	51.42%
Operating profit margin	16.48%	47.32%	36.69%	28.96%	29.35%
Earnings per share*					
Basic (¥ B)	0.53	1.44	0.77	0.51	0.30
Diluted (¥ B)	0.53	1.43	0.76	0.50	0.30

	At 31 December				
	2023 RMB'000	2022 ¥ B'000	2021 ¥ B'000	2020 ¥ B'000	2019 ¥ B'000
Current assets	10,027,159	10,364,216	8,537,077	2,172,902	1,570,141
Current liabilities	1,746,118	2,173,350	1,392,641	951,093	720,196
Net current assets	8,281,041	8,190,866	7,144,436	1,221,809	849,945
Equity	8,281,041	8,190,866	7,144,436	1,221,809	849,945
Liabilities	(849,577)	(7,144,436)	(6,299,000)	(849,577)	(7,144,436)
Total	7,431,464	10,905,302	8,537,077	301,232	1,570,141
Dividend per share	0.49	0.52	0.53	0.50	0.50
Dividend yield	9.3%	3.6%	6.9%	9.9%	15.9%
Dividend payout ratio	93.8%	36.1%	69.2%	99.0%	133.5%
Dividend coverage ratio	1.07	1.36	1.36	1.36	1.36

Chairperson's Statement

Dear Shareholders,

In 2023, we continued to focus on our core business and implemented our strategy to enhance our financial performance and operational efficiency. We achieved a steady increase in our revenue and profit, reflecting our strong market position and the effectiveness of our business model. Our Board of Directors and management team have worked closely to address the challenges we face in the current market environment and to explore new growth opportunities. We are committed to providing our shareholders with a long-term and sustainable return on investment. We will continue to invest in research and development, expand our market reach, and optimize our cost structure to drive our growth. We are confident that our strategic initiatives will lead to a bright future for our company.

During the year, we have also focused on strengthening our corporate governance and risk management. We have implemented various measures to improve our transparency and accountability, and to ensure that we are in full compliance with all applicable laws and regulations. We are committed to maintaining the highest standards of ethical conduct and to fostering a culture of integrity and trust. We will continue to work with our stakeholders to address their concerns and to enhance our corporate reputation.

Looking ahead to 2024, we are optimistic about our prospects. We will continue to execute our strategy and to focus on our core business. We will also explore new growth opportunities and to expand our market reach. We are committed to providing our shareholders with a long-term and sustainable return on investment. We will continue to invest in research and development, expand our market reach, and optimize our cost structure to drive our growth. We are confident that our strategic initiatives will lead to a bright future for our company.

Ms. Feng Yuxia

Chairperson of the Board

Hangzhou, China, 28th April 2024

Management Discussion and Analysis

(III) Business Capacity Development

1. Drug Non-clinical Business:

Our drug non-clinical business is primarily engaged in the development and production of CDMOs for various pharmaceutical products. In 2023, we completed the development and production of 11 new drug products, including 10 new drug products and 1 generic drug product. The total sales of our drug non-clinical business in 2023 were approximately RMB 1.2 billion, an increase of 15% compared with 2022. The total sales of our drug non-clinical business in 2023 were approximately RMB 1.2 billion, an increase of 15% compared with 2022.

1.1 Continuous Improvement of Quality System

In 2023, we continued to improve our quality system and achieved significant progress. We passed the ECD GLP certification for our drug non-clinical business, which is a key milestone for our business. Additionally, we passed the AAALAC certification for our drug non-clinical business, which is a key milestone for our business. We also passed the GLP certification for our drug non-clinical business, which is a key milestone for our business. We also passed the GLP certification for our drug non-clinical business, which is a key milestone for our business.

1.2 Further Enhancement of Business Capabilities

In 2023, we further enhanced our business capabilities and achieved significant progress. We completed the development and production of 11 new drug products, including 10 new drug products and 1 generic drug product. The total sales of our drug non-clinical business in 2023 were approximately RMB 1.2 billion, an increase of 15% compared with 2022. The total sales of our drug non-clinical business in 2023 were approximately RMB 1.2 billion, an increase of 15% compared with 2022.

Management Discussion and Analysis

F. 100%
 AI
 A
 A
 100%
 K801
 C
 C
 A
 A
 C, ELI
 B, F,
 (B, C, CA, C, K, IL), (A, A,
 ADC,
 A, A, A, B, D, A, C, A,
 A, D, H, C, D, B, GB,
 A, A, A, A, D, B, ELI A

Management Discussion and Analysis

2. Aspects of drug clinical trial services:

2.1 Clinical CRO services

€ Clinical CRO services are provided by the company to pharmaceutical companies and other clients. The company has a strong track record in providing clinical CRO services and has a large client base. The company's clinical CRO services include clinical trial management, clinical trial operations, clinical trial data management, clinical trial safety, clinical trial compliance, and clinical trial reporting. The company's clinical CRO services are provided on a fee-for-service basis and are subject to the terms and conditions of the company's standard terms of service. The company's clinical CRO services are provided in accordance with the applicable regulatory requirements and industry best practices. The company's clinical CRO services are provided by a team of experienced professionals who are dedicated to providing high-quality services to our clients. The company's clinical CRO services are provided in a timely and efficient manner and are subject to the company's standard terms of service. The company's clinical CRO services are provided in accordance with the applicable regulatory requirements and industry best practices. The company's clinical CRO services are provided by a team of experienced professionals who are dedicated to providing high-quality services to our clients. The company's clinical CRO services are provided in a timely and efficient manner and are subject to the company's standard terms of service.

2.2 Clinical Testing Services

€ Clinical testing services are provided by the company to pharmaceutical companies and other clients. The company has a strong track record in providing clinical testing services and has a large client base. The company's clinical testing services include clinical trial management, clinical trial operations, clinical trial data management, clinical trial safety, clinical trial compliance, and clinical trial reporting. The company's clinical testing services are provided on a fee-for-service basis and are subject to the terms and conditions of the company's standard terms of service. The company's clinical testing services are provided in accordance with the applicable regulatory requirements and industry best practices. The company's clinical testing services are provided by a team of experienced professionals who are dedicated to providing high-quality services to our clients. The company's clinical testing services are provided in a timely and efficient manner and are subject to the company's standard terms of service.

Management Discussion and Analysis

3. Experimental Model Study:

In 2023, C. continued to strengthen its research and development capabilities, focusing on the development of new drugs and the optimization of existing products. The company successfully completed the Phase I clinical trials for a new drug, demonstrating significant efficacy and safety. Additionally, C. initiated Phase II clinical trials for another promising candidate, which is expected to be completed by the end of the year. The company also conducted extensive pre-clinical studies and toxicology tests to ensure the quality and safety of its products. These efforts have laid a solid foundation for the company's future growth and innovation in the pharmaceutical industry.

Furthermore, C. has established a robust regulatory affairs department to ensure compliance with all applicable laws and regulations. The company has successfully obtained marketing authorization for several new drugs, which will be launched in the near future. C. also actively participated in industry conferences and forums, sharing its research findings and insights with the scientific community. The company's commitment to research and development, coupled with its strong regulatory compliance, positions it as a leader in the pharmaceutical industry.

4. Drug quality research and testing business:

The drug quality research and testing business is a critical component of the pharmaceutical industry, ensuring the safety and efficacy of drugs. C. has established a state-of-the-art drug quality research and testing facility, equipped with advanced analytical instruments and a highly skilled workforce. The facility is designed to meet the stringent requirements of the pharmaceutical industry, ensuring the highest quality of drug products. C. has successfully completed the testing of numerous drug samples, demonstrating its expertise in drug quality research and testing. The company's commitment to quality and its advanced testing capabilities have earned it a reputation as a leading provider of drug quality research and testing services. C. continues to invest in research and development to further enhance its testing capabilities and expand its service offerings, ensuring that it remains at the forefront of the pharmaceutical industry.

(IV) Implementation of Featured Experiments

In 2023, C. Wu's experimental research on the application of artificial intelligence in the field of financial services has been completed. The research results show that the application of artificial intelligence in the field of financial services can significantly improve the efficiency and accuracy of financial services. The research also shows that the application of artificial intelligence in the field of financial services can help financial institutions better understand the needs and preferences of customers, and provide more personalized and efficient services. The research results have been published in the journal "Journal of Financial Services Research" (B3.3).

(V) Marketing

In 2023, A. Wu's marketing research on the application of artificial intelligence in the field of marketing has been completed. The research results show that the application of artificial intelligence in the field of marketing can significantly improve the efficiency and accuracy of marketing activities. The research also shows that the application of artificial intelligence in the field of marketing can help companies better understand the needs and preferences of customers, and provide more personalized and efficient marketing services. The research results have been published in the journal "Journal of Marketing Research" (B2.3).

1. A. Wu's research on the application of artificial intelligence in the field of marketing has been completed. The research results show that the application of artificial intelligence in the field of marketing can significantly improve the efficiency and accuracy of marketing activities. The research also shows that the application of artificial intelligence in the field of marketing can help companies better understand the needs and preferences of customers, and provide more personalized and efficient marketing services. The research results have been published in the journal "Journal of Marketing Research" (B2.3).
2. A. Wu's research on the application of artificial intelligence in the field of marketing has been completed. The research results show that the application of artificial intelligence in the field of marketing can significantly improve the efficiency and accuracy of marketing activities. The research also shows that the application of artificial intelligence in the field of marketing can help companies better understand the needs and preferences of customers, and provide more personalized and efficient marketing services. The research results have been published in the journal "Journal of Marketing Research" (B2.3).
3. C. Wu's research on the application of artificial intelligence in the field of financial services has been completed. The research results show that the application of artificial intelligence in the field of financial services can significantly improve the efficiency and accuracy of financial services. The research also shows that the application of artificial intelligence in the field of financial services can help financial institutions better understand the needs and preferences of customers, and provide more personalized and efficient services. The research results have been published in the journal "Journal of Financial Services Research" (B3.3).
4. A. Wu's research on the application of artificial intelligence in the field of marketing has been completed. The research results show that the application of artificial intelligence in the field of marketing can significantly improve the efficiency and accuracy of marketing activities. The research also shows that the application of artificial intelligence in the field of marketing can help companies better understand the needs and preferences of customers, and provide more personalized and efficient marketing services. The research results have been published in the journal "Journal of Marketing Research" (B2.3).
5. A. Wu's research on the application of artificial intelligence in the field of marketing has been completed. The research results show that the application of artificial intelligence in the field of marketing can significantly improve the efficiency and accuracy of marketing activities. The research also shows that the application of artificial intelligence in the field of marketing can help companies better understand the needs and preferences of customers, and provide more personalized and efficient marketing services. The research results have been published in the journal "Journal of Marketing Research" (B2.3).

Management Discussion and Analysis

II. FINANCIAL REVIEW

Overview

Our financial performance for the year ended 31 December 2023 is summarized in the following table:

Revenue

Our revenue for the year ended 31 December 2023 was RMB2,376.5 million, an increase of 4.8% from RMB2,268.0 million for the year ended 31 December 2022. The increase was primarily due to the increase in sales volume of our products.

The following table shows the breakdown of our revenue for the year ended 31 December 2023:

	For the year ended 31 December			
	2023		2022	
	RMB'000	%	↓ B'000	%
Medical products	2,308,999	97.1	2,213,598	97.6
Other products	63,424	2.7	49,568	2.2
Services	4,064	0.2	4,805	0.2
Total Revenue	2,376,487	100.0	2,267,971	100.0

Cost of Services

Our cost of services for the year ended 31 December 2023 was RMB1,186.5 million, an increase of 17.7% from RMB1,008.0 million for the year ended 31 December 2022.

The increase in cost of services was primarily due to the increase in sales volume of our products, which led to an increase in the cost of materials and labor. Additionally, the increase in the cost of services was also due to the increase in the cost of distribution and marketing activities.



Management Discussion and Analysis

General and Administrative Expenses

General and administrative expenses were €296.5 million for the period ended 31 December 2023, an increase of 1.1% from €299.9 million for the period ended 31 December 2022.

Research and Development Expenses

Research and development expenses were €96.9 million for the period ended 31 December 2023, an increase of 24.2% from €78.0 million for the period ended 31 December 2022.

Finance Costs

Finance costs were €3.1 million for the period ended 31 December 2023, a decrease of 12.3% from €3.6 million for the period ended 31 December 2022.

Income Tax Expense

Income tax expense was €115.4 million for the period ended 31 December 2023, a decrease of 30.8% from €166.8 million for the period ended 31 December 2022. The effective tax rate for the period ended 31 December 2023 was 22.8% (2022: 13.5%).

Profit for the Year

	31 Dec 2022	31 Dec 2023	% Change
A Profit for the year	€ 391.6	€ 1,073.2	63.5%
B Profit for the year, excluding impairment of biological assets	€ 47.3	€ 16.5	16.5%
C Profit for the year, excluding impairment of biological assets and other non-recurring items	€ 9.4	€ 10.8	9.4%
D Profit for the year, excluding impairment of biological assets, other non-recurring items and other non-recurring items	€ 979.4	€ 1,081.4	9.4%
E Profit for the year, excluding impairment of biological assets, other non-recurring items, other non-recurring items and other non-recurring items	€ 267.1	€ 1,073.2	63.5%

BIOLOGICAL ASSETS

Information about the Independent Appraiser of Our Biological Assets

F. The independent appraiser of our biological assets is JLL & Co. (JLL), a company registered in the United Kingdom. JLL is a member of the International Valuation Standards Council (IVSC) and is a member of the International Valuation Association (IVA). JLL is a member of the International Valuation Standards Council (IVSC) and is a member of the International Valuation Association (IVA). JLL is a member of the International Valuation Standards Council (IVSC) and is a member of the International Valuation Association (IVA).

A. As at 31 Dec 2023, the fair value of our biological assets is 26,000. The fair value of our biological assets is 26,000. The fair value of our biological assets is 26,000.

The independent appraiser of our biological assets is JLL & Co. (JLL), a company registered in the United Kingdom. JLL is a member of the International Valuation Standards Council (IVSC) and is a member of the International Valuation Association (IVA). JLL is a member of the International Valuation Standards Council (IVSC) and is a member of the International Valuation Association (IVA). JLL is a member of the International Valuation Standards Council (IVSC) and is a member of the International Valuation Association (IVA).

Valuation Methodology

The independent appraiser of our biological assets is JLL & Co. (JLL), a company registered in the United Kingdom. JLL is a member of the International Valuation Standards Council (IVSC) and is a member of the International Valuation Association (IVA). JLL is a member of the International Valuation Standards Council (IVSC) and is a member of the International Valuation Association (IVA).

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Management Discussion and Analysis

As a general principle, the Company will not pay dividends to its shareholders in the foreseeable future. The Company's primary business objective is to expand its production capacity and improve its operating performance. The Company's financial resources will be primarily used for capital expenditures and working capital requirements. The Company's management has no intention to pay dividends to its shareholders in the foreseeable future.

Key Assumptions and Inputs

- The Company's financial performance is based on the following key assumptions and inputs:
 - The Company's revenue is based on the number of units sold and the average selling price.
 - The Company's operating expenses are based on the number of units produced and the average cost per unit.
 - The Company's capital expenditures are based on the number of units produced and the average cost per unit.
 - The Company's working capital requirements are based on the number of units produced and the average cost per unit.
 - The Company's tax expense is based on the Company's taxable income and the applicable tax rate.
 - The Company's interest expense is based on the Company's debt balance and the applicable interest rate.
 - The Company's depreciation and amortization expense is based on the Company's fixed assets and the applicable depreciation and amortization rates.
 - The Company's other income and expense are based on the Company's other income and expense items.

Sensitivity Analysis

€ 31 D 2023

	30%	20%	10%	10%	20%	30%
C 3-5 (%)						
C (B'000)	(233,526)	(155,684)	(77,842)	77,842	155,684	233,526
C 3-5 (%)						
C (B'000)	(208,024)	(138,684)	(69,341)	69,341	138,684	208,024
C 3 (%)						
C (B'000)	134,977	89,762	44,771	(44,549)	(88,877)	(132,983)
C (%)						
C (B'000)	(133,239)	(90,233)	(47,442)	48,233	97,836	144,029

Capital Management

€ G. 2023

Liquidity and Financial Resources

€ G. 2023

€ G. 2023

Management Discussion and Analysis

Gearing ratio

As at 31 December 2023, the Group's total debt is RMB1,000 million, which is 17.4% of the total assets of RMB5,745 million. The Group's total debt is RMB1,000 million, which is 21.0% of the total assets of RMB4,760 million as at 31 December 2022. The Group's total debt is RMB1,000 million, which is 17.4% of the total assets of RMB5,745 million as at 31 December 2023. The Group's total debt is RMB1,000 million, which is 21.0% of the total assets of RMB4,760 million as at 31 December 2022.

Significant Investments, Material Acquisition and Disposals

During the reporting period, the Group did not have any significant investments, material acquisitions or disposals.

Charge on Assets

As at 31 December 2023, the Group has no charge on assets.

Contingent Liabilities

As at 31 December 2023, the Group has no contingent liabilities.

Foreign Exchange Exposure

The Group's operations are primarily conducted in the PRC. The Group's assets and liabilities are denominated in RMB. The Group's revenue is primarily derived from the sale of its products in the PRC. The Group's expenses are primarily incurred in the PRC. The Group's foreign exchange exposure is primarily related to the Group's operations in the PRC. The Group's foreign exchange exposure is primarily related to the Group's operations in the PRC.

Future Plans for Material Investments

The Group has no material investments planned for the reporting period. The Group's future plans for material investments are primarily related to the Group's operations in the PRC. The Group's future plans for material investments are primarily related to the Group's operations in the PRC.

Share Pledge

During the reporting period, the Group has no share pledge.

Subsequent Events After the Reporting Period

There are no subsequent events after the reporting period.

III. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT

(I) Development strategy of the Company

The Company's development strategy is to focus on the development of CRO business, and to expand its business scope and market share. The Company will continue to invest in research and development, and to improve its service quality and efficiency. The Company will also focus on the development of its core business, and to expand its market share in the CRO industry. The Company will continue to invest in research and development, and to improve its service quality and efficiency. The Company will also focus on the development of its core business, and to expand its market share in the CRO industry. The Company will continue to invest in research and development, and to improve its service quality and efficiency. The Company will also focus on the development of its core business, and to expand its market share in the CRO industry.

(II) Business Plan

1. Non-clinical CRO Business

(1) The Company's non-clinical CRO business is a core business, and the Company will continue to invest in research and development, and to improve its service quality and efficiency. The Company will also focus on the development of its core business, and to expand its market share in the CRO industry. The Company will continue to invest in research and development, and to improve its service quality and efficiency. The Company will also focus on the development of its core business, and to expand its market share in the CRO industry. The Company will continue to invest in research and development, and to improve its service quality and efficiency. The Company will also focus on the development of its core business, and to expand its market share in the CRO industry.

(2) The Company's non-clinical CRO business is a core business, and the Company will continue to invest in research and development, and to improve its service quality and efficiency. The Company will also focus on the development of its core business, and to expand its market share in the CRO industry. The Company will continue to invest in research and development, and to improve its service quality and efficiency. The Company will also focus on the development of its core business, and to expand its market share in the CRO industry. The Company will continue to invest in research and development, and to improve its service quality and efficiency. The Company will also focus on the development of its core business, and to expand its market share in the CRO industry.

Management Discussion and Analysis

(3) 本公司在 2018 年 12 月 31 日及 2019 年 12 月 31 日之每股净资产分别为 1.00 元及 1.00 元。

2. Clinical trial and related business

本報告內之臨床試驗及相關業務之討論，乃根據本公司之會計政策及估計。本公司之臨床試驗及相關業務之討論，乃根據本公司之會計政策及估計。本公司之臨床試驗及相關業務之討論，乃根據本公司之會計政策及估計。

(1) 本公司之臨床試驗及相關業務之討論，乃根據本公司之會計政策及估計。本公司之臨床試驗及相關業務之討論，乃根據本公司之會計政策及估計。本公司之臨床試驗及相關業務之討論，乃根據本公司之會計政策及估計。

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3. Research Model Business

本公司之研究模型業務之討論，乃根據本公司之會計政策及估計。本公司之研究模型業務之討論，乃根據本公司之會計政策及估計。本公司之研究模型業務之討論，乃根據本公司之會計政策及估計。

Management Discussion and Analysis

4. Internationalisation strategy

The Company has established a global network of sales and service channels, and has set up subsidiaries in various countries and regions. The Company's internationalisation strategy is to expand its business to global markets and to provide high-quality products and services to customers worldwide.

(1) The Company has established a global network of sales and service channels, and has set up subsidiaries in various countries and regions. The Company's internationalisation strategy is to expand its business to global markets and to provide high-quality products and services to customers worldwide.

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IV. RISK MANAGEMENT

Principal risks and uncertainties facing the Company

1. Risk of changes in the international economic situation and weak development of the industry

The Company's business is highly dependent on international trade and economic growth. Changes in the international economic situation, such as trade wars, economic downturns, and currency fluctuations, can significantly impact the Company's revenue and profitability. Additionally, the weak development of the industry can lead to reduced demand for the Company's products and services, which may result in lower sales and margins.

2. Risk of adherence and compliance of regulations

At the end of the reporting period, the Company has no significant non-compliance with laws and regulations. The Company has established a system of internal control to ensure compliance with laws and regulations. The Company will continue to strengthen its internal control system and ensure compliance with laws and regulations.

3. Risk of talents

The Company has established a system of talent management to attract and retain talents. The Company will continue to strengthen its talent management system and ensure the Company has sufficient talents to support its business development.

4. Risk of market competition

The Company has established a system of market competition to attract and retain customers. The Company will continue to strengthen its market competition system and ensure the Company has sufficient customers to support its business development.

5. Risk of raw materials supply

The Company has established a system of raw materials supply to ensure the Company has sufficient raw materials to support its business development. The Company will continue to strengthen its raw materials supply system and ensure the Company has sufficient raw materials to support its business development.

6. Risk of failure to keep up with the times and not emphasizing technological innovation

The Company has established a system of technological innovation to attract and retain customers. The Company will continue to strengthen its technological innovation system and ensure the Company has sufficient technological innovation to support its business development.

Management Discussion and Analysis

7. Risk of new business development

本公司正積極尋求發展新業務，包括在中國境內及境外尋求合作機會。本公司之新業務發展計劃，將視乎市場環境、競爭情況、管理人才、資金狀況及政府政策等因素而定。本公司之新業務發展計劃，將視乎市場環境、競爭情況、管理人才、資金狀況及政府政策等因素而定。本公司之新業務發展計劃，將視乎市場環境、競爭情況、管理人才、資金狀況及政府政策等因素而定。本公司之新業務發展計劃，將視乎市場環境、競爭情況、管理人才、資金狀況及政府政策等因素而定。

Biographies of Directors, Supervisors and Senior Management

Mr. Gao Dapeng (高大鵬), 42, male, Bachelor's degree, Communist Party member, has worked in the pharmaceutical industry for 18 years. He served as the Deputy Director of the Marketing Department of Jiangsu Hengrui Medicine Co., Ltd. from 2006 to 2012, the Deputy Director of the Marketing Department of Jiangsu Hengrui Medicine Co., Ltd. from 2013 to 2019, and the Director of the Marketing Department of Jiangsu Hengrui Medicine Co., Ltd. from 2020. He has served as the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2013 to 2020. He has also served as the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2020 to the present.

He has served as the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2012 to 2013, the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2013 to 2020, and the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2020 to the present. He has also served as the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2019 to 2020, and the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2020 to the present.

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Ms. Sun Yunxia (孫雲霞), 56, female, Bachelor's degree, Communist Party member, has worked in the pharmaceutical industry for 21 years. She served as the Deputy Director of the Marketing Department of Jiangsu Hengrui Medicine Co., Ltd. from 1999 to 2019, and the Director of the Marketing Department of Jiangsu Hengrui Medicine Co., Ltd. from 2020. She has served as the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2012 to the present.

She has served as the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 1999 to 2005, the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2005 to 2008, the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2008 to 2009, and the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2009 to 2010.

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She has served as the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 1999 to 2005, the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2005 to 2008, the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2008 to 2009, and the Chairman of Jiangsu Hengrui Medicine Co., Ltd. from 2009 to 2010.

Biographies of Directors, Supervisors and Senior Management

Dr. Zhai Yonggong (翟永功), 63, male, Chinese, Bachelor's Degree, D. (North China University of Science and Technology), C. (China University of Petroleum), J. (2019), D. (China University of Petroleum), B. (China University of Petroleum), G. (China University of Petroleum).

D. (China University of Petroleum), 2005, J. (2007), D. (China University of Petroleum), B. (China University of Petroleum), K. (China University of Petroleum), C. (China University of Petroleum), 2009, J. (2021), B. (China University of Petroleum), K. (China University of Petroleum), C. (China University of Petroleum), L. (China University of Petroleum) (北京康辰藥業股份有限公司), 2022, B. (China University of Petroleum), H. (China University of Petroleum), B. (China University of Petroleum), G. (China University of Petroleum) (北京恒潤普生生物技術有限公司), 2022, A. (China University of Petroleum), C. (China University of Petroleum), L. (China University of Petroleum), 2022, B. (China University of Petroleum), D. (China University of Petroleum), B. (China University of Petroleum), C. (China University of Petroleum).

D. (China University of Petroleum), A. (China University of Petroleum), C. (China University of Petroleum) (西北農學院), A. (China University of Petroleum), F. (China University of Petroleum) (西北農林科技大學), C. (China University of Petroleum), 1984, H. (China University of Petroleum), 1992, H. (China University of Petroleum) (西安交通大學), C. (China University of Petroleum), D. (China University of Petroleum), 1999.

Mr. Ou Xiaojie (歐小傑), 51, male, Chinese, Bachelor's Degree, D. (China University of Petroleum), C. (China University of Petroleum), J. (2019), B. (China University of Petroleum), G. (China University of Petroleum).

B. (China University of Petroleum), D. (China University of Petroleum), C. (China University of Petroleum), C. (China University of Petroleum), L. (China University of Petroleum) (北京東方君和管理顧問有限公司), J. (2009), 2012, H. (China University of Petroleum), B. (China University of Petroleum), C. (China University of Petroleum), L. (China University of Petroleum) (北京中軟國際信息技術有限公司), A. (China University of Petroleum), 2012, 2014, H. (China University of Petroleum), B. (China University of Petroleum), D. (China University of Petroleum), C. (China University of Petroleum), L. (China University of Petroleum) (北京地道風物科技有限公司), 2015, 2017, H. (China University of Petroleum), B. (China University of Petroleum), D. (China University of Petroleum), C. (China University of Petroleum), L. (China University of Petroleum) (北京地道風物科技有限公司), 2015, 2017, 2019, C. (China University of Petroleum) (成都溫度網絡科技有限公司); 2019, G. (China University of Petroleum), D. (China University of Petroleum), C. (China University of Petroleum) (廣州原典數字技術有限公司).

G. (China University of Petroleum), (廣東工業大學), C. (China University of Petroleum), 1999.

Mr. Zhang Fan (張帆), 45, male, Chinese, Bachelor's Degree, D. (China University of Petroleum), C. (China University of Petroleum), E. (China University of Petroleum), 2021, B. (China University of Petroleum), G. (China University of Petroleum).

C. (China University of Petroleum), C. (China University of Petroleum), B. (China University of Petroleum) (中國建設銀行), 2001, 2006, CCB (China University of Petroleum), C. (China University of Petroleum), (建銀國際金融有限公司), F. (China University of Petroleum), 2010, 2018, H. (China University of Petroleum), F. (China University of Petroleum), 2018, 2019, H. (China University of Petroleum), (新分享投資控股有限公司), 2019, C. (China University of Petroleum), E. (China University of Petroleum), (中國光大控股有限公司), A. (China University of Petroleum).

(中山大學), C. (China University of Petroleum), J. (2001), H. (China University of Petroleum), C. (China University of Petroleum), 2010.

Biographies of Directors, Supervisors and Senior Management

SUPERVISORS

Mr. He Yingjun (何英俊)

Report of Directors

€ 10,000,000 (€ 10 million) (Note 2). The Directors have reviewed the financial statements for the year ended 31 December 2023 and the financial position of the Company, and have approved the financial statements for the year ended 31 December 2023 for issue to the shareholders at the Annual General Meeting (AGM). The financial statements for the year ended 31 December 2023 are set out on pages 30 to 44.

FINANCIAL SUMMARY

As at 31 December 2023, the Company's net assets were € 10,000,000 (€ 10 million) (Note 2). The Directors have reviewed the financial statements for the year ended 31 December 2023 and the financial position of the Company, and have approved the financial statements for the year ended 31 December 2023 for issue to the shareholders at the Annual General Meeting (AGM). The financial statements for the year ended 31 December 2023 are set out on pages 30 to 44.

PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are 12 years for buildings and 5 years for other property, plant and equipment.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is subject to various laws and regulations in the People's Republic of China (PRC) and other jurisdictions. The Directors have reviewed the Company's compliance with these laws and regulations during the year ended 31 December 2023. The Company has implemented various measures to ensure compliance, including the appointment of a compliance officer and the establishment of a compliance department. The Company has also conducted regular training for its employees on compliance with laws and regulations. The Directors have reviewed the Company's compliance with these laws and regulations during the year ended 31 December 2023 and have concluded that the Company has complied with these laws and regulations. The financial statements for the year ended 31 December 2023 are set out on pages 30 to 44.

EVENTS AFTER THE REPORTING PERIOD

The Directors have reviewed the Company's financial position and performance after the reporting period. The Company has not had any significant events after the reporting period.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company's environmental policies and performance are set out in the Environmental, Social and Governance (ESG) Report. The Company has implemented various measures to reduce its carbon footprint and improve its environmental performance. The Company has also conducted regular training for its employees on environmental protection. The Directors have reviewed the Company's environmental policies and performance during the year ended 31 December 2023 and have concluded that the Company has implemented effective measures to reduce its carbon footprint and improve its environmental performance. The financial statements for the year ended 31 December 2023 are set out on pages 30 to 44.

The Company's environmental policies and performance are set out in the Environmental, Social and Governance (ESG) Report. The Company has implemented various measures to reduce its carbon footprint and improve its environmental performance. The Company has also conducted regular training for its employees on environmental protection. The Directors have reviewed the Company's environmental policies and performance during the year ended 31 December 2023 and have concluded that the Company has implemented effective measures to reduce its carbon footprint and improve its environmental performance. The financial statements for the year ended 31 December 2023 are set out on pages 30 to 44.

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SHARE CAPITAL

	30 June 2023	31 December 2022
D. Number of shares in issue	35,000,000	35,000,000

RESERVES

	30 June 2023	31 December 2022
D. Reserves	175,176	176,176

DISTRIBUTABLE RESERVES

	31 December 2023	31 December 2022
A. Distributable reserves	730.0	730.0

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

	30 June 2023	27 August 2023	26 August 2023	31 December 2022
D. Purchase of listed securities	3,293			
E. Sale of listed securities				
F. Redemption of listed securities				
G. Net proceeds	1,885,000			
H. Total	3,293			
I. Total	1,885,000			

30 June 2023, the Company had no listed securities in issue. B. The Company has not purchased, sold or redeemed any listed securities during the period. C. The Company has not purchased, sold or redeemed any listed securities during the period. D. The Company has not purchased, sold or redeemed any listed securities during the period. E. The Company has not purchased, sold or redeemed any listed securities during the period. F. The Company has not purchased, sold or redeemed any listed securities during the period. G. The Company has not purchased, sold or redeemed any listed securities during the period. H. The Company has not purchased, sold or redeemed any listed securities during the period. I. The Company has not purchased, sold or redeemed any listed securities during the period.

D. The Company has not purchased, sold or redeemed any listed securities during the period. E. The Company has not purchased, sold or redeemed any listed securities during the period. F. The Company has not purchased, sold or redeemed any listed securities during the period. G. The Company has not purchased, sold or redeemed any listed securities during the period. H. The Company has not purchased, sold or redeemed any listed securities during the period. I. The Company has not purchased, sold or redeemed any listed securities during the period.

D. The Company has not purchased, sold or redeemed any listed securities during the period. E. The Company has not purchased, sold or redeemed any listed securities during the period. F. The Company has not purchased, sold or redeemed any listed securities during the period. G. The Company has not purchased, sold or redeemed any listed securities during the period. H. The Company has not purchased, sold or redeemed any listed securities during the period. I. The Company has not purchased, sold or redeemed any listed securities during the period.

PRE-EMPTIVE RIGHTS

A. The Company has not purchased, sold or redeemed any listed securities during the period. B. The Company has not purchased, sold or redeemed any listed securities during the period. C. The Company has not purchased, sold or redeemed any listed securities during the period. D. The Company has not purchased, sold or redeemed any listed securities during the period. E. The Company has not purchased, sold or redeemed any listed securities during the period. F. The Company has not purchased, sold or redeemed any listed securities during the period. G. The Company has not purchased, sold or redeemed any listed securities during the period. H. The Company has not purchased, sold or redeemed any listed securities during the period. I. The Company has not purchased, sold or redeemed any listed securities during the period.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

H. The Company has not purchased, sold or redeemed any listed securities during the period. E. The Company has not purchased, sold or redeemed any listed securities during the period. A. The Company has not purchased, sold or redeemed any listed securities during the period. B. The Company has not purchased, sold or redeemed any listed securities during the period. C. The Company has not purchased, sold or redeemed any listed securities during the period. D. The Company has not purchased, sold or redeemed any listed securities during the period. F. The Company has not purchased, sold or redeemed any listed securities during the period. G. The Company has not purchased, sold or redeemed any listed securities during the period. I. The Company has not purchased, sold or redeemed any listed securities during the period. Net Proceeds.

Use of Proceeds	Approximate percentage of the total amount (%)	Original allocation of the Proceeds (US\$ million)	New allocation of the Proceeds (US\$ million)	Amount of	Amount of	Balance of	Expected timeframe for utilizing the remaining unutilized Net Proceeds after proposed re-allocation
				Net Proceeds utilized as at 31 December 2023 (US\$ million)	Net Proceeds utilized during the Reporting Period (US\$ million)	the unutilized Net Proceeds after proposed re-allocation (US\$ million)	
(C) Further expand our facility network and service capabilities in China	39.0	2,061.3	1,662.8	192.8	45.1	1,470.0	
(i) Invest in the construction of GLP-1R agonist production facilities in China	17.0	898.5	500.0	152.0	29.9	348.0	By the end of 2024
(ii) Invest in the construction of CRO facilities in China	17.0	898.5	898.5	11.5	0.7	887.0	By the end of 2025
(iii) Invest in the construction of CRO facilities in overseas	2.6	137.4	137.4	29.3	14.5	108.1	By the end of 2026
(iv) Invest in the construction of CRO facilities in overseas	2.4	126.9	126.9	-	-	126.9	By the end of 2026
(D) Broaden and deepen our integrated CRO service offerings with a particular focus on further expanding our clinical trial and related services	5.0	264.3	264.3	33.0	6.0	231.3	
(i) Invest in the construction of clinical trial facilities in China	0.6	31.7	31.7	8.3	0.6	23.4	By the end of 2024
(ii) Invest in the construction of clinical trial facilities in overseas	0.4	21.2	21.2	-	-	21.2	By the end of 2024
(iii) Invest in the construction of clinical trial facilities in overseas	4.0	211.4	211.4	24.7	5.4	186.7	By the end of 2024
(E) Fund potential acquisitions of suitable (i) CROs focused on non-clinical studies, (ii) CROs focused on clinical trials, and/or (iii) research model production facilities in both China and overseas	20.0	1,057.0	2,020.2	1,860.0	66.5	160.2	By the end of 2024
(F) Working capital and general corporate purposes	10.0	528.5	528.5	232.4	-	296.1	

Report of Directors

DIRECTORS

董事會成員名單載列如下 (9 Directors):

Executive Directors

- 馮宇霞 (馮宇霞) (Chairperson of the Board)
- 左從林 (左從林) (Vice Chairperson of the Board)
- 高大鵬 (高大鵬) (General Manager, Secretary to the Board, Joint Company Secretary)
- 孫雲霞 (孫雲霞) (Vice General Manager)
- 姚大林 (姚大林) (Senior Vice General Manager, Chief Scientific Officer)

Independent Non-Executive Directors

- 孫明成 (孫明成)
- 翟永功 (翟永功)
- 歐小傑 (歐小傑)
- 張帆 (張帆)

Supervisors

- 何英俊 (何英俊) (Chairperson of the Supervisory Committee)
- 李葉 (李葉)
- 趙文傑 (趙文傑)

BIOGRAPHICAL DETAILS OF THE DIRECTORS, SUPERVISORS AND THE SENIOR MANAGEMENT

本報告內之董事、監察人及高級管理人員之履歷詳情，請參閱本報告第 31 至 36 頁。所有董事、監察人及高級管理人員均已與本公司簽署了誠信承諾書。有關詳情，請參閱本報告第 36 頁。董事會謹啟

Report of Directors

本公司董事及高級管理人員的薪酬 (本公司及附屬公司)		Number of senior management for the year ended 31 December 2023
Band of remuneration		
HK\$1,000,001 - HK\$1,500,000		1
HK\$2,000,001 - HK\$2,500,000		1
		2

DIRECTORS', SUPERVISORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Director 董事、Supervisor 監事及 Controlling Shareholders 控股股東均無在與本公司業務直接或間接競爭或可能競爭的業務中擁有權益。本公司亦無在與本公司業務直接或間接競爭或可能競爭的業務中擁有權益。本公司亦無在與本公司業務直接或間接競爭或可能競爭的業務中擁有權益。

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

本公司並無任何根據香港證券上市規則第 13.20、13.21 及 13.22 條規定的持續披露義務。

NON-COMPETITION UNDERTAKING

F. **Non-competition Undertaking.** A. **Non-competition Undertaking.** E. **Non-competition Undertaking.** C. **Non-competition Undertaking.** D. **Non-competition Undertaking.** G. **Non-competition Undertaking.**

(i) **Non-competition Undertaking.** G. **Non-competition Undertaking.**

(ii) **Non-competition Undertaking.** G. **Non-competition Undertaking.**

(iii) **Non-competition Undertaking.** G. **Non-competition Undertaking.**

A. **Non-competition Undertaking.** E. **Non-competition Undertaking.** C. **Non-competition Undertaking.** D. **Non-competition Undertaking.** G. **Non-competition Undertaking.**

Non-competition Undertaking. C. **Non-competition Undertaking.** D. **Non-competition Undertaking.** G. **Non-competition Undertaking.**

MANAGEMENT CONTRACTS

D. **Management Contracts.** G. **Management Contracts.**

CONVERTIBLE BONDS

D. **Convertible Bonds.** G. **Convertible Bonds.**

EQUITY-LINKED AGREEMENTS

Equity-linked Agreements.

MATERIAL LEGAL PROCEEDINGS

G. **Material Legal Proceedings.**

LOAN AND GUARANTEE

D. **Loan and Guarantee.** G. **Loan and Guarantee.**

Report of Directors

PRE-IPO SHARE OPTION AND RESTRICTED AWARD SCHEMES

C. In 2018, the Company adopted the 2018 Restricted Share Award Scheme (the "2018 Restricted Share Award Scheme") and the 2018 Share Option Scheme (the "2018 Share Option Scheme"). In 2019, the Company adopted the 2019 Restricted Share Award Scheme (the "2019 Restricted Share Award Scheme") and the 2019 Share Option Scheme (the "2019 Share Option Scheme"). In 2020, the Company adopted the 2020 Restricted Share Award Scheme (the "2020 Restricted Share Award Scheme") and the 2020 Share Option Scheme (the "2020 Share Option Scheme").

Summary of Terms

The following table summarizes the key terms of the Pre-IPO Share Option and Restricted Share Award Schemes:

(a) Purpose

The purpose of the Pre-IPO Share Option and Restricted Share Award Schemes is to attract and retain qualified personnel, to reward and motivate employees who have made significant contributions to the Company, and to align the interests of the employees with the long-term interests of the Company.

(b) Type of Awards

The Pre-IPO Share Option and Restricted Share Award Schemes provide for the award of restricted shares and share options to eligible participants.

(c) Administration

The Pre-IPO Share Option and Restricted Share Award Schemes are administered by the Compensation Committee of the Board of Directors. The Compensation Committee is responsible for determining the eligibility of participants, the number of shares or options to be awarded, and the vesting schedule of the awards.

(d) Scope of Participants

The Pre-IPO Share Option and Restricted Share Award Schemes are available to eligible employees of the Company and its subsidiaries. The eligibility criteria for participants are set out in the respective award schemes. The maximum number of shares or options that can be awarded to any individual participant is limited to 5% of the total number of shares of the Company.

(e) Source of Shares

The shares underlying the Pre-IPO Share Option and Restricted Share Award Schemes are sourced from the Company's authorized share capital.

(f) Maximum Number of Shares

The maximum number of shares that can be awarded under the Pre-IPO Share Option and Restricted Share Award Schemes is limited to 1% of the total number of shares of the Company. The maximum number of shares that can be awarded to any individual participant is limited to 10% of the total number of shares of the Company.

(g) Term of the Pre-IPO Share Option and Restricted Share Award Schemes

The Pre-IPO Share Option and Restricted Share Award Schemes have a term of 48 months from the date of adoption by the Board of Directors.

In 2018, the Company adopted the 2018 Restricted Share Award Scheme and the 2018 Share Option Scheme. In 2019, the Company adopted the 2019 Restricted Share Award Scheme and the 2019 Share Option Scheme. In 2020, the Company adopted the 2020 Restricted Share Award Scheme and the 2020 Share Option Scheme.

(h) Date of Grant

On 12th March 2019, the Board of Directors granted 60,000 Restricted Stock Units (RSUs) to the Executive Director, Mr. A. B. C. The RSUs were granted on the basis of the performance of the Executive Director during the period from 1st January 2018 to 31st December 2018. The RSUs were granted at a price of ₹ 100 per RSU. The RSUs were granted on the basis of the performance of the Executive Director during the period from 1st January 2018 to 31st December 2018. The RSUs were granted at a price of ₹ 100 per RSU.

(i) Lock-up Period and Vesting Period

The RSUs granted to Mr. A. B. C. are subject to a lock-up period of 12 months from the date of grant. The RSUs will vest in three equal installments of 20,000 RSUs each, on 12th March 2020, 12th March 2021, and 12th March 2022. The RSUs will vest in three equal installments of 20,000 RSUs each, on 12th March 2020, 12th March 2021, and 12th March 2022. The RSUs will vest in three equal installments of 20,000 RSUs each, on 12th March 2020, 12th March 2021, and 12th March 2022.

On 12th March 2019, the Board of Directors granted 60,000 Restricted Stock Units (RSUs) to the Executive Director, Mr. A. B. C. The RSUs were granted on the basis of the performance of the Executive Director during the period from 1st January 2018 to 31st December 2018. The RSUs were granted at a price of ₹ 100 per RSU. The RSUs were granted on the basis of the performance of the Executive Director during the period from 1st January 2018 to 31st December 2018. The RSUs were granted at a price of ₹ 100 per RSU.

(j) Grant and Exercise of Awards

The RSUs granted to Mr. A. B. C. are subject to a lock-up period of 12 months from the date of grant. The RSUs will vest in three equal installments of 20,000 RSUs each, on 12th March 2020, 12th March 2021, and 12th March 2022. The RSUs will vest in three equal installments of 20,000 RSUs each, on 12th March 2020, 12th March 2021, and 12th March 2022. The RSUs will vest in three equal installments of 20,000 RSUs each, on 12th March 2020, 12th March 2021, and 12th March 2022.

Report of Directors

(k) Basis of Determining the Exercise Price of the Options and Grant Price of the RSUs

At the meeting of the Board of Directors held on December 28, 2020, the Board of Directors of JOINN LABORATORIES (CHINA) CO., LTD. discussed and approved the exercise price of the options and the grant price of the RSUs. The exercise price of the options and the grant price of the RSUs are determined based on the closing price of the company's shares on the Shanghai Stock Exchange on the day of the meeting of the Board of Directors. The exercise price of the options is determined to be the closing price of the company's shares on the day of the meeting of the Board of Directors, and the grant price of the RSUs is determined to be the closing price of the company's shares on the day of the meeting of the Board of Directors.

(5) **Contractual Obligations:** The Company has entered into various contracts with its customers, suppliers, and other parties. These contracts are subject to the terms and conditions of the respective parties. The Company is not aware of any significant contractual obligations that may have a material impact on its financial position or performance.

(6) **Contingent Liabilities:** The Company has no contingent liabilities as of the reporting date.

(7) **Contingent Assets:** The Company has no contingent assets as of the reporting date.

(m) Rights and Obligations of the Grantee

(1) **Intellectual Property Rights:** The Company has various intellectual property rights, including patents, trademarks, and copyrights. These rights are essential for the Company's operations and competitive advantage.

(8) **Contractual Obligations:** The Company has entered into various contracts with its customers, suppliers, and other parties. These contracts are subject to the terms and conditions of the respective parties. The Company is not aware of any significant contractual obligations that may have a material impact on its financial position or performance.

(2) **Employment Obligations:** The Company has various employment obligations, including contracts with its employees. These obligations are subject to the terms and conditions of the respective parties.

(9) **Contractual Obligations:** The Company has entered into various contracts with its customers, suppliers, and other parties. These contracts are subject to the terms and conditions of the respective parties. The Company is not aware of any significant contractual obligations that may have a material impact on its financial position or performance.

(3) **Financial Obligations:** The Company has various financial obligations, including loans, bonds, and other debt instruments. These obligations are subject to the terms and conditions of the respective parties.

(4) **Contractual Obligations:** The Company has entered into various contracts with its customers, suppliers, and other parties. These contracts are subject to the terms and conditions of the respective parties. The Company is not aware of any significant contractual obligations that may have a material impact on its financial position or performance.

(10) **Contractual Obligations:** The Company has entered into various contracts with its customers, suppliers, and other parties. These contracts are subject to the terms and conditions of the respective parties. The Company is not aware of any significant contractual obligations that may have a material impact on its financial position or performance.

(5) **Contractual Obligations:** The Company has entered into various contracts with its customers, suppliers, and other parties. These contracts are subject to the terms and conditions of the respective parties. The Company is not aware of any significant contractual obligations that may have a material impact on its financial position or performance.

(11) **Contractual Obligations:** The Company has entered into various contracts with its customers, suppliers, and other parties. These contracts are subject to the terms and conditions of the respective parties. The Company is not aware of any significant contractual obligations that may have a material impact on its financial position or performance.

Report of Directors

LIST OF GRANTEES UNDER THE PRE-IPO SHARE OPTION AND RESTRICTED SHARE AWARD SCHEMES

As at 31 December 2023, the Company has granted 1,238,675 shares under the Pre-IPO Share Option and Restricted Share Award Schemes to 32 grantees, including 4 Directors, 2 Senior Management and 26 other employees.

Name of Grantee	Position	Exercise Price (RMB/Share) ⁽¹⁾	Date of Grant	Outstanding as at 1 January 2023	Granted during the year	Exercised during the year	Vesting Period	Canceled during the year ⁽²⁾	Lapsed during the year	Outstanding as at 31 December 2023 ⁽³⁾
Directors										
Mr. Chen	Chairman of the Board of Directors	47.91	17 July 2020	188,160	0	0	12 months (4)	150,528	0	37,632
Mr. Dong	Executive Director, General Manager, Chairman of the Board of Directors	47.91	17 July 2020	29,400	0	0	12 months (4)	17,640	0	11,760
Mr. Li	Executive Director, General Manager	47.91	24 July 2020	211,680	0	0	12 months (3)	211,680	0	0
		47.91	17 July 2020	58,800	0	0	12 months (4)	47,040	0	11,760
Mr. Ding	Executive Director, General Manager, Chairman of the Board of Directors	47.91	17 July 2020	58,800	0	0	12 months (4)	47,040	0	11,760
Subtotal				546,840	0	0		473,928	0	72,912
Senior Management										
Mr. Li	Chief Financial Officer	47.91	24 July 2020	9,800	0	0	12 months (3)	9,800	0	0
		47.91	17 July 2020	14,700	0	0	12 months (4)	8,820	0	5,880
Subtotal				24,500	0	0		18,620	0	5,880
Other employees										
		14.12	9 January 2018				12 months (1)			
		16.97	9 July 2019				12 months (2)			
		47.91	24 July 2020	667,335	0	0	12 months (3)	627,005	0	740,096
		47.91	17 July 2020				12 months (4)			
Total				1,238,675	0	0		1,119,553	0	818,888

Report of Directors

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Name of Grantee	Position	Exercise Price (RMB/Share) ⁽⁶⁾	Date of Grant	Outstanding	Granted during the year	Exercised during the year	Vesting Period	Canceled during the year ⁽⁹⁾	Lapsed during the year	Outstanding
				as at 1 January 2023 ⁽⁷⁾						as at 31 December 2023
Directors										
王承华	执行董事	16.94/8.21	9月24日 2019	0	0	0	2)	0	0	0
	执行董事	16.94/8.21	9月24日 2019	0	0	0	2)	0	0	0
	执行董事	16.94/8.21	9月24日 2019	0	0	0	2)	0	0	0
	执行董事	16.94/8.21	9月24日 2019	0	0	0	2)	0	0	0
Subtotal				0	0	0		0	0	0
Senior Management										
郭强	总经理	16.94/8.21	9月24日 2019	0	0	0	2)	0	0	0
	总经理	47.39/23.74	24日 2020	0	0	0	3)	0	0	0
王斌	财务总监	47.39/23.74	24日 2020	0	0	0	3)	0	0	0
Subtotal				0	0	0		0	0	0
Other employees										
		9.81	9月 2018	0	0	0	1)	0	0	0
		16.94/8.21	9月24日 2019	3,293	0	0	2)	3,293	0	0
		47.39/23.74	24日 2020	0	0	0	3)	0	0	0
Total				3,293	0	0	0	3,293	0	0

Report of Directors

POST-IPO RESTRICTED SHARE INCENTIVE SCHEME AND THE STOCK OWNERSHIP PLAN

On 19 July 2022, the 2022 AGM of the Company approved the 2022 Restricted Share Incentive Scheme (the "2022 RSIS") and the 2022 Stock Ownership Plan (the "2022 SOP").

Summary of Terms

(a) Purpose

The purpose of the 2022 RSIS is to attract and retain key personnel, to motivate them to work for the long-term interests of the Company, and to reward them for their contributions to the Company. The purpose of the 2022 SOP is to provide a long-term incentive to key personnel of the Company, to attract and retain key personnel, to motivate them to work for the long-term interests of the Company, and to reward them for their contributions to the Company.

(b) Types of Awards

The 2022 RSIS provides for the granting of restricted shares to eligible participants. The 2022 SOP provides for the granting of restricted shares to eligible participants.

(c) Administration

The 2022 RSIS and the 2022 SOP are administered by the Remuneration Committee of the Company. The Remuneration Committee is responsible for determining the eligibility of participants, the number of shares to be granted, and the terms and conditions of the awards.

(d) Scope of Participants

The 2022 RSIS and the 2022 SOP are available to eligible employees of the Company. The 2022 RSIS is available to eligible employees of the Company who are not independent non-executive directors. The 2022 SOP is available to eligible employees of the Company who are not independent non-executive directors.

2021 A, El, 11, 4, 2022 A, El, 20, 4.

(e) Source

2021 A, C, El, C, El.

(f) Maximum Number of Shares

675,400, 2021 A, B, A, 0.09%, C.

C, 10%, 2021 A, 1%, C.

2021 A, El, 2022 A, El, 32,600, 124,000, 0.004%, 0.017%, C, El.

(g) Term of the Post-IPO Restricted Award Scheme and ESOP

2021 A, El, 48, 2021 A, 36, El, 48, C, El, A.

(h) Date of Grant

2021 A, El, G, 2022, A, C, 2022 H, C, 28 J, 2022, F, 28 J, 2022.

Report of Directors

(i) Lock-up Period and Vesting Period

2021 年 4 月 24 日，公司召开 2021 年第二次临时股东大会，审议通过了《关于公司首次公开发行股票并在科创板上市前滚存未分配利润的议案》，同意将截至 2021 年 3 月 31 日滚存的未分配利润 12,360,000.00 元，全部用于首次公开发行股票并在科创板上市。

2021 年 4 月 24 日，公司召开 2021 年第二次临时股东大会，审议通过了《关于公司首次公开发行股票并在科创板上市前滚存未分配利润的议案》，同意将截至 2021 年 3 月 31 日滚存的未分配利润 12,360,000.00 元，全部用于首次公开发行股票并在科创板上市。

(i) 40%

12-

24-

(ii) 30%

24-

36-

(iii) 30%

36-

48-

2021 年 4 月 24 日，公司召开 2021 年第二次临时股东大会，审议通过了《关于公司首次公开发行股票并在科创板上市前滚存未分配利润的议案》，同意将截至 2021 年 3 月 31 日滚存的未分配利润 12,360,000.00 元，全部用于首次公开发行股票并在科创板上市。

(i) 40%

12-

(ii) 30%

24-

(iii) 30%

36-

2022 年 4 月 24 日，公司召开 2022 年第二次临时股东大会，审议通过了《关于公司首次公开发行股票并在科创板上市前滚存未分配利润的议案》，同意将截至 2022 年 3 月 31 日滚存的未分配利润 12,360,000.00 元，全部用于首次公开发行股票并在科创板上市。

(i) 50%

12-

(ii) 30%

24-

(iii) 20%

36-

(j) Grant and Exercise of Awards

	2021	2022
Number of Awards granted	1,000	1,000
Number of Awards exercised	1,000	1,000
Number of Awards cancelled	0	0
Number of Awards outstanding	0	0

(k) Basis of Determining the Grant Price of the RSUs and Purchase Price of the Shares

	2021	2022
Number of Shares purchased	1,000	1,000
Number of Shares granted	1,000	1,000
Number of Shares cancelled	0	0
Number of Shares outstanding	0	0

	2021	2022
Number of Shares purchased	1,000	1,000
Number of Shares granted	1,000	1,000
Number of Shares cancelled	0	0
Number of Shares outstanding	0	0

Report of Directors

LIST OF GRANTEES UNDER THE POST-IPO SHARE OPTION AND RESTRICTED SHARE AWARD SCHEMES

Table 1: List of grantees under the post-IPO share option and restricted share award schemes. The table provides details for 2021, 2022, and 2023, including the exercise price, date of grant, and the number of shares granted, exercised, canceled, and lapsed.

Name of Grantee	Exercise Price (RMB/Share) ⁽³⁾	Date of Grant	Outstanding	Grant during the year ⁽⁴⁾	Exercised during the year	Vesting Period	Canceled during the year ⁽⁶⁾	Lapsed during the year ⁽⁷⁾	Outstanding
			as at 1 January 2023						as at 31 December 2023
张 磊 (1,146,000 shares)	42.37	28 July 2022	512,820	0	187,880	12 months	31,108	411,365	0

(continued)

- (1) Mr. Zhang Lei was granted 1,146,000 shares under the Restricted Share Award Scheme in July 2022. The shares are subject to a 40% vesting schedule: 10% on 29 July 2023, 10% on 28 July 2024, 10% on 28 July 2025, and 10% on 28 July 2026. The exercise price is RMB42.37 per share.
- (2) Mr. Zhang Lei was granted 48,000 shares under the Restricted Share Award Scheme in July 2022. The shares are subject to a 40% vesting schedule: 10% on 29 July 2023, 10% on 28 July 2024, 10% on 28 July 2025, and 10% on 28 July 2026. The exercise price is RMB42.37 per share.
- (3) Mr. Zhang Lei was granted 10,000 shares under the Restricted Share Award Scheme in July 2023. The shares are subject to a 40% vesting schedule: 10% on 19 July 2023, 10% on 19 July 2024, 10% on 19 July 2025, and 10% on 19 July 2026. The exercise price is RMB42.37 per share.
- (4) Mr. Zhang Lei was granted 0 shares under the Restricted Share Award Scheme in July 2023. The exercise price is RMB42.37 per share.

2022 H SHARES INCENTIVE SCHEME

On 24th March 2022, the Board of Directors approved the 2022 H Shares Incentive Scheme (the "Scheme") with effect from 17th March 2022.

Summary of Terms

(a) Purpose of the Scheme

The purpose of the Scheme is to provide an incentive to the participants to contribute to the success of the Group and to attract and retain key personnel. The Scheme is intended to provide a long-term incentive to participants who are key personnel of the Group. The Scheme is intended to provide a long-term incentive to participants who are key personnel of the Group.

(b) Type of Awards

The awards under the Scheme are H Shares. The awards are made in the form of H Shares.

(c) Participants of the Scheme

The participants of the Scheme are the key personnel of the Group. The participants are the key personnel of the Group.

(d) Source

The source of the H Shares for the Scheme is the authorized share capital of the Company. The source of the H Shares for the Scheme is the authorized share capital of the Company.

(e) Maximum Number of Shares

The maximum number of H Shares that can be awarded under the Scheme is 10,000,000. The maximum number of H Shares that can be awarded under the Scheme is 10,000,000.

The maximum number of H Shares that can be awarded under the Scheme is 10,000,000 (the "Scheme Limit").

The Scheme Limit is 10,000,000 H Shares. The Scheme Limit is 10,000,000 H Shares.

The Scheme Limit is 10,000,000 H Shares. The Scheme Limit is 10,000,000 H Shares.

(f) Vesting Period

The vesting period for the awards under the Scheme is 3 years. The vesting period for the awards under the Scheme is 3 years.

The vesting period for the awards under the Scheme is 3 years. The vesting period for the awards under the Scheme is 3 years.

The vesting period for the awards under the Scheme is 3 years. The vesting period for the awards under the Scheme is 3 years.

(g) Term

The term of the Scheme is 10 years, commencing from the date of approval of the Scheme by the Board of Directors on 24th March 2022. The term of the Scheme is 10 years, commencing from the date of approval of the Scheme by the Board of Directors on 24th March 2022.

(h) Basis of Determining the Price of the H Shares

The price of the H Shares awarded under the Scheme is determined based on the closing price of the H Shares on the date of the award. The price of the H Shares awarded under the Scheme is determined based on the closing price of the H Shares on the date of the award.

Report of Directors

LIST OF GRANTEES UNDER THE 2022 H SHARES INCENTIVE SCHEME

Director Mr. Liang Hui, who is a grantee under the 2022 H Shares Incentive Scheme, has been granted 6,573,240 H Shares under the Scheme, with a total value of HK\$125,283,000, representing 0.88% of the total H Shares of the Company.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2023, the interests and short positions of the Directors, Supervisors and Chief Executives in the shares, underlying shares and debentures of the Company or its associated corporations are as follows:

Mr. Liang Hui, Director, has been granted 6,573,240 H Shares under the 2022 H Shares Incentive Scheme (the "Model Code") of the Company.

Interests in the Shares of the Company

Name of Director	Title	Nature of Interest	Class of Shares	Number of Underlying Shares held	Approximate percentage in the relevant class of Shares ⁽³⁾	Approximate percentage in total Shares ⁽³⁾
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	167,160,633(L) ⁽²⁾	26.50%	22.29%
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	74,725,981(L) ⁽²⁾	11.84%	9.96%
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	14,286,477(L) ⁽²⁾	2.26%	1.91%
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	2,757,707(L) ⁽²⁾	0.44%	0.37%
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	318,146(L) ⁽²⁾	0.05%	0.04%
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	135,258(L) ⁽²⁾	0.02%	0.02%

(1)

(1) Mr. Liang Hui, Executive Director, has been granted 6,573,240 H Shares under the 2022 H Shares Incentive Scheme (the "Model Code") of the Company. Mr. Liang Hui's interests in the shares of the Company are as follows:

Name of Director	Title	Nature of Interest	Class of Shares	Number of Underlying Shares held	Approximate percentage in the relevant class of Shares ⁽³⁾	Approximate percentage in total Shares ⁽³⁾
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	167,160,633(L) ⁽²⁾	26.50%	22.29%
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	74,725,981(L) ⁽²⁾	11.84%	9.96%
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	14,286,477(L) ⁽²⁾	2.26%	1.91%
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	2,757,707(L) ⁽²⁾	0.44%	0.37%
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	318,146(L) ⁽²⁾	0.05%	0.04%
Mr. Liang Hui ⁽¹⁾	Executive Director	Beneficial	A Shares	135,258(L) ⁽²⁾	0.02%	0.02%

(2) Mr. Liang Hui, Executive Director, has been granted 6,573,240 H Shares under the 2022 H Shares Incentive Scheme (the "Model Code") of the Company. Mr. Liang Hui's interests in the shares of the Company are as follows:

(3) As at 31 December 2023, the Company has issued 749,888,699 A Shares, 630,893,493 H Shares and 118,995,206 H Shares.

(4) Mr. Liang Hui, Executive Director, has been granted 6,573,240 H Shares under the 2022 H Shares Incentive Scheme (the "Model Code") of the Company.

(5) Mr. Liang Hui, Executive Director, has been granted 6,573,240 H Shares under the 2022 H Shares Incentive Scheme (the "Model Code") of the Company.

(6) All the shares of the Class G, D, 11,760, and the shares of the Class G, D, 11,760.

(7) All the shares of the Class D, 11,760, and the shares of the Class D, 11,760.

The following table shows the interests and short positions of the Directors, the Substantial Shareholders and the Company in the Shares and Underlying Shares of the Company as at 31 December 2023, and the interests and short positions of the Directors, the Substantial Shareholders and the Company in the Shares and Underlying Shares of the Company as at 31 December 2023, and the interests and short positions of the Directors, the Substantial Shareholders and the Company in the Shares and Underlying Shares of the Company as at 31 December 2023, and the interests and short positions of the Directors, the Substantial Shareholders and the Company in the Shares and Underlying Shares of the Company as at 31 December 2023.

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

The following table shows the interests and short positions of the Substantial Shareholders in the Shares and Underlying Shares of the Company as at 31 December 2023, and the interests and short positions of the Substantial Shareholders in the Shares and Underlying Shares of the Company as at 31 December 2023, and the interests and short positions of the Substantial Shareholders in the Shares and Underlying Shares of the Company as at 31 December 2023, and the interests and short positions of the Substantial Shareholders in the Shares and Underlying Shares of the Company as at 31 December 2023.

Name of substantial shareholder	Nature of Interest	Class of Shares	Number of Shares interested	Approximate percentage in the relevant class of Shares ⁽²⁾	Approximate percentage in total Shares ⁽²⁾
Bank of China Limited	Beneficial interest	A Shares	74,725,981(L) ⁽³⁾	11.84%	9.96%
Bank of Communications Limited	Beneficial interest	H Shares	167,160,633(L) ⁽³⁾	26.50%	22.29%
		H Shares	6,800,300(L)	5.71%	0.91%
		H Shares	1,117,025(L)	0.94%	0.15%
Bank of China Limited	Beneficial interest	H Shares	10,736,824(L)	9.02%	1.43%
Fidelity International Limited	Beneficial interest	H Shares	9,366,300(L)	7.87%	1.25%
Bank of China Limited	Beneficial interest	H Shares	10,709,104(L)	8.99%	1.43%
		H Shares	10,709,104(L)	8.99%	1.43%
Fidelity International Limited	Beneficial interest	H Shares	13,055,578(L)	10.97%	1.74%
Bank of China Limited	Beneficial interest	H Shares	13,055,578(L)	10.97%	1.74%
Bank of China Limited	Beneficial interest	H Shares	13,055,578(L)	10.97%	1.74%
Fidelity International Limited	Beneficial interest	H Shares	6,128,280(L)	5.15%	0.82%

(1) (L) indicates long position, (S) indicates short position, and (B) indicates both long and short positions.
 (2) As at 31 December 2023, the Company has 630,893,493 A Shares and 118,995,206 H Shares (including the A Shares and H Shares of the Company's subsidiaries).
 (3) The figures in (1) are calculated based on the total number of shares of the Company.

Report of Directors

Interests of Substantial Shareholders in Members of the Group (Excluding the Company)

Name of Subsidiaries	Authorized share capital/ Registered capital	Parties with 10% or more equity interest	Approximate percentage of shareholding (%)
北京視康前沿技術有限公司 Beijing Vision Frontier Technology Co., Ltd.	▲ B1,000,000	姚寧 (姚寧)	35
蘇州啟辰生物科技(有限)公司 Suzhou Qichen Biotechnology (Limited) Co., Ltd.	▲ B10,000,000	黃雲涓 (黃雲涓)	45
昭衍(無錫)新藥研究中心有限公司 Zhaoyan (Wuxi) New Drug Research Center Co., Ltd.	▲ B50,000,000	江蘇先通分子影像 與 科學技術有限公司 Jiangsu Xiantong Molecular Imaging & Science Technology Co., Ltd.	20

除上述外，本公司並無其他任何成員。於2023年12月31日，本公司持有北京視康前沿技術有限公司20%的股權，蘇州啟辰生物科技(有限)公司5%的股權，以及昭衍(無錫)新藥研究中心有限公司33.6%的股權。

ARRANGEMENTS FOR PURCHASE OF SHARES OR DEBENTURES

本公司並無任何購回或購買本公司證券的授權。本公司亦無任何購回或購買本公司證券的計劃。

KEY RELATIONSHIP WITH STAKEHOLDERS

Relationship with Our Customers

本公司與客戶的關係密切。於2023年12月31日，本公司共有850名客戶。本公司與客戶的關係密切，且客戶對本公司的產品及服務有高度的忠誠度。

• **Key Contractual Terms of Customer Services Agreements for Non – Clinical Studies**

Our customer services agreements for non-clinical studies typically include terms and conditions that govern the relationship between us and our customers. These agreements typically include provisions relating to the scope of our services, the duration of the agreement, the payment terms, and the intellectual property rights. We typically enter into these agreements with our customers on a non-exclusive basis, and we typically do not have any long-term contracts with our customers.

Our customer services agreements for non-clinical studies typically include provisions that allow us to terminate the agreement if the customer fails to pay for our services or if the customer breaches the terms and conditions of the agreement. We typically do not have any long-term contracts with our customers, and we typically do not have any contracts that contain any termination penalties.

Our customer services agreements for non-clinical studies typically include provisions that allow us to assign our rights and obligations under the agreement to another party. We typically do not have any long-term contracts with our customers, and we typically do not have any contracts that contain any assignment restrictions.

Our customer services agreements for non-clinical studies typically include provisions that allow us to sub-license our rights and obligations under the agreement to another party. We typically do not have any long-term contracts with our customers, and we typically do not have any contracts that contain any sub-licensing restrictions. Our customer services agreements for non-clinical studies typically include provisions that allow us to terminate the agreement if the customer fails to pay for our services or if the customer breaches the terms and conditions of the agreement. We typically do not have any long-term contracts with our customers, and we typically do not have any contracts that contain any termination penalties.

• **Key Contractual Terms of Research Model Sales Contracts**

Our research model sales contracts typically include terms and conditions that govern the relationship between us and our customers. These contracts typically include provisions relating to the scope of our services, the duration of the agreement, the payment terms, and the intellectual property rights. We typically enter into these contracts with our customers on a non-exclusive basis, and we typically do not have any long-term contracts with our customers.

Our research model sales contracts typically include provisions that allow us to terminate the contract if the customer fails to pay for our services or if the customer breaches the terms and conditions of the contract. We typically do not have any long-term contracts with our customers, and we typically do not have any contracts that contain any termination penalties.

• **Customer Support**

Our customer support services are provided to our customers through a variety of channels, including our website, our customer service center, and our field sales representatives. We typically provide our customer support services on a non-exclusive basis, and we typically do not have any long-term contracts with our customers. Our customer support services are provided to our customers on a non-exclusive basis, and we typically do not have any long-term contracts with our customers.

Relationship with Our Suppliers

Our relationship with our suppliers is characterized by long-term, mutually beneficial relationships. We typically enter into long-term contracts with our suppliers, and we typically do not have any long-term contracts with our suppliers. Our relationship with our suppliers is characterized by long-term, mutually beneficial relationships. We typically enter into long-term contracts with our suppliers, and we typically do not have any long-term contracts with our suppliers.

Report of Directors

As of the end of the reporting period, the Company has 10,000 shares of A shares, 10,000 shares of B shares, and 10,000 shares of C shares, all of which are listed on the Shanghai Stock Exchange. The Company has 10,000 shares of A shares, 10,000 shares of B shares, and 10,000 shares of C shares, all of which are listed on the Shanghai Stock Exchange.

During the reporting period, the Company's share price fluctuated significantly. The share price of A shares rose from 10.00 yuan to 10.50 yuan, while the share price of B shares fell from 10.00 yuan to 9.50 yuan. The share price of C shares remained stable at 10.00 yuan.

The Company's share price performance is closely related to the Company's operating performance. In the reporting period, the Company's operating performance was stable, and the share price of A shares rose by 5%.

The Company's share price performance is closely related to the Company's operating performance. In the reporting period, the Company's operating performance was stable, and the share price of A shares rose by 5%.

The Company's share price performance is closely related to the Company's operating performance. In the reporting period, the Company's operating performance was stable, and the share price of A shares rose by 5%.

Relationship with Our Employees

As of 31 December 2023, the Company has 2,510 employees. The Company's employee structure is as follows: A, 1,000; B, 1,000; C, 510.

The Company's employee structure is as follows: A, 1,000; B, 1,000; C, 510. The Company's employee structure is as follows: A, 1,000; B, 1,000; C, 510.

The Company's employee structure is as follows: A, 1,000; B, 1,000; C, 510. The Company's employee structure is as follows: A, 1,000; B, 1,000; C, 510.

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The Company's employee structure is as follows: A, 1,000; B, 1,000; C, 510. The Company's employee structure is as follows: A, 1,000; B, 1,000; C, 510.

Relationship with Our Shareholders

C. The Company has not received any requests for shareholder proposals or resolutions from shareholders at any of its general meetings held during the reporting period.

MAJOR SUPPLIERS AND CUSTOMERS

The Company's major suppliers are G. Luobu, which accounts for 3.12% of the Company's purchases, G. Luobu, which accounts for 12.34% of the Company's purchases.

The Company's major suppliers are G. Luobu, which accounts for 14.43% of the Company's purchases, G. Luobu, which accounts for 41.57% of the Company's purchases.

The Company's major suppliers are D. Jiaobu, which accounts for 5% of the Company's purchases, G. Luobu, which accounts for 10% of the Company's purchases.

D. Jiaobu, which accounts for 10% of the Company's purchases, G. Luobu, which accounts for 20% of the Company's purchases.

INFORMATION ON TAX REDUCTION AND EXEMPTION FOR HOLDERS OF H SHARES

Individual Investors

According to the Company's records, the Company has identified individual investors who are eligible for the tax reduction and exemption arrangements for holders of H shares under the relevant tax laws and regulations.

According to the Company's records, the Company has identified individual investors who are eligible for the tax reduction and exemption arrangements for holders of H shares under the relevant tax laws and regulations.

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According to the Company's records, the Company has identified individual investors who are eligible for the tax reduction and exemption arrangements for holders of H shares under the relevant tax laws and regulations.

Report of Directors

Enterprises

As of the end of the reporting period, the Company and its subsidiaries are subject to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation regulations (《中華人民共和國企業所得稅法實施條例》) issued by the State Administration of Taxation in 2008, and the relevant local tax laws and regulations. The Company and its subsidiaries are subject to a corporate income tax rate of 10%.

As of the end of the reporting period, the Company and its subsidiaries are subject to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation regulations (《中華人民共和國企業所得稅法實施條例》) issued by the State Administration of Taxation in 2008, and the relevant local tax laws and regulations. The Company and its subsidiaries are subject to a corporate income tax rate of 10%.

As of the end of the reporting period, the Company and its subsidiaries are subject to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation regulations (《中華人民共和國企業所得稅法實施條例》) issued by the State Administration of Taxation in 2008, and the relevant local tax laws and regulations. The Company and its subsidiaries are subject to a corporate income tax rate of 10%.

As of the end of the reporting period, the Company and its subsidiaries are subject to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation regulations (《中華人民共和國企業所得稅法實施條例》) issued by the State Administration of Taxation in 2008, and the relevant local tax laws and regulations. The Company and its subsidiaries are subject to a corporate income tax rate of 12%.

As of the end of the reporting period, the Company and its subsidiaries are subject to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation regulations (《中華人民共和國企業所得稅法實施條例》) issued by the State Administration of Taxation in 2008, and the relevant local tax laws and regulations. The Company and its subsidiaries are subject to a corporate income tax rate of 12%.

EMPLOYEES

As of the end of the reporting period, the Company and its subsidiaries have 2,510 employees. As of the end of the reporting period, the Company and its subsidiaries have 2,510 employees, 2,291 of whom are full-time employees and 219 are part-time employees.

As of the end of the reporting period, the Company and its subsidiaries have 2,510 employees. As of the end of the reporting period, the Company and its subsidiaries have 2,510 employees, 2,291 of whom are full-time employees and 219 are part-time employees.

RETIREMENT CONTRIBUTION SCHEME

本公司為僱員提供一項退休福利計劃，即中國人民保險集團股份有限公司（「中國人壽」）的「中國人壽企業年金計劃」（「該計劃」）。該計劃為一項確定供款計劃，其資產與本公司資產分開，由中國人壽管理。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。

該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。

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RELATED PARTY TRANSACTIONS

本公司與關聯方之間的交易，包括與中國人壽的退休福利計劃。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。

CONSIDERATION PROVIDED TO THIRD PARTIES FOR MAKING AVAILABLE DIRECTORS' SERVICES

本公司為董事提供服務，包括與中國人壽的退休福利計劃。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

Connected Transactions

Qixi Lease Agreement

於2023年10月30日，本公司與昭衍易創（蘇州）新藥研究有限公司（「JOINN Express & Collabo (Suzhou)」）訂立租賃協議（「Qixi Lease Agreement」）。該協議的資產由中國人壽獨立管理，與中國人壽的資產分開。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。該計劃的資產由中國人壽獨立管理，與中國人壽的資產分開。

Report of Directors

(Qixi Operation Management)

On December 31, 2023, the Company's total assets were RMB 14A.76(1)(), and the total liabilities were RMB 14A.76(1)(). The Company's net assets were RMB 0.00. The Company's total revenue for the year ended December 31, 2023, was RMB 14A.76(1)(), and the total profit was RMB 0.00. The Company's operating profit was RMB 0.00, and the profit attributable to the shareholders was RMB 0.00. The Company's basic earnings per share was RMB 0.00, and the diluted earnings per share was RMB 0.00. The Company's cash and cash equivalents were RMB 14A.76(1)(), and the cash and cash equivalents available for distribution were RMB 14A.76(1)().

The Company's total assets were RMB 14A.76(1)(), and the total liabilities were RMB 14A.76(1)(). The Company's net assets were RMB 0.00. The Company's total revenue for the year ended December 31, 2023, was RMB 14A.76(1)(), and the total profit was RMB 0.00. The Company's operating profit was RMB 0.00, and the profit attributable to the shareholders was RMB 0.00. The Company's basic earnings per share was RMB 0.00, and the diluted earnings per share was RMB 0.00. The Company's cash and cash equivalents were RMB 14A.76(1)(), and the cash and cash equivalents available for distribution were RMB 14A.76(1)().

Power Capacity Increase Agreement

On July 27, 2023, the Company entered into a Power Capacity Increase Agreement with Beijing Jinn Biologics, Ltd. (Beijing Jinn Biologics) and Beijing Jinn Drug Quality Research, Ltd. (Beijing Jinn Drug Quality Research). The agreement provides for the expansion of the Company's power capacity to meet the growing demand for laboratory services. The total investment for the project is estimated to be RMB 14A.76(1)(). The Company has committed to investing RMB 14A.76(1)() in the project, and the remaining RMB 14A.76(1)() will be contributed by Beijing Jinn Biologics and Beijing Jinn Drug Quality Research. The project is expected to be completed by the end of 2023.

On December 31, 2023, the Company's total assets were RMB 14A.76(1)(), and the total liabilities were RMB 14A.76(1)(). The Company's net assets were RMB 0.00. The Company's total revenue for the year ended December 31, 2023, was RMB 14A.76(1)(), and the total profit was RMB 0.00. The Company's operating profit was RMB 0.00, and the profit attributable to the shareholders was RMB 0.00. The Company's basic earnings per share was RMB 0.00, and the diluted earnings per share was RMB 0.00. The Company's cash and cash equivalents were RMB 14A.76(1)(), and the cash and cash equivalents available for distribution were RMB 14A.76(1)().

The Company's total assets were RMB 14A.76(1)(), and the total liabilities were RMB 14A.76(1)(). The Company's net assets were RMB 0.00. The Company's total revenue for the year ended December 31, 2023, was RMB 14A.76(1)(), and the total profit was RMB 0.00. The Company's operating profit was RMB 0.00, and the profit attributable to the shareholders was RMB 0.00. The Company's basic earnings per share was RMB 0.00, and the diluted earnings per share was RMB 0.00. The Company's cash and cash equivalents were RMB 14A.76(1)(), and the cash and cash equivalents available for distribution were RMB 14A.76(1)().

The Leasing Agreements

The Company has entered into several leasing agreements with Beijing Jinn Biologics, Ltd. (Beijing Jinn Biologics) and Beijing Jinn Drug Quality Research, Ltd. (Beijing Jinn Drug Quality Research). The agreements provide for the use of laboratory space and equipment. The total value of the leasing agreements is RMB 14A.76(1)(). The Company has committed to paying RMB 14A.76(1)() in rent over the term of the agreements. The agreements are expected to be completed by the end of 2023.

本公司於2023年12月31日及2024年3月31日分別錄得現金及現金等價物及受限制現金為人民幣74.2億元及人民幣80.0億元，較2023年12月31日增加7.8%。

本公司於2023年12月31日及2024年3月31日分別錄得應收賬項及應收票據為人民幣14.5億元及人民幣14.8億元，較2023年12月31日增加2.1%。

本公司於2023年12月31日及2024年3月31日分別錄得應付賬項及應付票據為人民幣74.2億元及人民幣75.0億元，較2023年12月31日增加1.1%。

本公司於2023年12月31日及2024年3月31日分別錄得其他應收款項及應收票據為人民幣36.11億元及人民幣36.11億元，較2023年12月31日增加1.96%。

本公司於2023年12月31日及2024年3月31日分別錄得其他應付款項及應付票據為人民幣14.5億元及人民幣14.8億元，較2023年12月31日增加2.1%。

本公司於2023年12月31日及2024年3月31日分別錄得其他應收款項及應收票據為人民幣30.1億元及人民幣30.1億元，較2023年12月31日增加0.1%。

本公司於2023年12月31日及2024年3月31日分別錄得其他應付款項及應付票據為人民幣5.1億元及人民幣5.1億元，較2023年12月31日增加0.1%。

2. Heyu Research and Development Service Framework Agreement

於2023年3月30日，本公司與Heyu Research and Development Service Framework Agreement (Heyu) 訂立了一項研究及開發服務框架協議。Heyu 是一家在中國註冊的有限責任公司，其最終控制人為本公司。該協議旨在為本公司提供研究及開發服務。該協議的期限為自2023年3月31日起至2024年3月31日止。

根據該協議，Heyu 將為本公司提供研究及開發服務。該協議的期限為自2023年3月31日起至2024年3月31日止。該協議的總金額為人民幣1.1億元。該協議的具體條款如下：

As at 31 December 2023, the Group's financial position is as follows:

Item	2023	2022
Assets		
Current assets	1,200,000	1,100,000
Non-current assets	1,300,000	1,200,000
Total assets	2,500,000	2,300,000
Equity		
Share capital	1,000,000	1,000,000
Reserves	1,500,000	1,300,000
Total equity	2,500,000	2,300,000
Liabilities		
Current liabilities	1,000,000	900,000
Non-current liabilities	500,000	500,000
Total liabilities	1,500,000	1,400,000

The Group's financial performance is as follows:

Item	2023	2022
Revenue	10,000,000	9,500,000
Expenses	(8,500,000)	(8,000,000)
Profit before tax	1,500,000	1,500,000
Income tax expense	(300,000)	(300,000)
Profit after tax	1,200,000	1,200,000

The Group's financial performance is as follows:

Item	2023	2022
Revenue	10,000,000	9,500,000
Expenses	(8,500,000)	(8,000,000)
Profit before tax	1,500,000	1,500,000
Income tax expense	(300,000)	(300,000)
Profit after tax	1,200,000	1,200,000

Report of Directors

SUFFICIENCY OF PUBLIC FLOAT

After taking into account the fact that the Company has not issued any share repurchases since the listing of the Company's shares on the Exchange, the Board considers that the public float of the Company is sufficient to meet the requirements of the Listing Rules.

INDEMNITY OF DIRECTORS

All directors of the Company are entitled to be indemnified by the Company (including reimbursement of expenses) in respect of any liability incurred by them in connection with the performance of their duties as directors of the Company, subject to the provisions of the Company's Articles of Association.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code as set out in the Listing Rules as the basis of its corporate governance practices. The Company has fully complied with all the applicable provisions of the Corporate Governance Code during the reporting period.

The Company has also adopted the ESG Reporting Guidelines as set out in the Listing Rules as the basis of its ESG reporting practices. The Company has fully complied with all the applicable provisions of the ESG Reporting Guidelines during the reporting period.

The Company's ESG Reporting Guidelines are available on the Company's website at <http://www.joinnlabs.com>. The Company's ESG Reporting Guidelines are also available in the Appendix of the Company's 2023 Annual Report, which is available on the Company's website at <http://www.joinnlabs.com>.

DONATIONS

During the reporting period, the Company has made donations of RMB0.01 million to the following charity:

AUDITOR

For the reporting period, the Company has engaged H & K as its auditor. H & K was appointed as the auditor of the Company on 26 February 2021, and has been re-appointed by the Shareholders at the AGM of the Company on 26 February 2023, and at the AGM of the Company on 28 March 2024.

H & K is a member firm of the Big 4.

Ms. Feng Yuxia

Chairperson of the Board

H & K, 28 March 2024

Il Gruppo ha adottato una struttura di governance che mira a garantire la massima trasparenza e l'efficienza nella gestione delle attività. La struttura è basata su un modello di governance che prevede la presenza di un Consiglio di Amministrazione (CdA) composto da membri indipendenti e qualificati, che ha il compito di supervisionare la gestione della società e di rappresentare gli interessi degli azionisti. Il CdA è supportato da una serie di comitati di lavoro, tra cui il Comitato per il Controllo e la Conformità (CCC), il Comitato per la Nominazione e la Remunerazione (CNR) e il Comitato per la Sostenibilità (CS). Inoltre, il Gruppo ha istituito un Comitato per la Gestione del Rischio (CGR) e un Comitato per la Gestione delle Informazioni (CGI). La struttura di governance è dettagliata nel Documento di Informazione Finanziaria (DIF) e nel Documento di Informazione di Governance (DIG).

CORPORATE GOVERNANCE CULTURE

Il Gruppo ha adottato una cultura di governance che si basa sui principi di integrità, trasparenza e responsabilità. La cultura è promossa attraverso una serie di iniziative, tra cui la formazione dei dipendenti, la comunicazione di massa e l'adozione di politiche e procedure che promuovono la conformità con le norme di legge e di buona prassi. Il Gruppo è impegnato a garantire che tutti i dipendenti siano consapevoli delle proprie responsabilità e siano in grado di prendere decisioni etiche e responsabili. Inoltre, il Gruppo ha istituito un canale di segnalazione per consentire ai dipendenti di segnalare eventuali irregolarità o violazioni delle norme di legge e di buona prassi.

Il Gruppo ha adottato una serie di politiche e procedure che promuovono la conformità con le norme di legge e di buona prassi. Le politiche e procedure sono basate sui principi di integrità, trasparenza e responsabilità. Il Gruppo ha istituito un Comitato per il Controllo e la Conformità (CCC) che ha il compito di supervisionare l'attuazione delle politiche e procedure e di garantire la conformità con le norme di legge e di buona prassi. Inoltre, il Gruppo ha istituito un Comitato per la Gestione del Rischio (CGR) e un Comitato per la Gestione delle Informazioni (CGI).

Il Gruppo ha adottato una serie di iniziative per promuovere la cultura di governance, tra cui:

- la formazione dei dipendenti sulle norme di legge e di buona prassi;
- la comunicazione di massa sulle politiche e procedure del Gruppo;
- l'adozione di politiche e procedure che promuovono la conformità con le norme di legge e di buona prassi;
- l'istituzione di un canale di segnalazione per consentire ai dipendenti di segnalare eventuali irregolarità o violazioni delle norme di legge e di buona prassi;
- l'istituzione di un Comitato per il Controllo e la Conformità (CCC) che ha il compito di supervisionare l'attuazione delle politiche e procedure e di garantire la conformità con le norme di legge e di buona prassi;
- l'istituzione di un Comitato per la Gestione del Rischio (CGR) e un Comitato per la Gestione delle Informazioni (CGI).

CORPORATE GOVERNANCE PRACTICES

Il Gruppo ha adottato una serie di pratiche di governance che si basano sui principi di integrità, trasparenza e responsabilità. Le pratiche sono basate sui principi di integrità, trasparenza e responsabilità e sono promosse attraverso una serie di iniziative, tra cui la formazione dei dipendenti, la comunicazione di massa e l'adozione di politiche e procedure che promuovono la conformità con le norme di legge e di buona prassi. Il Gruppo è impegnato a garantire che tutti i dipendenti siano consapevoli delle proprie responsabilità e siano in grado di prendere decisioni etiche e responsabili. Inoltre, il Gruppo ha istituito un canale di segnalazione per consentire ai dipendenti di segnalare eventuali irregolarità o violazioni delle norme di legge e di buona prassi.

Il Gruppo ha adottato una serie di politiche e procedure che promuovono la conformità con le norme di legge e di buona prassi. Le politiche e procedure sono basate sui principi di integrità, trasparenza e responsabilità. Il Gruppo ha istituito un Comitato per il Controllo e la Conformità (CCC) che ha il compito di supervisionare l'attuazione delle politiche e procedure e di garantire la conformità con le norme di legge e di buona prassi. Inoltre, il Gruppo ha istituito un Comitato per la Gestione del Rischio (CGR) e un Comitato per la Gestione delle Informazioni (CGI).

Il Gruppo ha adottato una serie di iniziative per promuovere la cultura di governance, tra cui:

- la formazione dei dipendenti sulle norme di legge e di buona prassi;
- la comunicazione di massa sulle politiche e procedure del Gruppo;
- l'adozione di politiche e procedure che promuovono la conformità con le norme di legge e di buona prassi;
- l'istituzione di un canale di segnalazione per consentire ai dipendenti di segnalare eventuali irregolarità o violazioni delle norme di legge e di buona prassi;
- l'istituzione di un Comitato per il Controllo e la Conformità (CCC) che ha il compito di supervisionare l'attuazione delle politiche e procedure e di garantire la conformità con le norme di legge e di buona prassi;
- l'istituzione di un Comitato per la Gestione del Rischio (CGR) e un Comitato per la Gestione delle Informazioni (CGI).

DIRECTORS' SECURITIES TRANSACTIONS

Il Gruppo ha adottato una serie di politiche e procedure che regolano le transazioni di titoli dei dirigenti. Le politiche e procedure sono basate sui principi di integrità, trasparenza e responsabilità e sono promosse attraverso una serie di iniziative, tra cui la formazione dei dirigenti, la comunicazione di massa e l'adozione di politiche e procedure che promuovono la conformità con le norme di legge e di buona prassi. Il Gruppo è impegnato a garantire che tutti i dirigenti siano consapevoli delle proprie responsabilità e siano in grado di prendere decisioni etiche e responsabili. Inoltre, il Gruppo ha istituito un canale di segnalazione per consentire ai dirigenti di segnalare eventuali irregolarità o violazioni delle norme di legge e di buona prassi.

Il Gruppo ha adottato una serie di politiche e procedure che regolano le transazioni di titoli dei dirigenti. Le politiche e procedure sono basate sui principi di integrità, trasparenza e responsabilità e sono promosse attraverso una serie di iniziative, tra cui la formazione dei dirigenti, la comunicazione di massa e l'adozione di politiche e procedure che promuovono la conformità con le norme di legge e di buona prassi. Il Gruppo è impegnato a garantire che tutti i dirigenti siano consapevoli delle proprie responsabilità e siano in grado di prendere decisioni etiche e responsabili. Inoltre, il Gruppo ha istituito un canale di segnalazione per consentire ai dirigenti di segnalare eventuali irregolarità o violazioni delle norme di legge e di buona prassi.

Corporate Governance Report

Employees Written Guidelines) 於 2023 年 3 月 31 日。本公司已將該等指引刊載於本公司之公司網站。

BOARD OF DIRECTORS

本公司之董事會由九名成員組成，包括三名獨立非執行董事及六名執行董事。本公司之董事會成員之詳情載於本報告之「董事會成員」一節。

本公司之董事會成員之詳情載於本報告之「董事會成員」一節。本公司之董事會成員之詳情載於本報告之「董事會成員」一節。本公司之董事會成員之詳情載於本報告之「董事會成員」一節。

本公司之董事會成員之詳情載於本報告之「董事會成員」一節。本公司之董事會成員之詳情載於本報告之「董事會成員」一節。

Board Composition

本公司之董事會成員之詳情載於本報告之「董事會成員」一節。本公司之董事會成員之詳情載於本報告之「董事會成員」一節。

Executive Directors:

- 馮宇霞 (馮宇霞) (Chairperson of the Board)
- 左從林 (左從林) (Vice Chairperson of the Board)
- 高大鵬 (高大鵬) (General Manager, Secretary to the Board, Joint Company Secretary)
- 孫雲霞 (孫雲霞) (Vice General Manager)
- 姚大林 (姚大林) (Senior Vice General Manager, Chief Scientific Officer)

Non-executive Director:

- 顧曉磊 (顧曉磊) (resigned on 27 April 2023)

Independent non-executive Directors:

- 孫明成 (孫明成)
- 翟永功 (翟永功)
- 歐小傑 (歐小傑)
- 張帆 (張帆)

本公司之董事會成員之詳情載於本報告之「董事會成員」一節。本公司之董事會成員之詳情載於本報告之「董事會成員」一節。

Corporate Governance Report

Appointment and Re-election of Directors

The Board of Directors of the Company is composed of 10 members, including 3 independent non-executive directors and 7 executive directors. The Board of Directors is responsible for the overall management of the Company and the implementation of the business strategy.

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Responsibilities, Accountabilities and Contributions of the Board and Management

The Board of Directors is responsible for the overall management of the Company and the implementation of the business strategy. The Board of Directors is responsible for the overall management of the Company and the implementation of the business strategy.

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Directors' Responsibilities for Financial Reporting

Directors are responsible for ensuring that the financial statements are prepared in accordance with the applicable accounting standards.

The Directors are responsible for ensuring that the financial statements are prepared in accordance with the applicable accounting standards. The Directors are also responsible for ensuring that the financial statements are prepared in accordance with the applicable accounting standards.

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Continuous Professional Development of Directors

Directors are required to undergo continuous professional development to ensure they remain up-to-date with the latest developments in their field. The Directors are also responsible for ensuring that the financial statements are prepared in accordance with the applicable accounting standards.

Each year, the Directors are required to undergo continuous professional development to ensure they remain up-to-date with the latest developments in their field. The Directors are also responsible for ensuring that the financial statements are prepared in accordance with the applicable accounting standards.

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Corporate Governance Report

Director's training records are available on the Company's website. The Company has also provided training for its Directors on the latest amendments to the Listing Rules, the Corporate Governance Code and the Company's Governance Principles.

Directors	Type of Training ^(Note)
<i>Executive Directors</i>	
Mr. E. Yang	A/B
Mr. T. Cheng	A/B
Mr. G. Dong	A/B
Mr. H. Tang	A/B
Dr. C. Deng	A/B
<i>Independent non-executive Directors</i>	
Mr. S. Zhang	A/B
Dr. J. Zhang	A/B
Mr. T. Liu	A/B
Mr. G. Feng	A/B

Note:

1. A/B: Both

A: Accepted the mandatory continuing education courses determined by the Securities and Futures Commission

B: Accepted the mandatory continuing education courses determined by the Hong Kong Exchanges and Clearing Company

A Director who is not a member of the Securities and Futures Commission or the Hong Kong Exchanges and Clearing Company will be required to complete the mandatory continuing education courses determined by the Securities and Futures Commission and the Hong Kong Exchanges and Clearing Company respectively.

BOARD COMMITTEES

4. **Remuneration Committee** (RC) is responsible for recommending to the Board the remuneration policy and structure for the Executive Directors and Senior Executive Officers (SEOs) and for reviewing and recommending to the Board the remuneration of the Executive Directors and SEOs for each financial year. The RC also monitors and reports to the Board on the remuneration of the Executive Directors and SEOs.

The RC is chaired by Mr. A. B. and has four members, including Mr. C. and Mr. D. The RC is responsible for recommending to the Board the remuneration policy and structure for the Executive Directors and SEOs and for reviewing and recommending to the Board the remuneration of the Executive Directors and SEOs for each financial year.

Audit Committee

The Audit Committee (AC) is responsible for monitoring and reporting to the Board on the effectiveness of the internal control and financial reporting systems. The AC also monitors and reports to the Board on the effectiveness of the risk management and internal control systems.

The AC is chaired by Mr. A. B. and has four members, including Mr. C. and Mr. D. The AC is responsible for monitoring and reporting to the Board on the effectiveness of the internal control and financial reporting systems.

The AC also monitors and reports to the Board on the effectiveness of the risk management and internal control systems.

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The AC also monitors and reports to the Board on the effectiveness of the risk management and internal control systems.

4. **Internal Control and Financial Reporting Committee** (ICFR) is responsible for monitoring and reporting to the Board on the effectiveness of the internal control and financial reporting systems. The ICFR also monitors and reports to the Board on the effectiveness of the risk management and internal control systems. The ICFR is chaired by Mr. A. B. and has four members, including Mr. C. and Mr. D. The ICFR is responsible for monitoring and reporting to the Board on the effectiveness of the internal control and financial reporting systems.

The ICFR also monitors and reports to the Board on the effectiveness of the risk management and internal control systems.

The ICFR is responsible for monitoring and reporting to the Board on the effectiveness of the internal control and financial reporting systems. The ICFR also monitors and reports to the Board on the effectiveness of the risk management and internal control systems.

Corporate Governance Report

Remuneration and Evaluation Committee

The Remuneration and Evaluation Committee (the "Committee") is a sub-committee of the Board of Directors (the "Board") established in accordance with the provisions of the Company's Articles of Association and the Regulations of the Board of Directors. The Committee is responsible for reviewing and recommending the remuneration and evaluation policies and plans for the senior management of the Company to the Board.

The Committee is composed of three members, including Mr. Wang Jie, Mr. Zhang Qiang, and Mr. Li Xiang. Mr. Wang Jie is the Chairman of the Committee. The Committee is independent and impartial, and its members are not related to the Company's management.

The Committee has established a set of remuneration and evaluation policies and plans for the senior management of the Company, which are as follows:

1. **Remuneration Policy:** The remuneration of the senior management of the Company is determined based on the Company's performance, the market level, and the individual's contribution. The remuneration structure includes basic salary, performance bonus, and long-term incentive plan.

2. **Evaluation Policy:** The performance of the senior management of the Company is evaluated based on the Company's financial performance, market performance, and other indicators. The evaluation results are used as a basis for determining the remuneration and long-term incentive plan.

3. **Long-term Incentive Plan:** The Company has established a long-term incentive plan for the senior management, which includes restricted stock and stock options. The long-term incentive plan is designed to align the interests of the senior management with the long-term interests of the Company.

The Committee has reviewed and approved the remuneration and evaluation policies and plans for the senior management of the Company. The Board of Directors has also approved these policies and plans. The Committee will continue to monitor and evaluate the implementation of these policies and plans.

The Committee has also established a set of remuneration and evaluation policies and plans for the senior management of the Company's subsidiaries, which are as follows:

1. **Remuneration Policy:** The remuneration of the senior management of the Company's subsidiaries is determined based on the subsidiary's performance, the market level, and the individual's contribution. The remuneration structure includes basic salary, performance bonus, and long-term incentive plan.

2. **Evaluation Policy:** The performance of the senior management of the Company's subsidiaries is evaluated based on the subsidiary's financial performance, market performance, and other indicators. The evaluation results are used as a basis for determining the remuneration and long-term incentive plan.

3. **Long-term Incentive Plan:** The Company has established a long-term incentive plan for the senior management of the Company's subsidiaries, which includes restricted stock and stock options. The long-term incentive plan is designed to align the interests of the senior management of the Company's subsidiaries with the long-term interests of the Company.

The Committee has reviewed and approved the remuneration and evaluation policies and plans for the senior management of the Company's subsidiaries. The Board of Directors has also approved these policies and plans. The Committee will continue to monitor and evaluate the implementation of these policies and plans.

... C. ...
 ... C. ...
 ... C. ...
 ... B. ...
 ... E. ... C. ...
 ... C. ... D. ...
 ... 31 D. ... 2023.

... A. ... D. ... C. ...
 ... D. ... 8 ... 9 ...
 ... 31 D. ... 2023.
 ... D. ... (... D. ...) ...
 ... 31 D. ... 2023 ... D. ... 44.

Nomination Committee

... C. ... D. ... E. ...
 ... D. ... D. ...
 ... C. ...
 ... C. ... CGC, ...
 ... C. ...
 ... B. ... B. ...
 ... C. ...
 ... B. ... D. ...
 ... B. ...
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Corporate Governance Report

... B. ...

... B. ... D. ...

... D. ...

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... C. ... 31 D. ... 2023, ...

... B. ... D. ...

... B. ... D. ...

... C. ... A. ...

Board Diversity Policy

... B. ... D. ... C. ...

... B. ... C. ... B. ...

... B. ... C. ...

... C. ... B. ...

Age group: A: 7, B: 2, C: 1, D: 1

Gender

Male: 7
Female: 2

Age Group

41-50: 3
51-60: 4
61-70: 1
71 and above: 1

Designation

Executive Director: 5
Independent Director: 4

Educational Background

Accounting & Finance: 3
Others: 6

Nationality

Chinese: 8
American: 1

Business Experience

Accounting & Finance: 3
Business Administration: 1
Education: 5



Gender Diversity

C, the responsible department has been established. Gender diversity is an important aspect of diversity. Gender diversity in the Board of Directors (including independent directors) is an important indicator of the company's diversity.

	Female	Male
Board of Directors (including independent directors)	40% (2)	60% (3)
Board of Supervisors	40% (2)	60% (3)
Total	65.7% (1,650)	34% (854)
Overall	65.8% (1,652)	34.2% (858)

B, the company has established a 12-member Diversity Committee, which is responsible for the company's diversity.

D, the company has established a Gender Equality Committee, which is responsible for the company's gender equality. The committee has 21 members, including 12 males and 9 females.

Re-election of Director at General Meeting

- (i) 於2023年3月22日舉行的股東週年大會上，本公司股東投票選舉B. 李國章先生為本公司董事，以代替於2023年3月22日卸任的董事C. 李國章先生。B. 李國章先生獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。
- (ii) 於2023年3月22日舉行的股東週年大會上，本公司股東投票選舉B. 李國章先生為本公司董事，以代替於2023年3月22日卸任的董事D. 李國章先生。B. 李國章先生獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。
- (iii) 於2023年3月22日舉行的股東週年大會上，本公司股東投票選舉B. 李國章先生為本公司董事，以代替於2023年3月22日卸任的董事C. 李國章先生。B. 李國章先生獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。

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C. 李國章先生於2023年3月22日獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。C. 李國章先生於2023年3月22日獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。C. 李國章先生於2023年3月22日獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。

D. 李國章先生於2023年3月22日獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。D. 李國章先生於2023年3月22日獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。D. 李國章先生於2023年3月22日獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。

C. 李國章先生於2023年3月22日獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。C. 李國章先生於2023年3月22日獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。C. 李國章先生於2023年3月22日獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。

於2023年3月22日舉行的股東週年大會上，本公司股東投票選舉B. 李國章先生為本公司董事，以代替於2023年3月22日卸任的董事C. 李國章先生。B. 李國章先生獲選為本公司董事，任期由2023年3月22日起至2025年3月22日止。

Corporate Governance Report

Strategic Development Committee

董事會及本公司之審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均遵守香港交易所證券上市規則第3.10條及第3.10A條之規定，並定期舉行會議。

審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均設有書面職權範圍，並定期檢討其職權範圍。

審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均設有獨立成員。

審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均設有獨立成員。

審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均設有獨立成員。

審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均設有獨立成員。

審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均設有獨立成員。

審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均設有獨立成員。

審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均設有獨立成員。

董事會及本公司之審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均遵守香港交易所證券上市規則第3.10條及第3.10A條之規定，並定期舉行會議。

審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均設有書面職權範圍，並定期檢討其職權範圍。

Corporate Governance Functions

本公司之審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均設有獨立成員。

董事會及本公司之審核委員會、薪酬委員會、提名委員會、戰略發展委員會及環境、社會及管治委員會均遵守香港交易所證券上市規則第3.10條及第3.10A條之規定，並定期舉行會議。

Attendance Records of Directors and Committee Members

1. The attendance records of the Directors and members of the Committees are as follows:

2. The attendance records of the Directors and members of the Committees are as follows:

Name of Directors	Attendance/Number of Meetings					Annual General Meeting
	Board	Audit Committee	Remuneration and Evaluation Committee	Nomination Committee	Strategic Development Committee	
Mr. E. V. ...	4/4	1/A	1/A	0/0	0/0	1/1
Mr. C. ...	4/4	1/A	1/1	1/A	0/0	1/1
Mr. G. D. ...	4/4	1/A	1/A	1/A	1/A	1/1
Mr. ...	4/4	1/A	1/A	1/A	0/0	1/1
Mr. D. ...	4/4	1/A	1/A	1/A	1/A	1/1
Mr. ...	4/4	4/4	1/1	1/A	1/A	1/1
Mr. ...	4/4	4/4	1/A	0/0	1/A	1/1
Mr. ...	4/4	1/A	1/1	0/0	0/0	1/1
Mr. ...	4/4	4/4	1/A	1/A	1/A	1/1

A. ... B. ... C. ... D. ... 31 Dec 2023.

... C. ... 31 Dec 2023.

RISK MANAGEMENT AND INTERNAL CONTROLS

1. Risk Management

The ... C. ... D. ... A. ...

Corporate Governance Report

2. Establishment of the Internal Control System

本公司按照《企业内部控制基本规范》和《上市公司内部控制指引》的要求，结合自身的实际情况，建立了较为完善的内部控制体系，并随着业务的发展不断完善。报告期内，公司内部控制体系运行有效，未发现重大缺陷。公司内部控制体系由股东大会、董事会、监事会、经理层和全体员工共同构成，涵盖了公司的各项业务、各个部门和各个岗位，并贯穿于整个公司的经营活动之中。公司内部控制体系的主要内容包括：内部环境、风险评估、控制活动、信息与沟通、内部监督等五个方面。公司内部控制体系能够有效防范和控制经营风险，提高经营效率和效果，保护资产的安全完整，确保会计信息的真实可靠，为公司实现可持续发展提供有力的保障。

...C. ...&D...

...C. ...&D...

...C. ...&D...

...C. ...&D...

...C. ...&D... 31 D. 2023...

...C. ...&D...

...C. ...&D...

Corporate Governance Report

the Board of Directors, the Board of Supervisors, the Management and the Shareholders. The Company has established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged. The Company has also established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged.

4. Procedures and Internal Controls for Processing and Releasing Inside Information

The Company has established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged. The Company has also established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged.

During the reporting period, the Company has established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged. The Company has also established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged.

5. Appraisal of Internal Control

The Board of Directors, the Board of Supervisors, the Management and the Shareholders. The Company has established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged. The Company has also established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged.

The Company has established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged. The Company has also established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged.

During the reporting period, the Company has established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged. The Company has also established a clear and effective internal control system, which is able to identify and manage risks in a timely manner, and ensure the Company's assets and interests are not damaged.

6. Review of Risk Management and Internal Control System

During the year ended 31 December 2023, the Board, through the Audit Committee, has reviewed the effectiveness of the internal control system of the Company. The Audit Committee has also reviewed the effectiveness of the risk management system of the Company. The Audit Committee has also reviewed the effectiveness of the internal control system of the Company. The Audit Committee has also reviewed the effectiveness of the risk management system of the Company. The Audit Committee has also reviewed the effectiveness of the internal control system of the Company. The Audit Committee has also reviewed the effectiveness of the risk management system of the Company.

AUDITORS' REMUNERATION

K. G. (畢馬威會計師事務所) ("K. G. H. LL. (畢馬威華振會計師事務所(特殊普通合伙))" ("K. G. H. LL.") has acted as the auditors of the Company for the year ended 31 December 2023.

The remuneration of K. G. H. LL. for the year ended 31 December 2023, is as follows:

Category	2023	2022
Audit fees	B3.0	B0.3
Other fees	B3.0	B0.3
Total	B6.0	B0.6

JOINT COMPANY SECRETARIES

The Joint Company Secretaries of the Company are Mr. G. D. and Ms. B. C. Mr. G. D. has been appointed as the Joint Company Secretary of the Company on 3.29.2023. Ms. B. C. has been appointed as the Joint Company Secretary of the Company on 31 December 2023.

SHAREHOLDERS' RIGHTS

Convening Shareholders' General Meetings

According to the Articles of Association, the Board of Directors may convene a general meeting of the Company at any time. The Board of Directors may also convene a general meeting of the Company at any time. The Board of Directors may also convene a general meeting of the Company at any time. The Board of Directors may also convene a general meeting of the Company at any time. The Board of Directors may also convene a general meeting of the Company at any time. The Board of Directors may also convene a general meeting of the Company at any time.

Putting Forward Proposals at General Meetings

At the 2019 AGM, the following resolutions were put forward and passed:

- C. To approve the 2019 financial statements, including the consolidated financial statements, the consolidated financial statements of the subsidiaries, the consolidated financial statements of the associates, and the consolidated financial statements of the joint ventures, and to authorize the Board to take any necessary action to give effect to the above.

- D. To approve the 2019 dividend of 3% on the basis of the share capital of the Company as at the end of the financial year.
- E. To approve the 2019 directors' remuneration report, including the remuneration of the directors, the remuneration of the independent non-executive directors, the remuneration of the senior management, and the remuneration of the independent non-executive directors.
- F. To approve the 2019 directors' report, including the directors' report, the directors' remuneration report, the directors' report on the environment, the directors' report on the community, and the directors' report on the environment.

The following resolutions were put forward and passed:

- G. To approve the 2019 directors' report, including the directors' report, the directors' remuneration report, the directors' report on the environment, the directors' report on the community, and the directors' report on the environment.

- H. To approve the 2019 directors' report, including the directors' report, the directors' remuneration report, the directors' report on the environment, the directors' report on the community, and the directors' report on the environment.

Putting Forward Enquiries to the Board

The following enquiries were put forward and passed:

- I. To approve the 2019 directors' report, including the directors' report, the directors' remuneration report, the directors' report on the environment, the directors' report on the community, and the directors' report on the environment.

Contact Details

The following details are available on the company website:

Address: 5, Upper Macao, Macao
 Director, Environmental Protection Department
 Director, A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z
 (F. 010-67869582, B. 010-67869582, C. 010-67869582)
 Fax: 010-67869582
 Email: info@company.com

The following details are available on the company website:

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The following details are available on the company website:

Corporate Governance Report

本公司將繼續秉承「誠信、專業、服務、創新」的經營理念，不斷提升公司經營管理水平和競爭力，為股東創造長遠價值。同時，本公司亦將繼續加強與各利益相關方的溝通與合作，共同推動公司可持續發展。

Shareholders' Communication Policy

本公司一直致力於與股東建立透明、互信、互惠的關係。本公司將根據《香港上市規則》及《證券及期貨條例》的相關規定，制定及實施股東溝通政策，確保股東能及時、準確地獲取公司的相關信息。

本公司將通過多種渠道與股東進行溝通，包括但不限於：股東大會、投資者關係活動、電話會議、網絡直播、電子郵件、公司網站及投資者關係平台等。

(a) Corporate Communication

本公司將根據《香港上市規則》及《證券及期貨條例》的相關規定，制定及實施股東溝通政策，確保股東能及時、準確地獲取公司的相關信息。本公司將通過多種渠道與股東進行溝通，包括但不限於：股東大會、投資者關係活動、電話會議、網絡直播、電子郵件、公司網站及投資者關係平台等。

本公司將根據《香港上市規則》及《證券及期貨條例》的相關規定，制定及實施股東溝通政策，確保股東能及時、準確地獲取公司的相關信息。本公司將通過多種渠道與股東進行溝通，包括但不限於：股東大會、投資者關係活動、電話會議、網絡直播、電子郵件、公司網站及投資者關係平台等。

(b) Announcements and Other Documents pursuant to the Listing Rules

本公司將根據《香港上市規則》及《證券及期貨條例》的相關規定，制定及實施股東溝通政策，確保股東能及時、準確地獲取公司的相關信息。本公司將通過多種渠道與股東進行溝通，包括但不限於：股東大會、投資者關係活動、電話會議、網絡直播、電子郵件、公司網站及投資者關係平台等。

(c) Corporate Website

本公司將根據《香港上市規則》及《證券及期貨條例》的相關規定，制定及實施股東溝通政策，確保股東能及時、準確地獲取公司的相關信息。本公司將通過多種渠道與股東進行溝通，包括但不限於：股東大會、投資者關係活動、電話會議、網絡直播、電子郵件、公司網站及投資者關係平台等。

(d) Shareholders' Meetings

On 27 October 2023, the 2023 Annual General Meeting of the Company was held at the Grand Hyatt Hotel, 1100 Avenue of the Americas, New York, New York, USA. The meeting was held in accordance with the provisions of the Company's Articles of Association and the New York State Business Corporation Law. The meeting was held in a hybrid format, allowing shareholders to attend in person or via a live webcast. The meeting was held at 10:00 a.m. Eastern Standard Time. The meeting was held in accordance with the provisions of the Company's Articles of Association and the New York State Business Corporation Law. The meeting was held in a hybrid format, allowing shareholders to attend in person or via a live webcast. The meeting was held at 10:00 a.m. Eastern Standard Time.

(e) Shareholders' Enquiries

Enquiries about H Shareholdings

H Shareholders may contact the Company's Investor Relations Department at ir@hshare.com or by telephone at (852) 2980 1333, for any enquiries regarding H Shareholdings. The contact information is available on the Company's website at www.hshare.com.

Enquiries about A Shareholdings

A Shareholders may contact the Company's Investor Relations Department at ir@hshare.com or by telephone at (852) 2980 1333, for any enquiries regarding A Shareholdings. The contact information is available on the Company's website at www.hshare.com.

Changes to the Articles of Association

On 31 December 2023, the Company's Board of Directors adopted amendments to the Company's Articles of Association. The amendments were adopted in accordance with the provisions of the Company's Articles of Association and the New York State Business Corporation Law. The amendments were adopted at a meeting of the Board of Directors held on 31 December 2023. The amendments were adopted in accordance with the provisions of the Company's Articles of Association and the New York State Business Corporation Law.

The amendments to the Articles of Association were adopted in accordance with the provisions of the Company's Articles of Association and the New York State Business Corporation Law. The amendments were adopted at a meeting of the Board of Directors held on 31 December 2023. The amendments were adopted in accordance with the provisions of the Company's Articles of Association and the New York State Business Corporation Law.

Corporate Governance Report

Dividend Policy

C. 本公司在制定利润分配方案时，将综合考虑 F.1.1. 本 CG C. 的
利益分配政策、公司盈利情况、现金流状况、未来投资计划及
股东利益等因素，在符合法律法规的前提下，制定合理的分配
方案。B. 公司利润分配方案由董事会提出，并经股东大会批准。
D. 公司利润分配方案应符合以下原则：(1) 符合法律法规及
公司章程的规定；(2) 有利于公司的可持续发展；(3) 兼顾
股东的利益。C. 公司利润分配方案应在股东大会审议通过
后，及时实施。B. 公司利润分配方案应在股东大会审议通过
后，及时实施。

A. 公司利润分配方案应符合以下原则：(1) 符合法律法规及
公司章程的规定；(2) 有利于公司的可持续发展；(3) 兼顾
股东的利益。



Independent auditor's report to the shareholders of
JOINN Laboratories (China) Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

OPINION

我們已經審計了由 中國醫藥集團有限公司 (中國醫藥) 及其附屬公司 (以下統稱為「集團」) 編製的截至 2023 年 12 月 31 日止年度之綜合財務報表，包括綜合資產負債表、綜合利潤表、綜合現金流量表及綜合權益變動表。我們認為，該等綜合財務報表在所有重大方面按照中國會計準則編製，公允反映了集團於 2023 年 12 月 31 日的財務狀況、截至 2023 年 12 月 31 日止年度的經營成果及現金流量。

我們是按照中國會計準則編製的綜合財務報表進行審計的。中國會計準則與國際財務報告準則 (IFRS) 之間的主要差異已在附錄 1 中披露。我們亦按照國際審計準則 (IAA) 的規定進行了審計。我們認為，該等綜合財務報表在所有重大方面按照國際財務報告準則編製，公允反映了集團於 2023 年 12 月 31 日的財務狀況、截至 2023 年 12 月 31 日止年度的經營成果及現金流量。

BASIS FOR OPINION

我們是根據香港會計師公會頒佈的《香港審計準則》(HKSA) 進行審計的。《香港審計準則》與國際審計準則 (ISA) 之間的主要差異已在附錄 1 中披露。我們亦按照國際審計準則 (IAA) 的規定進行了審計。我們認為，該等綜合財務報表在所有重大方面按照國際財務報告準則編製，公允反映了集團於 2023 年 12 月 31 日的財務狀況、截至 2023 年 12 月 31 日止年度的經營成果及現金流量。

KEY AUDIT MATTERS

關鍵審計事項是指根據我們的審計判斷，對本期綜合財務報表最為重要的事項。這些事項是在對本期綜合財務報表進行審計時，我們認為最可能導致重大錯報的領域。我們對這些事項進行了特別審計，以應對其對綜合財務報表可能產生的重大影響。

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Revenue recognition of non-clinical studies services

Please refer Note 4 to the consolidated financial statements and accounting policies in Note 2(w).

The key audit matter

How the matter was addressed in our audit

At December 31, 2023, the Company's non-clinical studies services revenue was RMB2.38 billion, which accounted for 10.1% of the Company's total revenue. The Company's non-clinical studies services revenue is primarily derived from the provision of non-clinical studies services to pharmaceutical companies. The Company's non-clinical studies services revenue is primarily derived from the provision of non-clinical studies services to pharmaceutical companies. The Company's non-clinical studies services revenue is primarily derived from the provision of non-clinical studies services to pharmaceutical companies.

The Company's non-clinical studies services revenue is primarily derived from the provision of non-clinical studies services to pharmaceutical companies. The Company's non-clinical studies services revenue is primarily derived from the provision of non-clinical studies services to pharmaceutical companies. The Company's non-clinical studies services revenue is primarily derived from the provision of non-clinical studies services to pharmaceutical companies.

KEY AUDIT MATTERS (CONTINUED)

Revenue recognition of non-clinical studies services (continued)

The key audit matter

How the matter was addressed in our audit

For the purpose of this key audit matter, we refer to the revenue recognition of non-clinical studies services (referred to as "revenue"):

As a result of our audit, we identified the following key audit matter: Revenue recognition of non-clinical studies services. We identified this as a key audit matter because of the risk that revenue is not recognized in accordance with the applicable financial reporting framework. The risk is that revenue is not recognized in accordance with the applicable financial reporting framework. The risk is that revenue is not recognized in accordance with the applicable financial reporting framework.

We identified this as a key audit matter because of the risk that revenue is not recognized in accordance with the applicable financial reporting framework. The risk is that revenue is not recognized in accordance with the applicable financial reporting framework. The risk is that revenue is not recognized in accordance with the applicable financial reporting framework.

As a result of our audit, we identified the following key audit matter: Revenue recognition of non-clinical studies services. We identified this as a key audit matter because of the risk that revenue is not recognized in accordance with the applicable financial reporting framework. The risk is that revenue is not recognized in accordance with the applicable financial reporting framework.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Valuation of biological assets

Please refer to Note 17 to the consolidated financial statements and accounting policies in Note 2(i).

The key audit matter

How the matter was addressed in our audit

The Group's biological assets are primarily composed of various types of medicinal plants, which are planted and harvested in the Group's own fields. The Group uses the cost method to measure the biological assets, and the cost includes the purchase price of the seedlings, the cost of planting, the cost of irrigation, fertilization, and other costs. The Group also uses the cost method to measure the biological assets that are harvested and sold. The Group's biological assets are measured at cost less accumulated depreciation and impairment losses. The Group's biological assets are measured at cost less accumulated depreciation and impairment losses. The Group's biological assets are measured at cost less accumulated depreciation and impairment losses.

The Group's biological assets are primarily composed of various types of medicinal plants, which are planted and harvested in the Group's own fields. The Group uses the cost method to measure the biological assets, and the cost includes the purchase price of the seedlings, the cost of planting, the cost of irrigation, fertilization, and other costs. The Group also uses the cost method to measure the biological assets that are harvested and sold. The Group's biological assets are measured at cost less accumulated depreciation and impairment losses. The Group's biological assets are measured at cost less accumulated depreciation and impairment losses. The Group's biological assets are measured at cost less accumulated depreciation and impairment losses.

Independent Auditor's Report

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

本所接受委托，审计了贵公司 2019 年 12 月 31 日的合并资产负债表，2019 年度合并利润表、合并现金流量表、合并所有者权益变动表以及财务报表附注。这些报表的编制是贵公司管理层的责任。我们的责任是在执行审计工作的基础上对财务报表发表审计意见。我们按照中国注册会计师审计准则的规定执行了审计程序，包括了解被审计单位及其环境、评估财务报表层次的重大错报风险、设计和实施针对评估风险的审计程序、获取审计证据、评价审计证据、形成审计意见。我们相信，我们的审计工作为发表意见提供了合理的基础。

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

Our audit was conducted in accordance with the standards of the Chartered Accountants of Ontario. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether caused by error or fraud. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our audit opinion is based on the consolidated financial statements as presented to us. We are not responsible for preparing the consolidated financial statements, and we do not assume any liability for any loss or damage caused by or resulting from reliance on the information contained in the consolidated financial statements, or for any loss or damage caused by or resulting from any error or omission in the consolidated financial statements, whether or not such error or omission was caused by negligence, unless such loss or damage is caused by our negligence in performing the audit.

For more information, please refer to the Auditor's Report on the consolidated financial statements of the Corporation for the year ended December 31, 2024, which is included in the consolidated financial statements of the Corporation for the year ended December 31, 2024.

KPMG

Certified Public Accountants

8 F. W. Bell Building

100 King Street West

Toronto, Ontario, Canada

28 April 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

F. 2023 D. 2023
(E. (B.))

		2023 RMB'000	2022 RMB'000
Revenue	4	2,376,487	2,267,971
Cost of sales		(1,397,094)	(1,186,543)
Gross profit	4()	979,393	1,081,428
Research and development expenses	5	240,522	227,639
Administrative expenses	17	(288,807)	333,073
Marketing expenses		(24,615)	(18,007)
Finance expenses		(296,477)	(299,873)
Government subsidies		(96,854)	(77,985)
Profit from operations		513,162	1,246,275
Finance income	6()	(3,142)	(3,582)
Finance expenses	16	(3,069)	(2,691)
Profit before taxation	6	506,951	1,240,002
Income tax	7	(115,398)	(166,802)
Profit for the year		391,553	1,073,200
Other comprehensive income for the year (after tax)	10		
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		952	45,100
<i>Item that are or may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		4,009	23,714
		4,961	68,814
Total comprehensive income for the year		396,514	1,142,014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023
(Expressed in RMB '000)

		2023 RMB'000	2022 RMB'000
Profit for the year attributable to:			
Equity holders of the Company		396,993	1,074,257
Non-controlling interests		(5,440)	(1,057)
Profit for the year		391,553	1,073,200
Total comprehensive income for the year attributable to:			
Equity holders of the Company		401,954	1,143,071
Non-controlling interests		(5,440)	(1,057)
Total comprehensive income for the year		396,514	1,142,014
Earnings per share			
Basic (RMB)	11	0.53	1.44
Diluted (RMB)		0.53	1.43

113,196,000 shares of ordinary shares were in issue during the year.



Consolidated Statement of Financial Position

A 31 December 2023
(Expressed in RMB)

		2023 RMB'000	2022 RMB'000
Non-current liabilities			
Long-term borrowings	28	-	3,281
Lease liabilities	31	41,925	56,887
Deferred tax liabilities	33()	162,341	188,243
Deferred income	34	74,487	80,677
		278,753	329,088
NET ASSETS		8,281,041	8,190,866
CAPITAL AND RESERVES			
Share capital	35	749,889	535,679
Reserves		7,529,427	7,648,022
Total equity attributable to equity shareholders of the Company		8,279,316	8,183,701
Non-controlling interests		1,725	7,165
TOTAL EQUITY		8,281,041	8,190,866

Approved on behalf of the Board of Directors on December 28, 2023.

Name: Feng Yuxia

Position: Chairperson

Name: Gao Dapeng

Position: Director

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Consolidated Statement of Changes in Equity

F. 31 December 2023
(Expressed in RMB)

Attributable to equity shareholders of the Company

	Attributable to equity shareholders of the Company									
	Share capital	Capital reserve	Share award reserve	Statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Non-controlling interests		Total Equity
								Total	interests	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
(Note 35)	(Note 35)	(Note 35)	(Note 35)	(Note 35)	(Note 35)	(Note 35)	(Note 35)	(Note 35)	(Note 35)	
(d)	(e)(i)	(e)(ii)	(e)(iii)	(e)(iv)	(e)(v)	(e)(vi)	(e)(vii)	(e)(viii)	(e)(ix)	
Balance at 1 January 2023	535,679	5,480,135	(53,154)	119,511	3,145	92,412	2,005,973	8,183,701	7,165	8,190,866
Changes in equity for 2023:										
Profit for the year	-	-	-	-	-	-	396,993	396,993	(5,440)	391,553
Other comprehensive income	-	-	-	-	4,009	952	-	4,961	-	4,961
Share-based payment	-	-	-	-	4,009	952	396,993	401,954	(5,440)	396,514
Dividend paid	(214,244)	(214,244)	-	-	-	-	-	-	-	-
Change in non-controlling interests	(34)	(1,851)	1,885	-	-	-	-	-	-	-
Change in fair value reserve	-	-	11,220	-	-	-	-	11,220	-	11,220
Change in share award reserve	-	(2,655)	5,386	-	-	-	-	2,731	-	2,731
Change in statutory reserve	-	(172)	-	-	-	-	-	(172)	-	(172)
Change in exchange reserve	-	-	(111,906)	-	-	-	-	(111,906)	-	(111,906)
Change in capital reserve	-	6,028	-	-	-	-	-	6,028	-	6,028
Change in retained profits	-	(113)	-	-	-	-	-	(113)	-	(113)
Change in share capital	-	-	-	24,749	-	-	(24,749)	-	-	-
Change in share award reserve	-	-	117	-	-	-	(214,244)	(214,127)	-	(214,127)
Balance at 31 December 2023	749,889	5,267,128	(146,452)	144,260	7,154	93,364	2,163,973	8,279,316	1,725	8,281,041

Consolidated Cash Flow Statement

F. 31 December 2023
(E. B)

		2023 RMB'000	2022 B'000
Operating activities			
经营活动产生的现金流量		506,951	1,240,002
经营活动产生的现金流量			
经营活动产生的现金流量		31,232	2,792
经营活动产生的现金流量		10,322	5,797
经营活动产生的现金流量	13	9,061	15,608
经营活动产生的现金流量	12()	133,071	114,108
经营活动产生的现金流量	6()	3,142	3,582
经营活动产生的现金流量		(55,640)	(52,296)
经营活动产生的现金流量	5	(43,165)	(16,494)
经营活动产生的现金流量	5	(12,697)	(15,713)
经营活动产生的现金流量	16	3,069	2,691
经营活动产生的现金流量	5	251	412
经营活动产生的现金流量	17	288,807	(333,073)
经营活动产生的现金流量	32()	6,028	9,588
经营活动产生的现金流量	5	-	(14,367)
经营活动产生的现金流量	5	(12,114)	(27,401)
经营活动产生的现金流量			
经营活动产生的现金流量		158,665	(241,988)
经营活动产生的现金流量		(23,802)	(342,246)
经营活动产生的现金流量		1,312	(29,627)
经营活动产生的现金流量		104,493	401,637
经营活动产生的现金流量		(11,706)	(102,249)
经营活动产生的现金流量		(83,406)	8,168
经营活动产生的现金流量		(83,986)	71,733
经营活动产生的现金流量		(5,366)	52,008
经营活动产生的现金流量		(142,733)	322,494
经营活动产生的现金流量		(7,040)	(6,189)
Cash generated from operations		774,749	1,068,977
经营活动产生的现金流量	33()	(152,722)	(123,550)
Net cash generated from operating activities		622,027	945,427

Consolidated Cash Flow Statement

For the year ended 31 December 2023
(Expressed in RMB)

		2023 RMB'000	2022 RMB'000
Investing activities			
Acquisition of subsidiaries, net of cash and cash equivalents acquired		(90,060)	(1,689,055)
Disposal of subsidiaries, net of cash and cash equivalents disposed	36 (i)	(555,000)	(596,500)
Disposal of investments in subsidiaries, net of cash and cash equivalents disposed	26 (i)	(62,352)	(155,000)
Disposal of investments in associates, net of cash and cash equivalents disposed			
Disposal of investments in joint ventures, net of cash and cash equivalents disposed	26 (i)	-	(317,425)
Disposal of investments in other entities, net of cash and cash equivalents disposed		(186,775)	(268,749)
Disposal of property, plant and equipment, net of cash and cash equivalents disposed		(5,946)	(6,092)
Disposal of intangible assets, net of cash and cash equivalents disposed		(30,000)	(21,271)
Disposal of financial assets, net of cash and cash equivalents disposed		(9,200)	(13,550)
Disposal of other assets, net of cash and cash equivalents disposed		17,405	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	36 (i)	577,532	849,714
Disposal of subsidiaries, net of cash and cash equivalents disposed	26 (i)	27,516	57,688
Disposal of investments in subsidiaries, net of cash and cash equivalents disposed		1,300	-
Disposal of investments in associates, net of cash and cash equivalents disposed		150	108
Disposal of investments in joint ventures, net of cash and cash equivalents disposed		850	25,640
Disposal of investments in other entities, net of cash and cash equivalents disposed			
Net cash used in investing activities		(314,580)	(2,134,492)

Consolidated Cash Flow Statement

F. 31 D. 2023
(E. B)

		2023 RMB'000	2022 B'000
Financing activities			
Proceeds from the issuance of long-term debt		-	57,785
Proceeds from the issuance of short-term debt		-	2,731
Proceeds from the issuance of bank loans	27()	-	30,758
Proceeds from the issuance of other financial assets	27()	-	55,450
Proceeds from the issuance of equity	27()	(6,895)	(58,875)
Proceeds from the issuance of other financial liabilities	35()	(111,848)	(22,500)
Proceeds from the issuance of other financial assets	27()	(1,735)	(1,287)
Dividends received	35()	(214,244)	(137,363)
Interest received	27()	(86)	(351)
Cost of financial assets	27()	(24,317)	(23,927)
Cost of financial liabilities	27()	(2,554)	(1,753)
Net cash used in from financing activities		(361,679)	(99,332)
Effect of foreign exchange rate changes on cash and cash equivalents			
		8,410	37,470
Net decrease in cash and cash equivalents		(45,822)	(1,250,927)
Cash and cash equivalents at 1 January	27()	2,899,469	4,150,396
Cash and cash equivalents at 31 December	27()	2,853,647	2,899,469

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Notes to the Financial Statements

(Euro currency is abbreviated as Euro and denoted by €)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements (continued)

Group's financial statements are prepared on the basis of the historical cost convention, except for financial assets and liabilities measured at fair value. The accounting policies are consistent with those applied in the previous period, except for the changes in accounting policies described in Note 2(c).

Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union, and the IASB's Interpretations, and the accounting policies are consistent with those applied in the previous period, except for the changes in accounting policies described in Note 2(c).

Group's financial statements are prepared in accordance with IFRS as issued by the IASB and as endorsed by the European Union, and the accounting policies are consistent with those applied in the previous period, except for the changes in accounting policies described in Note 2(c).

(c) Changes in accounting policies

Group's financial statements are prepared in accordance with IFRS as issued by the IASB and as endorsed by the European Union, and the accounting policies are consistent with those applied in the previous period, except for the changes in accounting policies described in Note 2(c).

All changes in accounting policies are applied retrospectively, except for changes in accounting estimates and errors: Definition of accounting estimates

All changes in accounting policies are applied retrospectively, except for changes in accounting estimates and errors: Disclosure of accounting policies

All changes in accounting policies are applied retrospectively, except for changes in accounting estimates and errors: Deferred tax related to assets and liabilities arising from a single transaction

All changes in accounting policies are applied retrospectively, except for changes in accounting estimates and errors: International tax reform – Pillar Two model rules

Group's financial statements are prepared in accordance with IFRS as issued by the IASB and as endorsed by the European Union, and the accounting policies are consistent with those applied in the previous period, except for the changes in accounting policies described in Note 2(c).

(d) Business combination

Group's financial statements are prepared in accordance with IFRS as issued by the IASB and as endorsed by the European Union, and the accounting policies are consistent with those applied in the previous period, except for the changes in accounting policies described in Note 2(c).

Group's financial statements are prepared in accordance with IFRS as issued by the IASB and as endorsed by the European Union, and the accounting policies are consistent with those applied in the previous period, except for the changes in accounting policies described in Note 2(c).

Notes to the Financial Statements

(Euronext LBS Group & Holdings)

Notes to the Financial Statements

(Euro currency & British currency)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Associates

Associates are entities in which the Group has a significant influence but does not have control or joint control. Associates are accounted for using the equity method.

Associates are accounted for using the equity method. The carrying amount in the consolidated financial statements is the Group's share of the associate's net assets, which includes the Group's share of the associate's identifiable intangible assets, goodwill and other intangible assets. The Group's share of the associate's net assets is calculated as the Group's share of the associate's net assets (including identifiable intangible assets and goodwill) less the Group's share of the associate's liabilities (including identifiable intangible liabilities).

The Group's share of the associate's net assets is calculated as the Group's share of the associate's net assets (including identifiable intangible assets and goodwill) less the Group's share of the associate's liabilities (including identifiable intangible liabilities). The Group's share of the associate's net assets is calculated as the Group's share of the associate's net assets (including identifiable intangible assets and goodwill) less the Group's share of the associate's liabilities (including identifiable intangible liabilities). ECL

The Group's share of the associate's net assets is calculated as the Group's share of the associate's net assets (including identifiable intangible assets and goodwill) less the Group's share of the associate's liabilities (including identifiable intangible liabilities).

The Group's share of the associate's net assets is calculated as the Group's share of the associate's net assets (including identifiable intangible assets and goodwill) less the Group's share of the associate's liabilities (including identifiable intangible liabilities).

(g) Goodwill

Goodwill is the amount of an acquisition in excess of the fair value of the identifiable intangible assets acquired. Goodwill is measured at the acquisition date and is not amortised. Goodwill is tested for impairment annually.

(h) Other investments in securities

Other investments in securities are accounted for using the equity method. The carrying amount in the consolidated financial statements is the Group's share of the investee's net assets.

Other investments in securities are accounted for using the equity method. The carrying amount in the consolidated financial statements is the Group's share of the investee's net assets. The Group's share of the investee's net assets is calculated as the Group's share of the investee's net assets (including identifiable intangible assets and goodwill) less the Group's share of the investee's liabilities (including identifiable intangible liabilities). F

Notes to the Financial Statements

(Euro currency & British currency)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Biological assets

Biological assets are measured at fair value less costs to sell. The fair value of biological assets is determined by reference to the market prices of similar biological assets. The fair value of biological assets is determined by reference to the market prices of similar biological assets.

Biological assets are measured at fair value less costs to sell. The fair value of biological assets is determined by reference to the market prices of similar biological assets. The fair value of biological assets is determined by reference to the market prices of similar biological assets.

Biological assets are measured at fair value less costs to sell. The fair value of biological assets is determined by reference to the market prices of similar biological assets. The fair value of biological assets is determined by reference to the market prices of similar biological assets.

(j) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is determined by reference to the market prices of similar property, plant and equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is determined by reference to the market prices of similar property, plant and equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is determined by reference to the market prices of similar property, plant and equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is determined by reference to the market prices of similar property, plant and equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is determined by reference to the market prices of similar property, plant and equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is determined by reference to the market prices of similar property, plant and equipment.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment (continued)

€ million		€ million		€ million	
2019	2018	2019	2018	2019	2018
Land and buildings	20	30	€ .		
Plant and equipment	5	10	€ .		
Leasehold improvements	3	10	€ .		
Construction in progress	3	10	€ .		
Other	3	10	€ .		
Depreciation					
Land and buildings					
Plant and equipment					
Leasehold improvements					
Construction in progress					
Other					

Estimated useful lives

(k) Intangible assets (other than goodwill)

Europe's value chain is a critical element of our strategy and a source of competitive advantage. Development of our value chain is a key driver of our growth strategy. We invest in research and development to create new products and services that meet the needs of our customers. Our intangible assets, including patents, trademarks, and software, are essential to our success. We recognize these intangible assets as identifiable intangible assets when they are acquired in a business combination and meet the criteria for recognition. We measure these intangible assets at fair value at the time of acquisition and then amortize them over their estimated useful lives. Goodwill represents the excess of the purchase price over the fair value of the identifiable intangible assets. Goodwill is not amortized but is tested for impairment annually and more frequently if events or circumstances indicate that it may be impaired. Goodwill is recorded in the balance sheet as an intangible asset. Goodwill is not amortized but is tested for impairment annually and more frequently if events or circumstances indicate that it may be impaired. Goodwill is recorded in the balance sheet as an intangible asset.

€ million		€ million		€ million	
2019	2018	2019	2018	2019	2018
Patents	10	€ .			
Trademarks	5	10	€ .		
Software	3	10	€ .		
Other	3	10	€ .		
Goodwill	10	€ .			
Amortization					
Patents					
Trademarks					
Software					
Other					

Notes to the Financial Statements

(Euro currency is the functional currency)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets (other than goodwill) (continued)

Goodwill is the excess of the purchase price over the fair value of the identifiable intangible assets acquired. The purchase price is determined as the sum of the fair value of the consideration transferred, the fair value of any non-controlling interest in the acquiree, and the fair value of any previously held equity interest in the acquiree. The fair value of the identifiable intangible assets acquired is determined as the fair value of the intangible assets acquired, less the fair value of any intangible assets that were previously held by the acquirer. All intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the useful life of the asset, which is 10 years.

All intangible assets are measured at cost less accumulated amortisation and impairment losses.

(l) Leased assets

A lease is a contract that conveys the right to use an identified asset for a period of time in exchange for consideration. Goodwill is the excess of the purchase price over the fair value of the identifiable intangible assets acquired. The purchase price is determined as the sum of the fair value of the consideration transferred, the fair value of any non-controlling interest in the acquiree, and the fair value of any previously held equity interest in the acquiree. The fair value of the identifiable intangible assets acquired is determined as the fair value of the intangible assets acquired, less the fair value of any intangible assets that were previously held by the acquirer. All intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the useful life of the asset, which is 10 years.

As a lessee

Leases are classified as finance leases whenever the terms of the lease agreement provide that substantially all the risks and rewards of ownership are transferred to the lessee. Goodwill is the excess of the purchase price over the fair value of the identifiable intangible assets acquired. The purchase price is determined as the sum of the fair value of the consideration transferred, the fair value of any non-controlling interest in the acquiree, and the fair value of any previously held equity interest in the acquiree. The fair value of the identifiable intangible assets acquired is determined as the fair value of the intangible assets acquired, less the fair value of any intangible assets that were previously held by the acquirer. All intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the useful life of the asset, which is 10 years.

A lease is classified as a finance lease if it meets any of the following criteria: (i) the lease term is for the major part of the asset's economic life; (ii) the lease payments amount to at least substantially all of the fair value of the asset; (iii) the lessee has an option to purchase the asset at a price that is sufficiently lower than the fair value at the time the option becomes exercisable; (iv) the lessee has the right to extend the lease for a period that is significant in relation to the total lease term; (v) the asset is of a specialised nature such that only the lessee can use it without major modifications. Goodwill is the excess of the purchase price over the fair value of the identifiable intangible assets acquired. The purchase price is determined as the sum of the fair value of the consideration transferred, the fair value of any non-controlling interest in the acquiree, and the fair value of any previously held equity interest in the acquiree. The fair value of the identifiable intangible assets acquired is determined as the fair value of the intangible assets acquired, less the fair value of any intangible assets that were previously held by the acquirer. All intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the useful life of the asset, which is 10 years.

Leases that do not meet the criteria to be classified as finance leases are classified as operating leases. The lessee recognises the right of use asset and the lease liability at the commencement date of the lease. The right of use asset is measured at cost, which is the fair value of the leased asset at the commencement date, plus any initial direct costs incurred by the lessee, less any lease incentives received. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received.

Lease payments are recognised as an expense on a straight-line basis over the lease term, unless a different pattern of recognition is justified. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received.

Lease payments are recognised as an expense on a straight-line basis over the lease term, unless a different pattern of recognition is justified. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received. The lease liability is measured at the present value of the lease payments, which are determined as the fair value of the leased asset plus, if applicable, guaranteed residual value, less any lease incentives received.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Leased assets (continued)

As a lessee (continued)

€ 11,100,000, of which € 10,900,000 is included in the carrying amount of the leased assets. The carrying amount of the leased assets is determined by the present value of the minimum lease payments, discounted at the interest rate implicit in the lease. If the interest rate implicit in the lease is not determinable, the lessee uses the incremental borrowing rate. The carrying amount of the leased assets is reduced by the amount of lease payments made. Any difference between the carrying amount of the leased assets and the amount of lease payments made is recognised as interest expense over the term of the lease.

€ 11,100,000, of which € 10,900,000 is included in the carrying amount of the leased assets. The carrying amount of the leased assets is determined by the present value of the minimum lease payments, discounted at the interest rate implicit in the lease. If the interest rate implicit in the lease is not determinable, the lessee uses the incremental borrowing rate. The carrying amount of the leased assets is reduced by the amount of lease payments made. Any difference between the carrying amount of the leased assets and the amount of lease payments made is recognised as interest expense over the term of the lease.

€ 11,100,000, of which € 10,900,000 is included in the carrying amount of the leased assets. The carrying amount of the leased assets is determined by the present value of the minimum lease payments, discounted at the interest rate implicit in the lease. If the interest rate implicit in the lease is not determinable, the lessee uses the incremental borrowing rate. The carrying amount of the leased assets is reduced by the amount of lease payments made. Any difference between the carrying amount of the leased assets and the amount of lease payments made is recognised as interest expense over the term of the lease.

(m) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

€ 11,100,000, of which € 10,900,000 is included in the carrying amount of the leased assets. The carrying amount of the leased assets is determined by the present value of the minimum lease payments, discounted at the interest rate implicit in the lease. If the interest rate implicit in the lease is not determinable, the lessee uses the incremental borrowing rate. The carrying amount of the leased assets is reduced by the amount of lease payments made. Any difference between the carrying amount of the leased assets and the amount of lease payments made is recognised as interest expense over the term of the lease.

Measurement of ECLs

ECL is the expected credit loss over the life of the financial instrument. The carrying amount of the financial instrument is reduced by the amount of ECL. The carrying amount of the financial instrument is reduced by the amount of ECL. The carrying amount of the financial instrument is reduced by the amount of ECL. The carrying amount of the financial instrument is reduced by the amount of ECL. The carrying amount of the financial instrument is reduced by the amount of ECL.

Notes to the Financial Statements

(Euro currency and Billion in parentheses)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Measurement of ECLs (continued)

ECL € 2,125,195 as of 31 December 2020, and € 2,022,848 as of 31 December 2019, are determined as follows:

	31 December 2020	31 December 2019
€ 12-month ECL	€ 1,215,930	€ 1,183,033
€ 12-month ECL + ECL on financial instruments with significant increase in credit risk	909,265	839,815
Gross receivables	1,126,195	1,022,848
12-month ECL	(905,000)	(839,815)
ECL on financial instruments with significant increase in credit risk	(19,095)	(0)
Net receivables	201,095	183,033

The amount of ECL is determined based on the expected credit loss model, which is applied to all financial instruments. The model is based on the probability of default (PD) of the counterparty, the exposure at default (EAD) and the loss given default (LGD). The PD is estimated using a rating system, which is based on the counterparty's creditworthiness. The EAD is the amount of the financial instrument that is expected to be repaid at the time of default. The LGD is the amount of the financial instrument that is expected to be lost in the event of default. The ECL is the product of the PD, the EAD and the LGD.

The amount of ECL is determined based on the expected credit loss model, which is applied to all financial instruments. The model is based on the probability of default (PD) of the counterparty, the exposure at default (EAD) and the loss given default (LGD). The PD is estimated using a rating system, which is based on the counterparty's creditworthiness. The EAD is the amount of the financial instrument that is expected to be repaid at the time of default. The LGD is the amount of the financial instrument that is expected to be lost in the event of default. The ECL is the product of the PD, the EAD and the LGD.

Significant increases in credit risk

€ 1,215,930 as of 31 December 2020, and € 1,183,033 as of 31 December 2019, are determined as follows:

	31 December 2020	31 December 2019
Gross receivables	€ 1,126,195	€ 1,022,848
30 days ECL	(905,000)	(839,815)
Gross receivables	201,095	183,033
90 days ECL	(19,095)	(0)
ECL	181,995	183,033

The amount of ECL is determined based on the expected credit loss model, which is applied to all financial instruments. The model is based on the probability of default (PD) of the counterparty, the exposure at default (EAD) and the loss given default (LGD). The PD is estimated using a rating system, which is based on the counterparty's creditworthiness. The EAD is the amount of the financial instrument that is expected to be repaid at the time of default. The LGD is the amount of the financial instrument that is expected to be lost in the event of default. The ECL is the product of the PD, the EAD and the LGD.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Credit-impaired financial assets

At the end of the reporting period, the Group has no credit-impaired financial assets. At the end of the reporting period, the Group has no credit-impaired contract assets. The Group has no credit-impaired financial liabilities.

Eligible for the simplified approach to impairment are financial assets that are not credit-impaired at the reporting date and that are measured at amortised cost or fair value through profit or loss. The Group has no financial assets that are eligible for the simplified approach to impairment.

The Group has no financial assets that are measured at fair value through profit or loss.

Write-off policy

The Group writes off financial assets when the Group has no reasonable expectation of recovering the cash flows due to the Group. The Group has no financial assets that are written off. The Group has no financial liabilities that are written off.

The Group has no financial assets that are written off. The Group has no financial liabilities that are written off.

(ii) Impairment of other non-current assets

At the end of the reporting period, the Group has no other non-current assets. At the end of the reporting period, the Group has no other non-current assets. The Group has no other non-current liabilities.

The Group has no other non-current assets that are impaired. The Group has no other non-current assets that are impaired. The Group has no other non-current liabilities that are impaired.

The Group has no other non-current assets that are impaired. The Group has no other non-current assets that are impaired. The Group has no other non-current liabilities that are impaired.

Notes to the Financial Statements

(Euro currency is the reporting currency)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

At the reporting date, the carrying amount of other non-current assets is €1,100 million, of which €1,000 million is related to the CGP. The carrying amount of other non-current assets is determined based on the cost less accumulated depreciation and impairment losses. The carrying amount of other non-current assets is reviewed at the reporting date to determine whether there is any indication of impairment. If there is any indication of impairment, the carrying amount of other non-current assets is compared with the recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. If the carrying amount of other non-current assets exceeds the recoverable amount, an impairment loss is recognized. The impairment loss is first allocated to the carrying amount of the CGP, and then to the carrying amount of other non-current assets. The impairment loss is reversed in the following period if the carrying amount of other non-current assets increases and the increase can be attributed to the reversal of the impairment loss.

(n) Inventories and other contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined based on the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of disposal. Inventories are written down to net realizable value if the carrying amount exceeds net realizable value. The amount of the write-down is recognized as an impairment loss. The impairment loss is reversed in the following period if the carrying amount of inventories increases and the increase can be attributed to the reversal of the impairment loss.

(ii) Other contract costs

Other contract costs are measured at the lower of cost and net realizable value. Cost is determined based on the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of disposal. Other contract costs are written down to net realizable value if the carrying amount exceeds net realizable value. The amount of the write-down is recognized as an impairment loss. The impairment loss is reversed in the following period if the carrying amount of other contract costs increases and the increase can be attributed to the reversal of the impairment loss.

Costs incurred in the ordinary course of business, which are directly attributable to the contract and are expected to be recovered, are recognized as other contract costs. Costs incurred in the ordinary course of business, which are not directly attributable to the contract and are not expected to be recovered, are recognized as expenses. Costs incurred in the ordinary course of business, which are directly attributable to the contract and are not expected to be recovered, are recognized as expenses.

Costs incurred in the ordinary course of business, which are directly attributable to the contract and are expected to be recovered, are recognized as other contract costs. Costs incurred in the ordinary course of business, which are not directly attributable to the contract and are not expected to be recovered, are recognized as expenses. Costs incurred in the ordinary course of business, which are directly attributable to the contract and are not expected to be recovered, are recognized as expenses.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Contract assets and contract liabilities

At 31 December 2022, contract assets of € 20.6 million (€ 20.6 million) are recognised in the balance sheet, representing the amount of revenue recognised in the period but not yet billed to the customer. Contract liabilities of € 20.6 million (€ 20.6 million) are recognised in the balance sheet, representing the amount of revenue billed to the customer but not yet recognised in the period.

At 31 December 2021, contract assets of € 20.6 million (€ 20.6 million) are recognised in the balance sheet, representing the amount of revenue recognised in the period but not yet billed to the customer. Contract liabilities of € 20.6 million (€ 20.6 million) are recognised in the balance sheet, representing the amount of revenue billed to the customer but not yet recognised in the period.

The contract assets and liabilities are measured at the net amount, after taking into account the expected credit losses (ECL) (€ 20.6 million).

(p) Trade and other receivables

Trade and other receivables are recognised at the gross amount, less the expected credit losses (ECL). At 31 December 2022, trade and other receivables are € 20.6 million (€ 20.6 million).

The trade and other receivables are measured at the net amount, after taking into account the expected credit losses (ECL) (€ 20.6 million). At 31 December 2021, trade and other receivables are € 20.6 million (€ 20.6 million).

The trade and other receivables are measured at the net amount, after taking into account the expected credit losses (ECL) (€ 20.6 million).

(q) Cash and cash equivalents

Cash and cash equivalents are measured at the net amount, after taking into account the expected credit losses (ECL). At 31 December 2022, cash and cash equivalents are € 20.6 million (€ 20.6 million). At 31 December 2021, cash and cash equivalents are € 20.6 million (€ 20.6 million).

(r) Trade and other payables

Trade and other payables are measured at the net amount, after taking into account the expected credit losses (ECL). At 31 December 2022, trade and other payables are € 20.6 million (€ 20.6 million).

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Income tax (continued)

Deferred tax assets and liabilities are recognised for all deductible temporary differences, tax loss carryforwards and unused tax credits, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, tax loss carryforwards and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the best estimate of the tax amounts that will be paid or recovered, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively, if they relate to assets and liabilities that are non-current. Deferred tax assets and liabilities are classified as current assets and liabilities, respectively, if they relate to assets and liabilities that are current.

Deferred tax assets and liabilities are measured in the functional currency of the entity.

Income tax expense is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or equity. Income tax expense is calculated on the basis of the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Eurocentric Ltd. Group and the Company are subject to the following tax regimes:

• Gibraltar: The Gibraltar tax regime is based on the Gibraltar Income Tax Act 2010.

Deferred tax assets and liabilities are measured at the best estimate of the tax amounts that will be paid or recovered, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Eurocentric Ltd. Group and the Company are subject to the following tax regimes:

Deferred tax assets and liabilities are measured in the functional currency of the entity.

Notes to the Financial Statements

(Euro currency & British pound sterling)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Provisions and contingent liabilities

Guarantee provisions are recognised when the Group has a present obligation as a result of a past event, the settlement of which will require an outflow of resources. The amount recognised is the best estimate of the expenditure required to settle the obligation at the reporting date. The amount recognised is reviewed at each reporting date and adjusted to reflect changes in circumstances. Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements. Contingent assets are not recognised in the financial statements but are disclosed in the notes to the financial statements. Contingent liabilities and contingent assets are not recognised in the financial statements but are disclosed in the notes to the financial statements.

(w) Revenue and other income

Revenue is recognised when the Group has satisfied the conditions for revenue recognition. Revenue is recognised when the Group has transferred control of the goods or services to the customer. Revenue is recognised when the Group has satisfied the conditions for revenue recognition. Revenue is recognised when the Group has transferred control of the goods or services to the customer. Revenue is recognised when the Group has satisfied the conditions for revenue recognition. Revenue is recognised when the Group has transferred control of the goods or services to the customer.

(i) Rendering of services

Revenue is recognised when the Group has satisfied the conditions for revenue recognition. Revenue is recognised when the Group has transferred control of the goods or services to the customer. Revenue is recognised when the Group has satisfied the conditions for revenue recognition. Revenue is recognised when the Group has transferred control of the goods or services to the customer. Revenue is recognised when the Group has satisfied the conditions for revenue recognition. Revenue is recognised when the Group has transferred control of the goods or services to the customer.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue and other income (continued)

(i) Rendering of services (continued)

Revenue is recognized when the performance obligation is satisfied, which is when the service is rendered to the customer. Revenue is recognized when the service is rendered to the customer, and the amount of revenue is determined by the contract price less any discounts and other adjustments. Revenue is recognized when the service is rendered to the customer, and the amount of revenue is determined by the contract price less any discounts and other adjustments.

Revenue is recognized when the performance obligation is satisfied, which is when the service is rendered to the customer. Revenue is recognized when the service is rendered to the customer, and the amount of revenue is determined by the contract price less any discounts and other adjustments. Revenue is recognized when the service is rendered to the customer, and the amount of revenue is determined by the contract price less any discounts and other adjustments.

(ii) Sale of goods

Revenue is recognized when the performance obligation is satisfied, which is when the goods are delivered to the customer. Revenue is recognized when the goods are delivered to the customer, and the amount of revenue is determined by the contract price less any discounts and other adjustments. Revenue is recognized when the goods are delivered to the customer, and the amount of revenue is determined by the contract price less any discounts and other adjustments.

(iii) Interest income

Interest income is recognized on a time proportionate basis over the term of the financial asset. Interest income is recognized on a time proportionate basis over the term of the financial asset. Interest income is recognized on a time proportionate basis over the term of the financial asset. Interest income is recognized on a time proportionate basis over the term of the financial asset.

(iv) Government grants

Government grants are recognized when the entity has reasonable assurance that the grant will be received and that the entity will comply with the conditions attached to the grant. Government grants are recognized when the entity has reasonable assurance that the grant will be received and that the entity will comply with the conditions attached to the grant. Government grants are recognized when the entity has reasonable assurance that the grant will be received and that the entity will comply with the conditions attached to the grant.

Notes to the Financial Statements

(Euro currency & British currency)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(x) Translation of foreign currencies

Monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Non-monetary items are translated at historical exchange rates.

Where the functional currency of an entity is not the Euro or the British pound sterling, the financial statements are prepared in that functional currency. Where the functional currency is not the Euro or the British pound sterling, the financial statements are translated into the Euro or the British pound sterling at the reporting date. The Group's functional currency is the Euro. The Group's financial statements are prepared in the Euro and are translated into the British pound sterling at the reporting date.

Financial assets and liabilities are translated at the closing rate at the reporting date. Non-monetary items are translated at historical exchange rates.

Revenue from sales of goods is translated at the exchange rate prevailing at the reporting date. Revenue from services is translated at the exchange rate prevailing at the reporting date. Revenue from royalties is translated at the exchange rate prevailing at the reporting date. Revenue from interest is translated at the exchange rate prevailing at the reporting date. Revenue from dividends is translated at the exchange rate prevailing at the reporting date. Revenue from other sources is translated at the exchange rate prevailing at the reporting date. Revenue from sales of goods is translated at the exchange rate prevailing at the reporting date. Revenue from services is translated at the exchange rate prevailing at the reporting date. Revenue from royalties is translated at the exchange rate prevailing at the reporting date. Revenue from interest is translated at the exchange rate prevailing at the reporting date. Revenue from dividends is translated at the exchange rate prevailing at the reporting date. Revenue from other sources is translated at the exchange rate prevailing at the reporting date.

(y) Borrowing costs

Borrowing costs are recognised as an expense when they are incurred. Borrowing costs are recognised as an expense when they are incurred. Borrowing costs are recognised as an expense when they are incurred. Borrowing costs are recognised as an expense when they are incurred. Borrowing costs are recognised as an expense when they are incurred.

(z) Related parties

(i) Associated companies (including entities under common control) are those entities in which the Group has a significant influence.

(ii) Subsidiaries are those entities over which the Group has control.

(iii) Directors and key management personnel.

(iv) Entities that are related to the Group by way of common control.

Notes to the Financial Statements

(Eurocentric Bank Group and Subsidiaries)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(z) Related parties (continued)

() A group of companies is controlled by the following persons:

(i) Eurocentric Bank Group and Eurocentric Bank (the Eurocentric Bank Group and Eurocentric Bank, respectively).

(ii) Eurocentric Bank and Eurocentric Bank (the Eurocentric Bank and Eurocentric Bank, respectively).

(iii) Eurocentric Bank and Eurocentric Bank.

(iv) Eurocentric Bank and Eurocentric Bank (the Eurocentric Bank and Eurocentric Bank, respectively).

(v) Eurocentric Bank and Eurocentric Bank (the Eurocentric Bank and Eurocentric Bank, respectively).

(vi) Eurocentric Bank and Eurocentric Bank (the Eurocentric Bank and Eurocentric Bank, respectively).

(vii) Eurocentric Bank and Eurocentric Bank (the Eurocentric Bank and Eurocentric Bank, respectively).

(viii) Eurocentric Bank and Eurocentric Bank (the Eurocentric Bank and Eurocentric Bank, respectively).

C. Eurocentric Bank and Eurocentric Bank (the Eurocentric Bank and Eurocentric Bank, respectively).

(aa) Segment reporting

The following table provides a breakdown of the Group's revenue and expenses by segment. The Group's revenue and expenses are primarily derived from the Eurocentric Bank Group and Eurocentric Bank (the Eurocentric Bank Group and Eurocentric Bank, respectively).

The following table provides a breakdown of the Group's revenue and expenses by segment. The Group's revenue and expenses are primarily derived from the Eurocentric Bank Group and Eurocentric Bank (the Eurocentric Bank Group and Eurocentric Bank, respectively).

Notes to the Financial Statements

(Euro currency & Billion & Dollar & million)

3 ACCOUNTING JUDGEMENT AND ESTIMATES

14, 17, 32, 36()

(a) Expected credit loss for trade receivables

Expected credit loss for trade receivables is estimated based on the historical loss experience, adjusted for current and expected credit risk. The Group uses a simplified approach to estimate expected credit loss for trade receivables. The Group uses a provision matrix to estimate expected credit loss for trade receivables. The provision matrix is based on the Group's historical credit loss experience, adjusted for current and expected credit risk. The Group uses a provision matrix to estimate expected credit loss for trade receivables. The provision matrix is based on the Group's historical credit loss experience, adjusted for current and expected credit risk.

(b) Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax credits, if it is probable that future taxable income will be available to utilize the benefits of these temporary differences and unused tax credits. The Group assesses the probability of future taxable income based on the Group's historical performance, current tax position, and expected future performance. The Group assesses the probability of future taxable income based on the Group's historical performance, current tax position, and expected future performance.

Notes to the Financial Statements

(Expressed in British Pounds Sterling)

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue is derived from the sale of goods and services to customers. Revenue is recognised when the performance obligation is satisfied, which is when the customer obtains control of the goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of discounts, rebates and other incentives. Revenue is recognised net of the amount of expected returns, which are estimated based on the historical experience of the Company. Revenue is recognised net of the amount of expected discounts, which are estimated based on the historical experience of the Company. Revenue is recognised net of the amount of expected rebates, which are estimated based on the historical experience of the Company. Revenue is recognised net of the amount of expected other incentives, which are estimated based on the historical experience of the Company. Revenue is recognised net of the amount of expected returns, discounts, rebates and other incentives, which are estimated based on the historical experience of the Company. Revenue is recognised net of the amount of expected returns, discounts, rebates and other incentives, which are estimated based on the historical experience of the Company.

	2023 RMB'000	2022 £ B'000
Revenue from contracts with customers:		
- Sale of goods	2,308,999	2,213,598
- Sale of services	63,424	49,568
Revenue from other contracts:		
- Sale of services	4,064	4,805
Total revenue	2,376,487	2,267,971

Revenue from contracts with customers is recognised at the point in time when the customer obtains control of the goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of discounts, rebates and other incentives. Revenue is recognised net of the amount of expected returns, which are estimated based on the historical experience of the Company. Revenue is recognised net of the amount of expected discounts, which are estimated based on the historical experience of the Company. Revenue is recognised net of the amount of expected rebates, which are estimated based on the historical experience of the Company. Revenue is recognised net of the amount of expected other incentives, which are estimated based on the historical experience of the Company. Revenue is recognised net of the amount of expected returns, discounts, rebates and other incentives, which are estimated based on the historical experience of the Company.

Notes to the Financial Statements

(Euro currency is Billion unless indicated)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting

€ 2019
 € 2018
 € 2017

- **Non-clinical studies services**

€ 2019
 € 2018
 € 2017

- **Clinical trial and related services**

€ 2019
 € 2018
 € 2017

- **Sales of research models**

€ 2019
 € 2018
 € 2017

(i) Segment results

€ 2019
 € 2018
 € 2017

€ 2019
 € 2018
 € 2017

€ 2019
 € 2018
 € 2017

Notes to the Financial Statements

(Eurochem Ltd. 乐普药业股份有限公司)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results (continued)

Disaggregated by timing of revenue recognition

Revenue from external customer

Reportable segment revenue

Reportable segment gross profit

	2023			Total RMB'000
	Non-clinical studies services RMB'000	Clinical trial and related services RMB'000	Sales of research models RMB'000	
Disaggregated by timing of revenue recognition				
	2,308,999	41,517	4,064	2,354,580
	-	21,907	-	21,907
Revenue from external customer				
	2,308,999	63,424	4,064	2,376,487
	4,161	225	142,287	146,673
Reportable segment revenue	2,313,160	63,649	146,351	2,523,160
Reportable segment gross profit	951,641	14,325	6,659	972,625

Notes to the Financial Statements

(Expressed in RMB'000)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results (continued)

	2022			
	RMB'000	CNY'000	USD'000	HKD'000
Disaggregated by timing of revenue recognition				
Contract revenue	2,213,598	33,371	4,805	2,251,774
Other revenue	16,197	16,197	-	16,197
Revenue from external customer	2,213,598	49,568	4,805	2,267,971
Revenue from related parties	1,809	-	433,828	435,637
Reportable segment revenue	2,215,407	49,568	438,633	2,703,608
Reportable segment gross profit	1,040,179	15,390	19,369	1,074,938

(ii) Reconciliations of reportable segment gross profit

	2023	2022
	RMB'000	RMB'000
Reportable segment gross profit	972,625	1,074,938
Elimination of inter-segment revenue	6,768	6,490
Consolidated gross profit	979,393	1,081,428

Notes to the Financial Statements

(Expressed in RMB'000 unless otherwise stated)

(CONTINUED)

2023年12月31日止年度，本公司已按照《企业会计准则》及《企业会计准则解释》的相关规定，对财务报表进行了审计。

	2023 RMB'000	2022 RMB'000
	2,267,971	2,267,971
	1,797,730	1,885,205
	566,271	356,892
	12,486	25,874
	2,376,487	2,267,971

2023年12月31日止年度，本公司已按照《企业会计准则》及《企业会计准则解释》的相关规定，对财务报表进行了审计。

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

5 OTHER GAINS AND LOSSES, NET

	2023 RMB'000	2022 ¥ B'000
Gain from disposal of subsidiaries (Note 1)	30,254	22,644
Gain from disposal of equity investments	142,503	131,233
Gain from disposal of intangible assets	12,114	27,401
Gain from disposal of investment properties	(251)	(412)
Gain from disposal of other non-current assets	12,697	15,713
Change in fair value of financial assets	43,165	16,494
Other gains	-	14,367
Other losses	40	199
	240,522	227,639

6 PROFIT BEFORE TAXATION

Profit before taxation is calculated as follows:

(a) Finance costs

	2023 RMB'000	2022 ¥ B'000
Interest on bank borrowings	86	351
Interest on other borrowings	3,056	3,231
	3,142	3,582

(b) Staff costs

	2023 RMB'000	2022 ¥ B'000
Salaries and wages	574,996	505,755
Costs of short-term employee benefits	53,109	43,322
Employee share-based payments (Note 32)	6,028	9,588
	634,133	558,665

Notes to the Financial Statements

(Euro currency is denominated in RMB)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Income tax expense is calculated as follows:

	2023 RMB'000	2022 ¥'000
Current tax		
Income tax expense	137,259	161,925
Deferred tax		
Income tax expense	(21,861)	4,877
	115,398	166,802

(b) Income tax expense is calculated as follows:

	2023 RMB'000	2022 ¥'000
Income tax expense	506,951	1,240,002
Income tax expense	126,738	310,001
Income tax expense	(16,904)	(143,524)
Income tax expense	(23,347)	(21,393)
Income tax expense	-	(3,592)
Income tax expense	26,052	23,882
Income tax expense	2,859	1,428
	115,398	166,802

Notes to the Financial Statements

(Euros are rounded to the nearest million)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Tax on income in the consolidated statement of profit or loss and other comprehensive income is as follows:

€ million

(i) 2023 compared to 2022: The consolidated tax expense in 2023 is primarily due to the income tax expense of the Group's subsidiaries in the People's Republic of China (PRC) (H.K.).

(ii) The consolidated tax expense in 2023 is primarily due to the income tax expense of the Group's subsidiaries in the PRC (H.K.), the United States of America (U.S.), and the European Union (EU). The tax rates in the PRC (H.K.), U.S., and EU are 25%, 21%, 5.5%, and 8.84% respectively.

A subsidiary of the Group, Guangzhou H.K. Pharma Co., Ltd. (H.K.), is subject to the Corporate Income Tax in the PRC (H.K.) at the rate of 25%. The subsidiary's tax expense in 2018/19 was €2,000,000, which was reduced to €0 in 2020 due to the implementation of the H.K. tax reform. The subsidiary's tax expense in 2021 was €16.5 million.

(iii) The consolidated tax expense in 2023 is primarily due to the income tax expense of the Group's subsidiaries in the PRC (H.K.), the U.S., and the EU. The tax rates in the PRC (H.K.), U.S., and EU are 15%, 21%, 5.5%, and 8.84% respectively.

The consolidated tax expense in 2023 is primarily due to the income tax expense of the Group's subsidiaries in the PRC (H.K.), the U.S., and the EU. The tax rates in the PRC (H.K.), U.S., and EU are 15%, 21%, 5.5%, and 8.84% respectively.

The consolidated tax expense in 2023 is primarily due to the income tax expense of the Group's subsidiaries in the PRC (H.K.), the U.S., and the EU. The tax rates in the PRC (H.K.), U.S., and EU are 15%, 21%, 5.5%, and 8.84% respectively.

(iv) The consolidated tax expense in 2023 is primarily due to the income tax expense of the Group's subsidiaries in the PRC (H.K.), the U.S., and the EU. The tax rates in the PRC (H.K.), U.S., and EU are 15%, 21%, 5.5%, and 8.84% respectively.

Notes to the Financial Statements

(Euro currency is RMB yuan, unless otherwise stated)

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Director's remuneration is determined by the Board of Directors. The remuneration policy is based on the remuneration of the Chairman, the Executive Directors and the Independent Non-Executive Directors. The remuneration of the Chairman, the Executive Directors and the Independent Non-Executive Directors is determined by the Board of Directors. The remuneration of the Supervisors is determined by the Board of Supervisors. The remuneration of the Chairman, the Executive Directors and the Independent Non-Executive Directors is determined by the Board of Directors. The remuneration of the Supervisors is determined by the Board of Supervisors.

	Directors' and Supervisors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments (Note 32)	2023 Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
Mr. Xu J. (Chairperson)	-	2,161	960	88	3,209	-	3,209
Mr. C. C.	-	828	960	20	1,808	95	1,903
Mr. G. D.	-	898	910	63	1,871	30	1,901
Mr. J. J.	-	859	910	58	1,827	30	1,857
Mr. D.	-	1,086	-	-	1,086	-	1,086
Non-executive director							
Mr. G. J. (Resigned on 27 April, 2023)	-	-	-	-	-	-	-
Independent non-executive directors							
Mr. J. J.	150	-	-	-	150	-	150
Mr. J. J.	150	-	-	-	150	-	150
Mr. J. J.	150	-	-	-	150	-	150
Mr. J. J.	162	-	-	-	162	-	162
Supervisors							
Mr. J. J.	-	610	327	63	1,000	-	1,000
Mr. H. J.	-	74	-	5	79	-	79
Mr. J. J.	-	-	-	-	-	-	-
	612	6,516	4,067	297	11,492	155	11,647



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

8. The remuneration of the highest paid individuals in the Group for the year ended 31 December 2023 (2022: 2) is as follows:

	2023 RMB'000	2022 RMB'000
Basic salaries and wages	12,539	10,927
Other benefits	509	392
Total	13,048	11,319

9. The remuneration of the highest paid individuals in the Group for the year ended 31 December 2023 (2022: 3) is as follows:

	2023 Number of individuals	2022 Number of individuals
HK\$2,000,001 - HK\$2,500,000	1	-
HK\$3,000,001 - HK\$3,500,000	1	-
HK\$3,500,001 - HK\$4,000,000	1	1
HK\$4,000,001 - HK\$4,500,000	-	1
HK\$5,000,001 - HK\$5,500,000	1	1
Total	4	3

10 OTHER COMPREHENSIVE INCOME

	2023 RMB'000	2022 RMB'000
Exchange differences in translating foreign financial statements	1,120	53,059
Share of other comprehensive income of associates	(168)	(7,959)
Other	952	45,100
Total	4,009	23,714
Exchange differences in translating foreign financial statements	-	-
Share of other comprehensive income of associates	4,009	23,714
Total	4,961	68,814

Notes to the Financial Statements

(Euros unless otherwise indicated)

11 EARNINGS PER SHARE

(a) Basic earnings per share

€ 396,993,000 (2022: € 396,993,000) is the amount of profit attributable to the shareholders of the Company. The amount of profit attributable to the shareholders of the Company is € 396,993,000 (2022: € 396,993,000) after deducting the amount of profit attributable to the shareholders of the Company.

	2023	2022
Profit attributable to the shareholders of the Company	535,678,676	381,246,492
Less: Profit attributable to the shareholders of the Company 2023 (€ 35())	214,271,470	213,443,889
Less: Profit attributable to the shareholders of the Company 2022 (€ 35())	-	152,498,597
Earnings per share (€ 32())	(547,205)	(357,548)
Earnings per share (€ 32())	-	222,182
Profit attributable to the shareholders of the Company	749,402,941	747,053,612

€ 396,993,000 (2022: € 396,993,000) is the amount of profit attributable to the shareholders of the Company. The amount of profit attributable to the shareholders of the Company is € 396,993,000 (2022: € 396,993,000) after deducting the amount of profit attributable to the shareholders of the Company.

(b) Diluted earnings per share

€ 396,993,000 (2022: € 396,993,000) is the amount of profit attributable to the shareholders of the Company. The amount of profit attributable to the shareholders of the Company is € 396,993,000 (2022: € 396,993,000) after deducting the amount of profit attributable to the shareholders of the Company.

	2023	2022
Profit attributable to the shareholders of the Company	535,678,676	381,246,492
Less: Profit attributable to the shareholders of the Company 2023 (€ 35())	214,271,470	213,443,889
Less: Profit attributable to the shareholders of the Company 2022 (€ 35())	-	152,498,597
Earnings per share (€ 32())	(547,205)	(357,548)
Earnings per share (€ 32())	-	222,182
Profit attributable to the shareholders of the Company	749,402,941	747,053,612

Notes to the Financial Statements

(Euro currency is in thousands of Euro unless otherwise stated)

12 PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Plant and buildings RMB'000	Right-of-use assets RMB'000	Machinery and equipment RMB'000	Vehicles, furniture, and others RMB'000	Leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:							
A 1 J 2022	371,049	213,041	379,385	35,754	41,366	127,361	1,167,956
A 1 J 2021		47,008	74,068	9,745	5,674	175,351	312,046
Acquisition	72,403	135,125	406	1,833			209,767
Disposal			(4,117)	(288)			(4,405)
Transfer to other categories	6,018		6,797	116	11,054	(23,985)	
Transfer from other categories						(1,374)	(1,374)
Exchange rate differences		10,777	3,899	829	3,323	382	19,210
A 31 D 2022	449,470	405,951	460,438	47,989	61,617	277,735	1,703,200
A 31 D 2021		11,729	63,268	11,291	5,409	108,077	199,774
Disposal	(125)		(2,392)	(1,217)			(3,734)
Transfer to other categories	6,608		717		36,504	(43,829)	
Exchange rate differences		(13,149)					(13,149)
Transfer from other categories		(1,037)					(1,037)
Exchange rate differences		2,560	1,070	188	813	25	4,656
A 31 D 2023	455,953	406,054	523,101	58,251	104,343	342,008	1,889,710
Accumulated depreciation:							
A 1 J 2022	(87,618)	(48,426)	(188,904)	(16,512)	(11,768)		(353,228)
C 1 J 2021	(21,670)	(28,014)	(50,510)	(5,158)	(8,756)		(114,108)
Disposal			3,622	239			3,861
Exchange rate differences		(3,074)	(1,031)	(139)	(790)		(5,034)
A 31 D 2022	(109,288)	(79,514)	(236,823)	(21,570)	(21,314)		(468,509)
C 31 D 2021	(24,424)	(31,318)	(58,058)	(6,650)	(12,621)		(133,071)
Disposal	30		2,030	1,143			3,203
Exchange rate differences		13,149					13,149
Transfer from other categories		562					562
Exchange rate differences		(904)	(329)	(44)	(276)		(1,553)
A 31 D 2023	(133,682)	(98,025)	(293,180)	(27,121)	(34,211)	-	(586,219)
Net book value:							
A 31 D 2023	322,271	308,029	229,921	31,130	70,132	342,008	1,303,491
A 31 D 2022	340,182	326,437	223,615	26,419	40,303	277,735	1,234,691

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets

Right-of-use assets are measured at the lower of cost and fair value less impairment. For details, see Note 13.

	2023 RMB'000	2022 RMB'000
Cost	244,579	249,092
Accumulated depreciation	2,470	3,347
Accumulated impairment losses	60,631	73,488
Estimated fair value	349	510
	308,029	326,437

At the end of 2023, the carrying amount of right-of-use assets is RMB308,029 thousand, of which RMB244,579 thousand is measured at cost, RMB60,631 thousand is measured at fair value less impairment, and RMB349 thousand is measured at estimated fair value. At the end of 2022, the carrying amount of right-of-use assets is RMB326,437 thousand, of which RMB249,092 thousand is measured at cost, RMB73,488 thousand is measured at fair value less impairment, and RMB510 thousand is measured at estimated fair value.

Right-of-use assets are classified as non-current assets held for sale when the criteria in Note 12 are met.

	2023 RMB'000	2022 RMB'000
Depreciable right-of-use assets		
Leasehold land	5,164	4,065
Leasehold buildings	877	872
Office equipment	25,103	22,913
Estimated fair value	174	164
	31,318	28,014
Right-of-use assets held for sale	3,056	3,231
Estimated fair value	7,305	4,472

Right-of-use assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. For details, see Note 12.

Notes to the Financial Statements

(Euros and RMB are in thousands)

13 INTANGIBLE ASSETS

	Patents and trademarks RMB'000	Software RMB'000	Non- competition agreement RMB'000	Customer relationships RMB'000	Total RMB'000
Cost:					
A 1 J 2022	609	32,875	12,339	38,624	84,447
A 2022		6,092			6,092
D 2022	(108)	(5,083)	(13,479)		(18,670)
E 2022			1,140	3,568	4,708
A 31 D 2022	501	33,884		42,192	76,577
A 2022	4	5,942			5,946
E 2022				715	715
A 31 D 2023	505	39,826	-	42,907	83,238
Accumulated amortisation:					
A 1 J 2022	(440)	(10,324)	(8,569)	(8,046)	(27,379)
C 2022	(45)	(7,508)	(3,979)	(4,076)	(15,608)
D 2022	108	5,083	13,479		18,670
E 2022			(931)	(887)	(1,818)
A 31 D 2022	(377)	(12,749)		(13,009)	(26,135)
C 2022	(45)	(4,747)		(4,269)	(9,061)
E 2022				(242)	(242)
A 31 D 2023	(422)	(17,496)	-	(17,520)	(35,438)
Net book value:					
A 31 D 2023	83	22,330	-	25,387	47,800
A 31 D 2022	124	21,135		29,183	50,442

14 GOODWILL

	RMB'000
Cost	
A 1 J 1 2022	122,431
E 2 2022	11,308
A 31 D 2022	133,739
E 2 2022	2,268
A 31 D 2023	136,007

Impairment tests for cash-generating units containing goodwill

2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31

2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31

2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31

2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31

2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31

	2023	2022
2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31	% -1.04%	3.00%-24.84%
2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31	16.90%	13.94%

2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31

2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31

2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31

2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31

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2023 12 31 2022 12 31 2021 12 31 2020 12 31 2019 12 31

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

15 INVESTMENTS IN SUBSIDIARIES

The following table represents the Group's investments in subsidiaries as at 31 December 2023:

Name of company	Place of incorporation/ establishment and operation, and kind of legal entity	Particulars of issued/paid-in capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
昭衍(蘇州)新藥研究中心有限公司 (昭衍蘇州)	中國蘇州	500,000,000	100%	100%	藥物研發	
北京昭衍新藥研究中心有限公司 (昭衍北京)	中國北京	200,000,000	100%	-	100%	藥物研發
廣西前沿生物技術有限公司 (廣西前沿)	中國廣西	20,000,000	100%	-	100%	藥物研發
雲南英茂生物技術有限公司 (雲南英茂)	中國雲南	100,000,000	100%	100%	-	藥物研發
廣西瑋美生物技術有限公司 (廣西瑋美)	中國廣西	24,000,000	100%	100%	-	藥物研發
昭衍(重慶)新藥研究中心有限公司 (昭衍重慶)	中國重慶	300,000,000	100%	100%	-	藥物研發
昭衍(廣州)新藥研究中心有限公司 (昭衍廣州)	中國廣州	300,000,000	100%	100%	-	藥物研發
梧州昭衍生物技術有限公司 (梧州昭衍)	中國廣西	100,000,000	100%	100%	-	藥物研發
梧州昭衍新藥研究中心有限公司 (梧州昭衍)	中國廣西	50,000,000	100%	100%	-	藥物研發
昭衍(北京)檢測技術有限公司 (昭衍北京)	中國北京	50,000,000	100%	100%	-	藥物研發

Notes to the Financial Statements

(Expressed in RMB thousands)

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ establishment and operation, and kind of legal entity	Particulars of issued/paid-in capital	Proportion of ownership interest		Principal activities
			Group's effective interest	Held by the Company Held by a subsidiary	
昭衍(無錫)新藥研究中心 有限公司(昭衍)	中國江蘇省無錫市	¥ B 50,000,000	80%	80%	藥物研發
北京昭衍鳴訊醫藥科技 有限責任公司(昭衍)	中國北京市	¥ B 20,000,000	100%	100%	藥物研發
昭衍(北京)醫藥科技 有限公司(昭衍)	中國北京市	¥ B 20,000,000	100%	100%	藥物研發
北京昭衍藥物檢定研究 有限公司(昭衍)	中國北京市	¥ B 30,000,000	100%	100%	藥物研發

昭衍(無錫)新藥研究中心有限公司、北京昭衍鳴訊醫藥科技有限責任公司、昭衍(北京)醫藥科技有限公司及北京昭衍藥物檢定研究有限公司均為本公司之全資附屬公司。

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

16 INTEREST IN AN ASSOCIATE

As at 31 December 2023, the Group's interest in an associate is as follows:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued/paid-in capital	Proportion of ownership interest			Principal activities
				Group's effective interest	Held by the company	Held by a subsidiary	
江蘇先通分子影像科技有限公司 Jiangsu Xiantong Molecular Imaging Technology Co., Ltd.			RMB 30,000,000	30%	30%		Medical imaging equipment manufacturing

As at 31 December 2022, the Group's interest in an associate is as follows:

As at 31 December 2022, the Group's interest in an associate is as follows:

	As at 31 December	
	2023	2022
	RMB'000	¥ B'000
As at 31 December 2022, the Group's interest in an associate is as follows:		
	19,529	22,598

As at 31 December 2022, the Group's interest in an associate is as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	¥ B'000
Loss for the year	(3,069)	(2,691)
Share of profit of the associate	(3,069)	(2,691)

Notes to the Financial Statements

(Euros and US Dollars are in thousands)

17 BIOLOGICAL ASSETS

2023年12月31日及2022年12月31日，本公司持有的生物资产包括：(1) 用于生产疫苗的细胞培养基；(2) 用于生产疫苗的细胞。2023年12月31日及2022年12月31日，生物资产的账面价值分别为人民币558,874千元及787,419千元。

	2023 RMB'000	2022 US\$'000
Non-current assets		
用于生产疫苗的细胞培养基	558,874	787,405
用于生产疫苗的细胞	-	14
	558,874	787,419
Current assets		
用于生产疫苗的细胞培养基	905,741	1,071,026
用于生产疫苗的细胞	8	150
	905,749	1,071,176
	1,464,623	1,858,595

Notes to the Financial Statements

(Expressed in RMB'000)

17 BIOLOGICAL ASSETS (CONTINUED)

Analysis of non-human primates

	Non-human primates for breeding RMB'000	Non-human primates for non-clinical studies RMB'000	Total RMB'000
A 1 July 2022	74,102	160,208	234,310
A 31 December 2022	674,185	1,018,865	1,693,050
B 2022	-	15,321	15,321
D 2022	-	(415,573)	(415,573)
D 2022	(515)	(1,235)	(1,750)
C 2022	13,969	319,104	333,073
2022	25,664	(25,664)	-
A 31 December 2022	787,405	1,071,026	1,858,431
2022	-	17,420	17,420
B 2022	-	22,190	22,190
D 2022	-	(140,346)	(140,346)
D 2022	(651)	(3,622)	(4,273)
C 2022	(243,402)	(45,405)	(288,807)
2022	15,522	(15,522)	-
At 31 December 2023	558,874	905,741	1,464,615

2022

* Breeding animals are used to generate offspring for non-clinical studies. Breeding animals are used to generate offspring for non-clinical studies.

17 BIOLOGICAL ASSETS (CONTINUED)

Fair value measurement of biological assets

€ 3,170,000 (2022: € 3,170,000). The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets.

At 31 December 2023, the fair value of the biological assets is € 3,170,000 (2022: € 3,170,000). The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets.

The fair value of the biological assets is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets.

Fair value hierarchy	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
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At 31 December 2023, the fair value of the biological assets is € 3,170,000 (2022: € 3,170,000). The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets.

The fair value of the biological assets is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets.

At 31 December 2023, the fair value of the biological assets is € 3,170,000 (2022: € 3,170,000). The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets.

The fair value of the biological assets is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets. The fair value is based on the fair value of the land and buildings used for the production of the biological assets.

Notes to the Financial Statements

(Euro currency and British pound sterling)

18 FINANCIAL ASSETS AT FVOCI

	2023 RMB'000	2022 £'000
18.1 可供出售金融资产 (FVOCI) (人民币)	159,840	158,720
18.1.1 可供出售金融资产 (人民币)		
可供出售金融资产 (人民币) (2023)	159,840	158,720

可供出售金融资产 (人民币) 是指本公司持有的、在活跃市场中没有报价、公允价值不能可靠计量的权益工具投资。

19 CERTIFICATES OF DEPOSIT

	2023 RMB'000	2022 £'000
19.1 存款	1,564,322	1,478,774
19.1.1 存款		
存款 (人民币) (2023)	1,564,322	1,478,774

存款 (人民币) 是指本公司持有的、期限在一年以内的、利率固定的存款。

Notes to the Financial Statements

(Expressed in RMB'000)

20 OTHER NON-CURRENT ASSETS

	2023 RMB'000	2022 RMB'000
Land use rights	17,794	17,794
Leasehold intangible assets	10,093	28,240
Other	4,897	4,857
	32,784	50,891

21 INVENTORIES

(a) Inventories are measured at the lower of cost and net realizable value:

	2023 RMB'000	2022 RMB'000
Raw materials	191,517	350,182
Work in progress	(6,924)	-
	184,593	350,182

(b) Contract costs are measured at the lower of cost and net realizable value:

	2023 RMB'000	2022 RMB'000
Contract costs	774,938	692,867

22 CONTRACT COSTS

	2023 RMB'000	2022 RMB'000
Contract costs	805,981	782,179
Contract costs	(33,242)	(8,931)
	772,739	773,248

Notes to the Financial Statements

(Expressed in RMB'000)

23 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2023 RMB'000	2022 RMB'000
Contract assets	127,811	129,123
Contract liabilities	(639)	(646)
	127,172	128,477

Contract assets represent the Group's receivables from customers for the sale of products. Contract liabilities represent the Group's obligations to transfer goods or services to customers.

(b) Contract liabilities

	2023 RMB'000	2022 RMB'000
Contract liabilities	1,151,974	1,294,707

	2023 RMB'000	2022 RMB'000
Contract liabilities	881,063	674,816

Contract liabilities represent the Group's obligations to transfer goods or services to customers. Contract liabilities are recognized when the Group has received advance payments from customers. Contract liabilities are recognized when the Group has received advance payments from customers.

Notes to the Financial Statements

(Expressed in RMB'000 unless otherwise specified)

24 TRADE AND BILLS RECEIVABLES

	2023 RMB'000	2022 RMB'000
Trade receivables	224,602	207,998
Less: Allowance for doubtful accounts	(18,588)	(8,561)
	206,014	199,437
Bills receivable	6,874	12,186
	212,888	211,623

As at the reporting date, trade receivables are measured at amortized cost less allowance for doubtful accounts.

	2023 RMB'000	2022 RMB'000
1 year or less	160,784	173,842
1 - 2 years	42,891	20,756
2 - 3 years	2,278	1,995
Over 3 years	61	2,844
	206,014	199,437

Trade receivables are measured at amortized cost less allowance for doubtful accounts. The allowance for doubtful accounts is determined based on the credit risk of the debtors. The allowance for doubtful accounts is reviewed regularly and adjusted as necessary. The allowance for doubtful accounts is recorded in the consolidated statement of profit or loss.

25 PREPAYMENTS AND OTHER RECEIVABLES

	2023 RMB'000	2022 RMB'000
Prepayments	110,147	37,166
Other receivables	16,640	10,785
Due from related parties	9,838	9,515
Due from non-related parties	11,268	6,974
Less: Allowance for doubtful accounts	937	3,324
	1,121	1,168
	149,951	68,932
Less: Allowance for doubtful accounts	(881)	(551)
	149,070	68,381

As at the reporting date, prepayments and other receivables are measured at amortized cost less allowance for doubtful accounts.

Notes to the Financial Statements

(Expressed in RMB'000)

26 FINANCIAL ASSETS AT FVTPL

	2023 RMB'000	2022 RMB'000
Non-current assets		
Equity investments at FVTPL (i)	354,639	317,749
Debt investments at FVTPL (ii)	233,145	168,174
	587,784	485,923
Current assets		
Debt investments at FVTPL (iii)	373,354	381,326
Equity investments at FVTPL (iv)	-	27,145
	373,354	408,471
	961,138	894,394

Notes

- (i) On December 31, 2021, the Company held equity investments in Jilin Baiyuan Biotechnology Co., Ltd. (Jilin Baiyuan Biotech) amounting to RMB44,116,176. On December 31, 2022, the Company held equity investments in Jilin Baiyuan Biotech amounting to RMB44,116,176. On December 31, 2023, the Company held equity investments in Jilin Baiyuan Biotech amounting to RMB44,116,176.
- (ii) On December 31, 2022, the Company held debt investments in China Development Bank amounting to RMB200,000,000. On December 31, 2023, the Company held debt investments in China Development Bank amounting to RMB200,000,000.
- (iii) On December 31, 2022, the Company held debt investments in China Development Bank amounting to RMB250,000,000. On December 31, 2023, the Company held debt investments in China Development Bank amounting to RMB250,000,000.
- (iv) On December 27, 2023, the Company held equity investments in Hainan Huiyuan Biotechnology Co., Ltd. amounting to RMB8,000,000. On December 31, 2023, the Company held equity investments in Hainan Huiyuan Biotechnology Co., Ltd. amounting to RMB5,300,000.
- (v) On December 21, 2021, the Company held equity investments in Beijing Baiyuan Biotechnology Co., Ltd. amounting to RMB1,200,000. On December 31, 2022, the Company held equity investments in Beijing Baiyuan Biotechnology Co., Ltd. amounting to RMB43,620,000. On December 31, 2023, the Company held equity investments in Beijing Baiyuan Biotechnology Co., Ltd. amounting to RMB392,786.

Notes to the Financial Statements

(Euro and US Dollar are in millions)

27 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION

	2023 RMB'000	2022 RMB'000
Cash at bank and on hand	-	1
Other cash	2,862,912	2,916,847
Cash at bank and on hand	2,862,912	2,916,848
Other cash	(9,265)	(17,379)
Cash at bank and on hand and other cash	2,853,647	2,899,469

(b) Reconciliation of liabilities arising from financing activities

At the end of the reporting period, the Group's liabilities arising from financing activities, including both financial liabilities and other liabilities, are presented in the consolidated balance sheet of the Group. The reconciliation of these liabilities arising from financing activities is presented below.

	Interest-bearing borrowings RMB'000	Interest payable RMB'000	Considerations received for subscribing restricted A shares RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2022	9,483	-	3,935	85,839	99,257
Changes from financing cash flows:					
Issuance of bank loans	(58,875)	-	-	-	(58,875)
Repayment of bank loans	55,450	-	-	-	55,450
Change in lease liabilities	-	(351)	-	-	(351)
Change in restricted A shares	-	-	30,758	-	30,758
Change in interest payable	-	-	(1,287)	-	(1,287)
Change in lease liabilities	-	-	-	(23,927)	(23,927)
Change in other liabilities	-	-	-	(1,753)	(1,753)
At 31 December 2022	(3,425)	(351)	29,471	(25,680)	15
Exchange adjustments	756	-	-	6,901	7,657

Notes to the Financial Statements

(English and Chinese are the full texts)

27 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities (continued)

	Interest-bearing borrowings RMB'000 (注 28)	Interest payable RMB'000	Considerations received for subscribing restricted A shares RMB'000 (注 30)	Lease liabilities RMB'000 (注 31)	Total RMB'000
Other changes:					
Decrease in the fair value of financial assets at fair value through profit or loss		351		3,231	3,582
Change in the fair value of financial assets at fair value through other comprehensive income				10,023	10,023
Accrual of interest on financial assets at amortized cost				579	579
Transfer of financial assets to held for sale			(3,110)		(3,110)
Exchange rate differences			(200)		(200)
Change in the fair value of financial liabilities at fair value through profit or loss			(655)		(655)
At 31 December 2022 and 1 January 2023	6,814		29,441	80,893	117,148
Changes from financing cash flows:					
Decrease in cash and cash equivalents	(6,895)				(6,895)
Change in the fair value of financial assets at fair value through profit or loss		(86)			(86)
Change in the fair value of financial assets at fair value through other comprehensive income			(1,735)		(1,735)
Change in the fair value of financial liabilities at fair value through profit or loss				(24,317)	(24,317)
Change in the fair value of financial liabilities at fair value through other comprehensive income				(2,554)	(2,554)
At 31 December 2022 and 1 January 2023	(6,895)	(86)	(1,735)	(26,871)	(35,587)
Exchange adjustments	81			1,104	1,185
Other changes:					
Decrease in the fair value of financial assets at fair value through profit or loss		86		3,056	3,142
Change in the fair value of financial assets at fair value through other comprehensive income				11,729	11,729
Accrual of interest on financial assets at amortized cost				(486)	(486)
Transfer of financial assets to held for sale			(11,220)		(11,220)
Exchange rate differences			(117)		(117)
At 31 December 2023		86	(11,337)	14,299	3,048
At 31 December 2023			16,369	69,425	85,794

Notes to the Financial Statements

(Expressed in RMB unless otherwise specified)

27 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Total cash outflow for leases

	2023 RMB'000	2022 ↓ B'000
Lease liabilities	7,305	4,472
Lease liabilities at the end of the year	-	36,985
Lease liabilities at the beginning of the year	26,871	25,680
	34,176	67,137

See Note 12 for details.

	2023 RMB'000	2022 ↓ B'000
Lease liabilities	34,176	30,152
Lease liabilities at the end of the year	-	36,985
Lease liabilities at the beginning of the year	34,176	67,137

28 INTEREST-BEARING BORROWINGS

(a) Guaranteed by the parent company and wholly owned subsidiaries

	2023 RMB'000	2022 ↓ B'000
Guaranteed by the parent company and wholly owned subsidiaries	-	3,533

Notes to the Financial Statements

(Euro currency is denominated in RMB)

28 INTEREST-BEARING BORROWINGS (CONTINUED)

(b) Euro currency is denominated in RMB

	2023 RMB'000	2022 RMB'000
Borrowings	-	6,814
Less: Guaranteed by the parent	-	(3,533)
	-	3,281
Euro currency is denominated in RMB		
	2023 RMB'000	2022 RMB'000
11.1%	-	3,533
11.2%	-	2,296
11.5%	-	985
	-	6,814

Notes to the Financial Statements

(Expressed in RMB'000)

29 TRADE PAYABLES

	2023 RMB'000	2022 RMB'000
Accounts payable	43,323	127,309

At 31 December 2023, accounts payable are primarily due within 12 months.

	2023 RMB'000	2022 RMB'000
Accounts payable	42,778	126,749
Accounts receivable	545	560
	43,323	127,309

At 31 December 2023, accounts payable are primarily due within 12 months. Accounts payable are primarily due to various suppliers.

30 OTHER PAYABLES

	2023 RMB'000	2022 RMB'000
Accounts payable	106,583	125,638
Accounts receivable	67,813	70,903
Accounts payable	7,641	10,334
Accounts payable (due within 12 months)	16,369	29,441
Accounts payable (due after 12 months)	-	90,209
Accounts payable	4,809	8,979
	203,215	335,504

At 31 December 2023, other payables are primarily due within 12 months.

Notes to the Financial Statements

(Expressed in RMB'000)

31 LEASE LIABILITIES

	2023		2022	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	B'000	B'000
At January 1, 2023	27,500	28,046	24,006	24,476
During the year:				
A. Additions	27,111	28,715	22,292	23,608
B. Decreases	(13,598)	(15,241)	(33,369)	(37,424)
C. Expirations	1,216	2,204	1,226	2,305
At December 31, 2023	41,925	46,160	56,887	63,337
At January 1, 2022	69,425	74,206	80,893	87,813
During the year:				
D. Decreases		(4,781)		(6,920)
At December 31, 2022		69,425		80,893

32 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

On December 27, 2018, the Company issued 10,000,000 shares (A shares) to employees as incentive (EGL), 2018. On January 9, 2019, the Company issued 396,000 shares (C shares) to employees as incentive (EGL), 2018. On January 19, 2019, the Company issued 342,000 shares (G shares) to employees as incentive (EGL), 2018. On January 19, 2019, the Company issued 56,620 shares (A shares) to employees as incentive (EGL), 2018. On January 19, 2019, the Company issued 56,620 shares (B shares) to employees as incentive (EGL), 2018. On January 19, 2019, the Company issued 28,310 shares (C shares) to employees as incentive (EGL), 2018.

On January 15, 2019, the Company issued 1,124,000 shares (A shares) to employees as incentive (EGL), 2019. On January 15, 2019, the Company issued 405,000 shares (C shares) to employees as incentive (EGL), 2019. On January 14, 2019, the Company issued 48,110 shares (B shares) to employees as incentive (EGL), 2019. On January 14, 2019, the Company issued 24,060 shares (C shares) to employees as incentive (EGL), 2019.

Notes to the Financial Statements

(Euro amounts in thousands unless otherwise indicated)

32 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

	2020	2021	2022
<p>24 J 2020, C, 175,000, 63,000, 2019, 2019, A, 11 A, 2020 (B), E, C, B94.77, B47.39.</p>			
<p>15 J 2020, (2020), C, EG, 2020, 17 J 2020, C, 2,090,000, 31 A, 2020, E, B94.77.</p>			
<p>28 J 2022, (2021), A, EG, 2022, 28 J 2022, C, 366,300, G, 2021, A, C, B83.97, 29 A 2022, D, C, 30 A 2023, 2021 A, E.</p>			
<p>24 J 2022, H, (2022 H), C, 2022 H, C, H, A, 31 D.</p>			
<p>17 J 2022, 2022 A, E, C, EG, 2022, 2022 A, E, 124,000 A, B39.87, 30 A 2023, D, C, 2022 A, E.</p>			
<p>2021 E, 2022 E, 2022 H, 2022 H, C.</p>			

Notes to the Financial Statements

(Euro currency is the functional currency)

32 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) Share options

(i) Share options granted to directors and employees

	Number of instruments	Vesting Conditions	Vesting period of options
Options granted to directors:			
On 24 June 2020, 2019	108,000	B, 50% on 24 June 2021, 50% on 24 June 2022	1, 2 years
On 17 July 2020, 2020	186,000	B, 50% on 17 July 2021, 50% on 17 July 2022	1, 3 years
Options granted to employees:			
On 9 September 2018, 2018	396,000	B, 50% on 9 September 2019, 50% on 9 September 2020	1, 3 years
On 9 September 2019, 2019	1,124,000	B, 50% on 9 September 2020, 50% on 9 September 2021	1, 3 years
On 24 June 2020, 2019	67,000	B, 50% on 24 June 2021, 50% on 24 June 2022	1, 2 years
On 17 July 2020, 2020	1,904,000	B, 50% on 17 July 2021, 50% on 17 July 2022	1, 3 years
Total share options granted	3,785,000		

(ii)

(i) Share options granted to directors and employees are subject to the following vesting conditions: 50%, 30% and 20% of the share options granted to directors and employees will vest on the first, second and third anniversary of the grant date, respectively. The remaining share options will vest on the second and third anniversary of the grant date, respectively.

(ii) Share options granted to directors and employees are subject to the following vesting conditions: 50% and 50% of the share options granted to directors and employees will vest on the first and second anniversary of the grant date, respectively. The remaining share options will vest on the second anniversary of the grant date.

Notes to the Financial Statements

(Euro currency is B1,000,000, unless otherwise stated)

32 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) Share options (continued)

(ii) **Share options** (continued)

	2023		2022	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Options granted during the year	RMB47.90	1,238,675	↓ B42.14	2,164,253
Options exercised during the year				842,341
Options expired during the year			↓ B38.10	(1,516,647)
Options cancelled during the year			↓ B41.36	(251,272)
Options outstanding at 31 December	RMB47.91	818,888	↓ B47.90	1,238,675
Options outstanding at 1 January				530,494

A weighted average exercise price of RMB47.91 (2022: B47.92) was determined for the 818,888 (2022: 1,979,167) options outstanding at 31 December 2023. The weighted average exercise price of the options outstanding at 31 December 2023 is B47.91 (2022: B16.97) and the weighted average remaining contractual term is 7.1 years (2022: 19.1 years).

Notes to the Financial Statements

(Expressed in RMB million unless otherwise stated)

32 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) Share options (continued)

(iii) Fair value of share options and assumptions

Fair value of share options and assumptions	2018 Share Option and Restricted Share Award Scheme	The First Batch under 2019	The Second Batch under 2019	2020 Share Option and Restricted Share Award Scheme
		Share Option and Restricted Share Award Scheme in 2019	Share Option and Restricted Share Award Scheme in 2020	
Expected volatility	▲ B5.88, ▲ B14.89	▲ B15.34, ▲ B17.90	▲ B12.06, ▲ B18.75	▲ B13.40, ▲ B23.62
Expected life	▲ B60.88	▲ B62.50	▲ B94.61	▲ B96.86
Expected dividend yield	▲ B56.62	▲ B48.11	▲ B94.77	▲ B94.77
Expected risk-free rate (China Interbank Offered Rate (IBOR))	20%, 33%	26%, 30%	30%, 32%	30%, 32%
Expected market correlation (China Interbank Offered Rate (IBOR))	0%	1%	0.18%	0.17%
Expected credit default rate	1.50%, 2.75%	1.50%, 2.75%	2.22%, 2.63%	2.22%, 2.69%

Notes to the Financial Statements

(Euros unless otherwise indicated)

32 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Restricted shares

(i) The following table provides details of the restricted shares granted during the reporting period:

	Number of instruments	Vesting conditions	Vesting period of shares
Restricted shares granted to directors:			
On 9 July 2018, 100,000 restricted shares were granted to the directors of the Company pursuant to the Company's Share Incentive Plan 2018 (SIP 2018) under the terms of the SIP 2018. The vesting conditions are set out in (i) and (ii) below.	80,000	B, C and D	1, 3 years
On 9 July 2019, 120,000 restricted shares were granted to the directors of the Company pursuant to the Company's SIP 2018 under the terms of the SIP 2018. The vesting conditions are set out in (i) and (ii) below.	120,000	B, C and D	1, 3 years
Restricted shares granted to employees:			
On 9 July 2018, 262,000 restricted shares were granted to the employees of the Company pursuant to the Company's SIP 2018 under the terms of the SIP 2018. The vesting conditions are set out in (i) and (ii) below.	262,000	B, C and D	1, 3 years
On 9 July 2019, 285,000 restricted shares were granted to the employees of the Company pursuant to the Company's SIP 2018 under the terms of the SIP 2018. The vesting conditions are set out in (i) and (ii) below.	285,000	B, C and D	1, 3 years
On 24 July 2020, 63,000 restricted shares were granted to the employees of the Company pursuant to the Company's SIP 2018 under the terms of the SIP 2018. The vesting conditions are set out in (i) and (ii) below.	63,000	B, C and D	1, 2 years
On 28 July 2022, 366,300 restricted shares were granted to the employees of the Company pursuant to the Company's SIP 2018 under the terms of the SIP 2018. The vesting conditions are set out in (i) and (ii) below.	366,300	B, C and D	1, 3 years
Total share Restricted shares granted	1,176,300		

(i) Vesting conditions

(i) The vesting conditions for the restricted shares granted to the directors and employees of the Company are as follows:

- (i) 50% of the restricted shares granted to the directors and employees of the Company will vest on the first anniversary of the date of grant, 30% will vest on the second anniversary of the date of grant and 20% will vest on the third anniversary of the date of grant.

- (ii) 50% of the restricted shares granted to the directors and employees of the Company will vest on the first anniversary of the date of grant and 50% will vest on the second anniversary of the date of grant.

- (iii) 40% of the restricted shares granted to the directors and employees of the Company will vest on the first anniversary of the date of grant, 30% will vest on the second anniversary of the date of grant and 30% will vest on the third anniversary of the date of grant.

Notes to the Financial Statements

(Expressed in RMB million)

32 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

33 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) 遞延稅項資產及負債的變動
(i) 遞延稅項資產及負債的每個組成部分的變動

Deferred tax arising from:	Assets						Liabilities						Total RMB'000	
	Unused tax losses RMB'000	Credit loss allowance RMB'000	Deferred income RMB'000	Equity settled share-based payments RMB'000	Lease RMB'000	Others RMB'000	Subtotal RMB'000	Fair value adjustments arising from acquisition of a subsidiary RMB'000	Changes in fair value of financial assets RMB'000	Accelerated tax allowance for depreciation expenses RMB'000	Changes in fair value of biological assets RMB'000	Lease RMB'000		Subtotal RMB'000
A 11月 2022	21,344	842	2,028	13,692	14,736	5,251	57,893	(10,164)	(13,952)	(12,831)	(11,481)	(14,039)	(62,467)	(4,574)
截至11月30日止期間的變動	(6,309)	427	3,218	(1,558)	(1,784)	(1,280)	(4,286)	2,741	1,481	(9,790)	2,854	2,123	(591)	(4,877)
截至11月30日止期間的變動	-	-	-	(10,487)	-	-	(10,487)	-	(7,959)	-	-	-	(7,959)	(10,487)
截至11月30日止期間的變動	-	-	-	-	-	-	-	(6,631)	-	-	(120,749)	-	(127,380)	(127,380)
截至11月30日止期間的變動	1,403	6	-	-	-	-	1,409	(853)	-	(909)	-	-	(1,762)	853
A 31 December 2022	19,438	1,275	5,246	1,647	12,952	3,971	44,529	(14,907)	(20,430)	(23,530)	(129,376)	(11,916)	(200,159)	(155,630)
截至11月30日止期間的變動	(9,232)	1,317	(417)	(1,543)	(2,735)	5,075	(7,535)	1,499	(4,656)	(1,839)	31,497	2,695	29,296	21,861
截至11月30日止期間的變動	-	-	-	(104)	-	-	(104)	-	-	-	-	-	-	(104)
截至11月30日止期間的變動	-	-	-	-	-	-	-	-	(168)	-	-	-	(168)	(168)
截至11月30日止期間的變動	283	2	-	-	7	-	292	(139)	-	(202)	-	-	(241)	(49)
A 31 December 2023	10,489	2,594	4,829	-	10,224	9,046	37,182	(13,507)	(25,254)	(25,571)	(97,879)	(9,021)	(171,272)	(134,090)

Notes to the Financial Statements

(Economic and Business Activities)

33 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities (continued)

(ii) Reconciliations to the statement of financial position

	2023 RMB'000	2022 ¥'000
Income tax payable	28,251	32,613
Income tax receivable	(162,341)	(188,243)
Income tax assets and liabilities	(134,090)	(155,630)

(c) Deferred tax assets not recognised

At the end of the reporting period, the Group has deductible temporary differences of RMB308,391,000 (2022: RMB207,394,000), which will give rise to deferred tax assets, but the Group has not recognised the deferred tax assets because it is not probable that sufficient taxable income will be available to utilise these temporary differences and losses.

The following table shows the expiry date of the deductible temporary differences and losses:

	2023 RMB'000	2022 ¥'000
Income tax receivable	-	2,333
Income tax payable	9,847	10,079
Income tax receivable	17,594	17,391
Income tax payable	32,736	32,736
Income tax receivable	49,960	49,952
Income tax payable	198,254	94,903
Income tax assets and liabilities	308,391	207,394

34 DEFERRED INCOME

	2023 RMB'000	2022 ¥'000
At 1 January	80,677	60,844
At 31 December	850	26,021
Change during the year	(7,040)	(6,188)
At 31 December	74,487	80,677

Deferred income tax assets and liabilities are measured at the best estimate of the amount expected to be received or paid, based on the expected future taxable income, taking into account the expected future tax rates and the expected future tax laws.

Notes to the Financial Statements

(Expressed in RMB million)

35 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(a) Movements in components of equity (continued)

Notes to the Financial Statements

(Expressed in RMB unless otherwise stated)

35 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share held for Share Incentive Schemes

	2023	2022
Dr. Share Incentive Schemes Reserve	6,573,240	HKD125,283,000
2022 H. Share Incentive Schemes Reserve		HKD45,500,000
HK11.2, Share Incentive Schemes Reserve		
6 J. Share Incentive Schemes Reserve	68,500	2022 A. Share Incentive Schemes Reserve
35(1), Share Incentive Schemes Reserve	95,900	30,000
2022 A. Share Incentive Schemes Reserve		

(c) Dividends

(i) Cash dividends payable to equity shareholders of the Company attributable to the year

	2023	2022
	RMB'000	▲ B'000
Dividends payable to equity shareholders of the Company attributable to the year		
(2022: ▲ B0.40)	119,977	214,258
Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year		
(2022: ▲ B0.36)	214,244	137,363

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2023	2022
	RMB'000	▲ B'000
Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year		
(2022: ▲ B0.40)	214,244	137,363
(2022: ▲ B0.36)		

Notes to the Financial Statements

(Expressed in Renminbi Yuan)

35 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Share capital

Issued share capital

	2023		2022	
	No. of shares	Amount RMB'000	Number of shares	Amount RMB'000
Ordinary shares, issued:				
A 1 J 1	535,678,676	535,679	381,246,492	381,246
10 32()	-	-	366,300	366
10	-	-	1,516,647	1,517
10	214,244,424	214,244	152,626,122	152,626
C	(34,401)	(34)	(76,885)	(76)
At 31 December	749,888,699	749,889	535,678,676	535,679

At 31 December 2023, the Company has issued 535,678,676 ordinary shares of RMB1.00 each, with a total amount of RMB535,679,000. The Company has also issued 366,300 ordinary shares of RMB1.00 each, with a total amount of RMB366,300. The Company has also issued 1,516,647 ordinary shares of RMB1.00 each, with a total amount of RMB1,516,647. The Company has also issued 214,244,424 ordinary shares of RMB1.00 each, with a total amount of RMB214,244,424. The Company has also issued (34,401) ordinary shares of RMB1.00 each, with a total amount of RMB(34,401). The total amount of ordinary shares issued is RMB749,889,000.

At 31 December 2022, the Company has issued 381,246,492 ordinary shares of RMB1.00 each, with a total amount of RMB381,246,492. The Company has also issued 366,300 ordinary shares of RMB1.00 each, with a total amount of RMB366,300. The Company has also issued 1,516,647 ordinary shares of RMB1.00 each, with a total amount of RMB1,516,647. The Company has also issued 152,626,122 ordinary shares of RMB1.00 each, with a total amount of RMB152,626,122. The Company has also issued (76,885) ordinary shares of RMB1.00 each, with a total amount of RMB(76,885). The total amount of ordinary shares issued is RMB535,679,000.

35 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Nature and purpose of reserves

(i) Capital reserve

Capital reserve consists of the following items:

- Capital reserve arising from the revaluation of property, plant and equipment, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).
- Capital reserve arising from the revaluation of intangible assets, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).
- Capital reserve arising from the revaluation of financial assets, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).
- Capital reserve arising from the revaluation of liabilities, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).
- Capital reserve arising from the revaluation of equity, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).
- Capital reserve arising from the revaluation of other assets, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).

(ii) Share award reserve

Share award reserve consists of the following items:

- Share award reserve arising from the revaluation of equity, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).

(iii) Statutory reserve

Statutory reserve consists of the following items:

- Statutory reserve arising from the revaluation of equity, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).
- Statutory reserve arising from the revaluation of other assets, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).

(iv) Exchange reserve

Exchange reserve consists of the following items:

- Exchange reserve arising from the revaluation of equity, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).

(v) Fair value reserve (non-recycling)

Fair value reserve (non-recycling) consists of the following items:

- Fair value reserve (non-recycling) arising from the revaluation of equity, net of the corresponding tax effects, amounting to € 1,000 million (2019: € 1,000 million).

Notes to the Financial Statements

(Euro currency is Billion Euro, the rest is million Euro)

35 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(f) Capital management

€ 10.027,159 million (2023) and € 10.364,216 million (2022) are the total amounts of equity and equity reserves of the Group. The Group's capital management objectives are to ensure that the Group has sufficient resources to meet its operating and financial requirements, to maintain a strong financial position and to provide a platform for sustainable growth.

€ 10.027,159 million (2023) and € 10.364,216 million (2022) are the total amounts of equity and equity reserves of the Group. The Group's capital management objectives are to ensure that the Group has sufficient resources to meet its operating and financial requirements, to maintain a strong financial position and to provide a platform for sustainable growth.

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	2023 RMB'000	2022 €'000
Equity	10,027,159	10,364,216
Equity reserves	1,746,118	2,173,350
Equity ratio	17.4%	21.0%

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Erhalten, einschließlich der erwarteten Verluste, die durch die Auswirkungen der Güterverluste...

Die Güterverluste sind in der Bilanz als Wertminderungen der entsprechenden Güter...

(a) Credit risk

Creditrisiko ist das Risiko, dass ein Vertragspartner die vereinbarten Zahlungen nicht leisten kann...

Das Creditrisiko wird durch die Diversifizierung der Kundenbasis und die sorgfältige Auswahl...

Trade receivables and contract assets

Die Handelsforderungen und Vertragsvermögen sind in der Bilanz unter anderem mit dem...

2023, 10% (2022: 4%) ... A 21 D ...

22% (2022: 17%) ...

Die Handelsforderungen sind in der Bilanz mit dem Nettobestand von ...

21, 45 ...

Die ECL (Expected Credit Loss) sind in der Bilanz mit dem Nettobestand von ...

Notes to the Financial Statements

(Euro currency & British currency denominated)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

Expected credit loss (ECL) is determined based on the probability of default (PD) of the counterparties. The PD is estimated based on the historical data of the counterparties' default rates. The ECL is calculated as the product of the gross carrying amount and the PD. The ECL is recognized as a provision against the gross carrying amount of the trade receivables and contract assets.

	2023		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Less than 90 days past due	0.5	202,667	1,013
90 days past due	1.8	34,813	627
90 days past due > 1 year	2.8	53,619	1,503
1 - 2 years	8.0	46,621	3,730
2 - 3 years	56.5	5,237	2,959
3 - 4 years	95.9	1,478	1,417
Over 4 years	100.0	7,978	7,978
		352,413	19,227

	2022		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Less than 90 days past due	0.5	205,045	1,026
90 days past due	1.0	39,326	393
90 days past due > 1 year	1.3	60,148	781
1 - 2 years	6.1	22,104	1,348
2 - 3 years	16.6	2,391	397
3 - 4 years	45.5	5,220	2,375
Over 4 years	100.0	2,887	2,887
		337,121	9,207

Expected credit loss (ECL) is determined based on the probability of default (PD) of the counterparties. The PD is estimated based on the historical data of the counterparties' default rates. The ECL is calculated as the product of the gross carrying amount and the PD. The ECL is recognized as a provision against the gross carrying amount of the trade receivables and contract assets.

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

本集团对应收款项及合同资产定期执行减值测试。本集团根据客户的信用状况、历史收款记录、行业状况及宏观经济环境等因素，对应收款项及合同资产进行减值测试。本集团对应收款项及合同资产计提减值准备，以反映其预期信用损失。

	2023 RMB'000	2022 RMB'000
Balance at 1 Jan	9,207	5,858
Exchange differences	29	76
Losses on impairment	9,991	5,577
Reversals of losses on impairment	-	(2,304)
Balance at 31 Dec	19,227	9,207

本集团对应收款项及合同资产定期执行减值测试。本集团根据客户的信用状况、历史收款记录、行业状况及宏观经济环境等因素，对应收款项及合同资产进行减值测试。本集团对应收款项及合同资产计提减值准备，以反映其预期信用损失。

	2023 RMB'000	2022 RMB'000
Balance at 1 Jan	550	330
Losses on impairment	331	220
Balance at 31 Dec	881	550

Notes to the Financial Statements

(Expressed in British Pound Sterling)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk

The Group's financial instruments are primarily denominated in the functional currencies of the entities in which they are held. The Group's exposure to currency risk arises primarily from the Group's operations in the United Kingdom, the United States, the People's Republic of China, Hong Kong, the Republic of Korea, and the Republic of India. The Group's exposure to currency risk is primarily denominated in US\$, RMB, HKD, GBP, INR, and KRW.

(i) Exposure to currency risk

The Group's exposure to currency risk is primarily denominated in US\$, RMB, HKD, GBP, INR, and KRW. The Group's exposure to currency risk is primarily denominated in US\$, RMB, HKD, GBP, INR, and KRW. The Group's exposure to currency risk is primarily denominated in US\$, RMB, HKD, GBP, INR, and KRW. The Group's exposure to currency risk is primarily denominated in US\$, RMB, HKD, GBP, INR, and KRW.

	2023		2022	
	US\$ RMB'000	HKD RMB'000	US\$ £ B'000	HKD £ B'000
Current assets	168,943	9,270	318,795	30,857
Current liabilities	19,367	–	478	–
Non-current assets	26,951	68	32,631	–
Non-current liabilities	(368)	–	(36)	–
Total	(368)	(98)	–	(80)
Group's net exposure	214,525	9,240	351,868	30,777

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk (continued)

(ii) Sensitivity analysis

At the reporting date, the Group's profit after tax is sensitive to movements in the exchange rate of the US dollar and Hong Kong dollar against the RMB. If the exchange rate of the US dollar against the RMB had been 5% higher/lower, profit after tax would have been RMB9,117 thousand higher/lower, assuming all other variables remain constant. If the exchange rate of the Hong Kong dollar against the RMB had been 5% higher/lower, profit after tax would have been RMB393 thousand higher/lower, assuming all other variables remain constant.

		Effect on profit after tax	
		2023	2022
		RMB'000	¥'000
US\$	5%	9,117	14,954
	(5%)	(9,117)	(14,954)
HKD	5%	393	1,308
	(5%)	(393)	(1,308)

At the reporting date, the Group's profit after tax is sensitive to movements in the exchange rate of the US dollar and Hong Kong dollar against the RMB. If the exchange rate of the US dollar against the RMB had been 5% higher/lower, profit after tax would have been RMB9,117 thousand higher/lower, assuming all other variables remain constant. If the exchange rate of the Hong Kong dollar against the RMB had been 5% higher/lower, profit after tax would have been RMB393 thousand higher/lower, assuming all other variables remain constant.

At the reporting date, the Group's profit after tax is sensitive to movements in the exchange rate of the US dollar and Hong Kong dollar against the RMB. If the exchange rate of the US dollar against the RMB had been 5% higher/lower, profit after tax would have been RMB9,117 thousand higher/lower, assuming all other variables remain constant. If the exchange rate of the Hong Kong dollar against the RMB had been 5% higher/lower, profit after tax would have been RMB393 thousand higher/lower, assuming all other variables remain constant.

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair values measurement

Fair value hierarchy

Financial instruments are classified into three levels based on the inputs to the valuation techniques used to measure their fair values, as follows: IF 3-13, Fair Value Measurement.

Level 1: Financial instruments whose fair values are determined by reference to quoted prices in active markets for identical assets or liabilities.

Level 2: Financial instruments whose fair values are determined by reference to quoted prices in active markets for similar assets or liabilities, or by reference to other observable market data.

Level 3: Financial instruments whose fair values are determined by valuation techniques.

(i) Financial assets measured at fair value

The following table shows the fair value measurements of financial assets measured at fair value, categorized into Level 2 and Level 3, as at 31 December 2023 and 2022.

	2023		2022	
	Fair value measurements categorised into Level 2 RMB'000	Fair value measurements categorised into Level 3 RMB'000	Financial instruments measured at fair value Level 2 RMB'000	Financial instruments measured at fair value Level 3 RMB'000
Equity investments	26)	-	27,145	-
Equity investments (F/CI)	18)	159,840	-	158,720
Equity investments (F/CI)	26)	354,639	-	317,749
Equity investments (F/CI)	26)	233,145	-	168,174
Bank deposits	26)	373,354	-	381,326

During the year ended 31 December 2023 or 2022, there were no transfers between Level 2 and Level 3. The Group's financial instruments measured at fair value are categorized into Level 2 and Level 3 as follows:

Notes to the Financial Statements

(Euro currency and British pound sterling)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair values measurement (continued)

Fair value hierarchy (continued)

(i) Financial assets measured at fair value (continued)

Information about Level 3 fair value measurements

At 31 December 2023, the Group's financial assets measured at fair value are as follows:

Financial instrument	2023	2022
Financial assets measured at fair value	B1,955,000	B1,955,000

At 31 December 2023, the Group's financial liabilities measured at fair value are as follows:

Financial instrument	2023	2022
Financial liabilities measured at fair value	B640,000	B640,000

At 31 December 2023, the Group's financial assets measured at fair value are as follows:

Financial instrument	2023	2022
Financial assets measured at fair value	B935,000	B935,000

At 31 December 2023, the Group's financial liabilities measured at fair value are as follows:

Financial instrument	2023	2022
Financial liabilities measured at fair value	B640,000	B640,000

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair values measurement (continued)

Fair value hierarchy (continued)

(i) Financial assets measured at fair value (continued)

€ 1,120,000 (2022: € 53,059,000) and € 36,890,000 (2022: € 324,000) are measured at fair value using Level 3 inputs.

	2023 RMB'000	2022 € B'000
Estimated fair value of financial assets (see Note 26):		
A 1 January	27,145	75,444
Decrease in fair value due to:	(27,516)	(57,688)
Dividends received	371	9,389
A 31 December	-	27,145

	2023 RMB'000	2022 € B'000
Estimated fair value of financial liabilities (see Note 18):		
A 1 January	158,720	105,661
Change in fair value due to:	1,120	53,059
A 31 December	159,840	158,720

	2023 RMB'000	2022 € B'000
Estimated fair value of financial assets (see Note 26) and financial liabilities (see Note 18):		
A 1 January	317,749	317,425
Change in fair value due to:	-	317,425
Dividends received	36,890	324
A 31 December	354,639	317,749

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair values measurement (continued)




































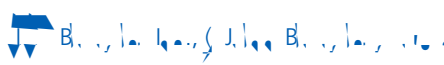














Fair value hierarchy (continued)

(i) Financial assets measured at fair value (continued)

	2023 RMB'000	2022 ¥'000
Level 1	168,174	155,000
Level 2	62,352	13,174
Level 3	2,433	-
Equity instruments	186	-

38 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(a)    

Name of related parties	Relationship
  (Billings) Biotechnology Co., Ltd. (舒泰神) 舒泰神(北京)生物製藥股份有限公司	  A subsidiary of the Company
  Billings Biotechnology Co., Ltd. (三諾佳邑) 北京三諾佳邑生物技術有限責任公司	  A subsidiary of the Company
  Billings Biotechnology Co., Ltd. (B.L.B.) B.L.B. LLC	  A subsidiary of the Company   A subsidiary of the Company
  Billings Biotechnology Co., Ltd. (生全) 生全智能科技(北京)有限公司	  A subsidiary of the Company
  Billings Health Co., Ltd. (和興) 北京和興醫藥科技有限公司	  A subsidiary of the Company   A subsidiary of the Company
  Health Co., Ltd. (和興) 和興(蘇州)醫藥科技有限公司	  A subsidiary of the Company   A subsidiary of the Company
  Billings Biotechnology Co., Ltd. (昭衍) 北京昭衍生物技術有限公司	  A subsidiary of the Company
  Billings Biotechnology Co., Ltd. (七溪) 蘇州七溪生物矽谷有限公司	  A subsidiary of the Company
  Billings Biotechnology Co., Ltd. (七溪) 蘇州七溪運營管理有限公司	  A subsidiary of the Company
  Billings Biotechnology Co., Ltd. (熠昭) 熠昭(北京)醫藥科技有限公司	  A subsidiary of the Company
  Billings Biotechnology Co., Ltd. (先通) 江蘇先通分子影像科技有限公司	  A subsidiary of the Company

Notes to the Financial Statements

(Expressed in RMB unless otherwise specified)

38 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Transactions with related parties

	2023 RMB'000	2022 RMB'000
应付账款及应付票据	-	679
预收账款	74,192	58,645
预付款项	507	150
其他应收款	93	233
其他应付款	4,536	-
其他流动资产	2,621	-
其他非流动资产	428	214
其他非流动负债	(8,281)	(679)

38 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Leasing arrangements

In 2021, G.I. entered into a lease agreement with Beijing B. Co., Ltd. (B. Co., Ltd.) for the use of office premises. The lease term is 3 years, starting from January 1, 2021, to December 31, 2023. The total lease amount is RMB1,305,000.

As at December 31, 2023, the carrying amount of the lease liability is RMB42,673,000. The lease liability is measured at the present value of the lease payments, discounted using the incremental borrowing rate. The carrying amount of the lease liability is RMB42,673,000 as at December 31, 2023. The carrying amount of the lease liability is RMB42,673,000 as at December 31, 2023.

In 2023, G.I. entered into a lease agreement with Beijing B. Co., Ltd. for the use of office premises. The lease term is 3 years, starting from January 1, 2023, to December 31, 2025. The total lease amount is RMB1,305,000.

As at December 31, 2023, the carrying amount of the lease liability is RMB2,429,000. The lease liability is measured at the present value of the lease payments, discounted using the incremental borrowing rate. The carrying amount of the lease liability is RMB2,429,000 as at December 31, 2023. The carrying amount of the lease liability is RMB2,429,000 as at December 31, 2023.

In 2023, G.I. entered into a lease agreement with Beijing B. Co., Ltd. for the use of office premises. The lease term is 3 years, starting from January 1, 2023, to December 31, 2025. The total lease amount is RMB1,305,000.

As at December 31, 2023, the carrying amount of the lease liability is RMB7,563,000. The lease liability is measured at the present value of the lease payments, discounted using the incremental borrowing rate. The carrying amount of the lease liability is RMB7,563,000 as at December 31, 2023. The carrying amount of the lease liability is RMB7,563,000 as at December 31, 2023.

(d) Balances with related parties

G.I. has the following balances with related parties:

	2023 RMB'000	2022 RMB'000
C. Co., Ltd.	15,834	12,259
Beijing B. Co., Ltd.	29,944	9,875
Beijing B. Co., Ltd.	3,214	1,416
C. Co., Ltd.	12,612	31,771
	53	

The related party balances are as follows:

Notes to the Financial Statements

(Expressed in Billion Chinese Yuan)

38 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(e) Key management personnel remuneration

Key management personnel remuneration for the year ended 31 December 2019 is disclosed in Note 10. Key management personnel remuneration for the year ended 31 December 2018 is disclosed in Note 10.

Notes to the Financial Statements

(Eurozone & Business & Technology)

Notes to the Financial Statements

(Euro currency is the functional and presentation currency)

40 IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

As at 31 December 2023, the ultimate controlling party of the Group is Jinn Laboratories (China) Co., Ltd. (the "Parent").

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2023

The Group has reviewed the amendments, new standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) that are effective for accounting periods beginning on or after 1 January 2024. The Group has determined that the amendments, new standards and interpretations issued by the IASB and the IFRIC that are effective for accounting periods beginning on or after 1 January 2024 do not have a material impact on the Group's financial statements.

	Effective for accounting periods beginning on or after
As at 31 December 2023, IAS 1, Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")	1 J, 1 2024
As at 31 December 2023, IAS 1, Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")	1 J, 1 2024
As at 31 December 2023, IFRS 16, Leases: Lease liability in a sale and leaseback	1 J, 1 2024
As at 31 December 2023, IAS 7, Statement of cash flows and IFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements	1 J, 1 2024
As at 31 December 2023, IAS 21, The effects of changes in foreign exchange rates: Lack of exchangeability	1 J, 1 2025

The Group has reviewed the amendments, new standards and interpretations issued by the IASB and the IFRIC that are effective for accounting periods beginning on or after 1 January 2025. The Group has determined that the amendments, new standards and interpretations issued by the IASB and the IFRIC that are effective for accounting periods beginning on or after 1 January 2025 do not have a material impact on the Group's financial statements.