



**Honworld Group Limited**

**老恒和釀造有限公司\***

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

(於開曼群島註冊成立的有限公司)

**Stock code 股份代號: 2226**



**Annual Report 年報**

**2020**

\* For identification purposes only 僅供識別

**“LAO HENG HE”, A BRAND WITH A HISTORY OF MORE  
THAN 160 YEARS. PANAMA — PACIFIC INTERNATIONAL  
EXPOSITION GOLD AWARD FOR CONDIMENT PRODUCTS.**

「老恒和」，源自傳承，品牌歷史超過160年  
巴拿馬博覽會金獎產品



# 目錄 CONTENTS

財務摘要	02	Financial Highlights
五年財務概要	03	Five Year Financial Summary
主席報告	04	Chairman's Statement
公司資料	08	Corporate Information
董事及高級管理人員履歷	11	Profile of Directors and Senior Management
管理層討論與分析	18	Management Discussion and Analysis
企業管治報告	34	Corporate Governance Report
董事會報告	57	Directors' Report
獨立核數師報告	74	Independent Auditor's Report
綜合損益及其他全面收益表	80	Consolidated Statement of Profit or Loss and Other Comprehensive Income
綜合財務狀況表	81	Consolidated Statement of Financial Position
綜合權益變動表	83	Consolidated Statement of Changes in Equity
綜合現金流量表	85	Consolidated Statement of Cash Flows
綜合財務報表附註	87	Notes to the Consolidated Financial Statements

# FINANCIAL HIGHLIGHTS

## 財務摘要

- Revenue for the year ended 31 December 2020 amounted to RMB226.3 million, representing a decrease of 3.9% from RMB235.5 million recorded in 2019.
  - Gross profit for the year ended 31 December 2020 amounted to RMB45.6 million, representing a decrease of 33.9% from RMB69.0 million recorded in 2019.
  - Loss attributable to ordinary equity holders of the Company for the year ended 31 December 2020 amounted to RMB845.3 million, representing a decrease of 63.0% from RMB2,285.4 million recorded in 2019.
  - The Board does not recommend the payment of a final dividend for the year ended 31 December 2020.
- 截至二零二零年十二月三十一日止年度的收入為人民幣226.3百萬元，較二零一九年人民幣235.5百萬元減少3.9%。
  - 截至二零二零年十二月三十一日止年度的毛利為人民幣45.6百萬元，較二零一九年人民幣69.0百萬元減少33.9%。
  - 截至二零二零年十二月三十一日止年度的本公司普通權益持有人應佔虧損為人民幣845.3百萬元，較二零一九年人民幣2,285.4百萬元減少63.0%。
  - 董事會不建議就截至二零二零年十二月三十一日止年度派付期末股息。



# FIVE YEAR FINANCIAL SUMMARY

## 五年財務概要

A summary of the results, assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and prospectus, is set out below:

本集團過去五個財政年度的業績、資產及負債摘要（摘錄自己公佈的經審核綜合財務報表及招股章程）載列如下：

		Year ended 31 December 截至十二月三十一日止年度				
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>RESULTS</b>	<b>業績</b>					
REVENUE	收入	226,331	235,456	874,410	803,141	831,149
Cost of sales	銷售成本	(180,731)	(166,438)	(417,448)	(373,615)	(385,453)
GROSS PROFIT	毛利	45,600	69,018	456,962	429,526	445,696
Other income and gains	其他收入及收益	14,639	18,721	11,652	19,755	8,426
Selling and distribution expenses	銷售及經銷開支	(55,701)	(96,086)	(102,610)	(110,985)	(81,225)
Administrative expenses	行政開支	(72,122)	(75,872)	(74,747)	(71,906)	(83,065)
Loss arising from the incident	事件產生的虧損	(600,575)	(2,061,934)	-	-	-
Impairment losses on financial assets	金融資產減值虧損	(9,945)	(1,512)	(682)	-	-
Other expenses	其他開支	(68,857)	(59,708)	(4,523)	(1,465)	(1,271)
Finance costs	融資成本	(96,241)	(70,950)	(50,427)	(48,840)	(40,606)
(LOSS)/PROFIT BEFORE INCOME TAX	除所得稅前(虧損)/利潤	(843,202)	(2,278,323)	235,625	216,085	247,955
Income tax expense	所得稅開支	(2,091)	(7,042)	(33,919)	(29,310)	(41,319)
(LOSS)/PROFIT FOR THE YEAR	年內(虧損)/利潤	(845,293)	(2,285,365)	201,706	186,775	206,636

## ASSETS, LIABILITIES AND EQUITY

## 資產、負債及權益

		As at 31 December 於十二月三十一日				
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
TOTAL ASSETS	資產總額	1,207,707	2,005,318	3,711,471	3,415,754	3,164,133
TOTAL LIABILITIES	負債總額	(2,208,201)	(2,126,267)	(1,507,541)	(1,381,915)	(1,262,124)
TOTAL (DEFICIT)/EQUITY	總(虧絀)/權益	(1,000,494)	(120,949)	2,203,930	2,033,839	1,902,009

# CHAIRMAN'S STATEMENT

## 主席報告

It is a great honour for me, on behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Honworld Group Limited (the “**Company**” or “**Lao Heng He**”), to present the annual report of the Company and its subsidiaries (collectively, the “**Group**” or “**we**”) for the financial year ended 31 December 2020.

### BUSINESS REVIEW

We are one of the leading manufacturers of condiment products in the People's Republic of China (the “**PRC**” or “**China**”). We offer high quality and healthy brewed cooking wine as well as other condiments, including naturally-brewed soy sauce, naturally-brewed vinegar, soybean paste and fermented bean curd. In 2020, we attained the following achievements:

1. We were awarded the “2019 Excellent Cultural Inheritance Enterprise (2019年度優秀文化傳承企業)” by Zhejiang Time-Honored Enterprises Association (浙江省老字號企業協會);
2. We were awarded the “Model Enterprise for the Construction of Integrity Management System in the Food Industry of Zhejiang Province (浙江省食品工業企業誠信管理體系建設示範企業)” by the Zhejiang Food Industry Organization (浙江省食品工業協會);
3. Our Cereal-based Brewed Cooking Wine (穀物釀造料酒) (Grade 1) won the Gold Award for the Second Cereal-based Brewed Cooking Wine at the 15th China International Wine Expo & the Second Cereal-based Brewed Cooking Wine Evaluation (中國第十五屆國際酒業博覽會暨第二屆穀物釀造料酒評選);
4. We were recognised as “National Green Factory (國家綠色工廠)” by the Ministry of Industry and Information Technology of the People's Republic of China in October 2020, and our Lao Heng He Rose Rice Vinegar (老恒和玫瑰米醋) was recognised as “Rural Specialties in China in 2020 (二零二零年全國鄉村特色食品)” by the Rural Social Development Center (農村社會事業發展中心) under the Ministry of Agriculture and Rural Affairs of the PRC; and
5. We were recognised as “National Leading Enterprises for Agricultural Industrialization (農業產業化國家重點龍頭企業)” by the Ministry of Agriculture and Rural Affairs of the People's Republic of China in December 2020.

本人非常榮幸地代表老恒和釀造有限公司(「本公司」或「老恒和」)董事(「董事」)會(「董事會」), 提呈本公司及其附屬公司(統稱「本集團」)或(「我們」)截至二零二零年十二月三十一日止財年的年報。

### 業績回顧

我們是中華人民共和國(「中國」)的領先調味品生產商之一。我們提供優質、健康的釀造料酒以及其他調味品, 包括原釀醬油、原釀醋、黃豆醬、腐乳等產品。於二零二零年, 我們取得如下成就:

1. 我們被浙江省老字號企業協會授予「2019年度優秀文化傳承企業」的稱號;
2. 我們被浙江省食品工業協會授予「浙江省食品工業企業誠信管理體系建設示範企業」的稱號;
3. 我們的產品穀物釀造料酒(一級)在中國第十五屆國際酒業博覽會暨第二屆穀物釀造料酒評選中, 獲得第二屆穀物釀造料酒金獎稱號;
4. 於二零二零年十月公司被中華人民共和國工業和信息化部評為「國家綠色工廠」。及我們的產品老恒和玫瑰米醋被農業農村部農村社會事業發展中心評為「二零二零年全國鄉村特色食品」; 及
5. 於二零二零年十二月公司被中華人民共和國農業農村部評為「農業產業化國家重點龍頭企業」。



# CHAIRMAN'S STATEMENT

## 主席報告

In 2020, China was confronted by numerous difficulties and challenges in its economic development, including growing international political and trade tensions, and mounting economic downturn pressure in the domestic market. Affected by the novel coronavirus (COVID-19) pandemic, the world economy witnessed a phase of severe recession, disrupted industry chain and supply chain circulation, and a highly volatile commodity market. Domestically, consumer spending, investment and exports fell significantly, and enterprises in the secondary and tertiary industries were under mounting pressure in their business operation. Meanwhile, governments at all levels in China were committed to ensure the policies of “stability on six fronts (六穩)” and “security in six areas (六保)”, along with the promotion of resumption of work, production, business and market quickly in different industries. As condiment products related to people’s livelihood are daily necessities, with rigid demand maintained strong momentum and little impact from macro-economy, their market condition remained stable in spite of the outbreak of the novel coronavirus (COVID-19) pandemic. While adhering to prevention and control amid the pandemic, the Group actively adapted to changes in the market. By upholding its fundamental principle of “focusing on natural brewing cooking wine industry and refining other industries”, the Group promoted its marketing reform and project construction in an orderly manner centering around the sales target set in 2020.

In 2020, the Group achieved a sales revenue of approximately RMB226.3 million, representing a decrease of approximately RMB9.1 million or around 3.9% for the same period in 2019. On one hand, the decline in social activities, traffic control and the suspension of upstream and downstream enterprises caused by the pandemic have affected the production and sales activities of the Group’s products, leading to a decrease of approximately RMB9.7 million or around 4.4% in the supermarket and distribution channels as well as the catering channels under development of the Group as compared with the same period in 2019. On the other hand, due to the consumers’ shift to online consumption patterns caused by the pandemic, the sales of e-commerce channels directly benefited from the growth of household consumption. The sales of the Group’s e-commerce channels increased by approximately RMB0.6 million or around 4.0% as compared to the same period in 2019.

於二零二零年，中國的經濟發展面臨諸多困難和挑戰。國際政治經濟衝突加劇，國內經濟下行壓力加大。受新型冠狀病毒疫情衝擊，世界經濟階段性嚴重衰退，產業鏈、供應鏈循環受阻，大宗商品市場動盪起伏大。國內消費、投資、出口嚴重下滑，二、三產業經營壓力增大，同時中國各級政府在著力落實「六穩」、「六保」工作，推進各行各業迅速復工復產復商復市。雖受新冠疫情影响，但由於與民生相關的調味品產品是日常生活必需品，剛性需求極強，且受宏觀經濟影響較小，其市場態勢依然穩健。在堅持疫情防控的同時，集團順應市場的變化，貫徹公司「聚焦天然釀造料酒產業，做精做細其他產業」的基本原則，圍繞二零二零年制定的銷售目標，有序推進營銷變革和項目建設等各項工作。

本集團於二零二零年實現銷售收入約人民幣226.3百萬元，較二零一九年同期下降了約人民幣9.1百萬元，約3.9%。一方面，因疫情導致的社會活動下降、交通管制及上下游企業停工等原因影響了本集團產品的生產及銷售活動，導致本集團的商超、流通渠道及正在開發的餐飲渠道較二零一九年同期下降了約人民幣9.7百萬元，約4.4%；另一方面，受益於疫情導致的線上消費習慣的轉移，電商渠道的銷售情況直接受益於家庭居家消費的增長，本集團的電商渠道的銷售額較二零一九年同期上升了約人民幣0.6百萬元，約4.0%。



# CHAIRMAN'S STATEMENT

## 主席報告

In 2020, cooking wine products remained as a major source of our revenue, accounting for approximately 69.3% of our total revenue. In addition, as our soy sauce production capacity has not been effectively released, sales of our soy sauce products in 2020 were approximately RMB25.2 million, accounting for approximately 11.1% of our total revenue. In terms of market strategy, we continued the market penetration strategy being implemented in 2019 with an aim to cope with the adverse impact of the pandemic on the business environment by strengthening our distribution network. We have maintained the number of distributors at approximately 624, and extended the network to cover 30 provinces, autonomous regions and municipalities across the country. In order to cope with the aforementioned market penetration strategy and to deal with the adverse effects of the pandemic, the Group adjusted its product structure to increase the proportion of sales of niche, mid-end and low-end products with relatively lower gross profit. As a result, the gross profit margin of the Group's products decreased from 29.3% in 2019 to 20.1% in 2020.

The loss attributable to ordinary equity holders of the parent company of the Group was approximately RMB845.3 million, representing a decrease of approximately 63.0% as compared to the corresponding period in 2019, which was mainly due to the issues arising from the investigation as set out on pages 26 to 28 of this annual report, and the impact of the aforementioned decline in revenue and gross profit. In view of the current growing demand of our customers and the anticipated sales growth of soy sauce, rice vinegar and fermented bean curd products brought by the further development of the sales channels, we consider that a rich and diversified condiment products portfolio would be more beneficial to the business development of the Group in the coming years. Thus, we are pursuing in-depth development for the industry chain of the Group's condiment products at multiple levels, thereby establishing Lao Heng He as a diversified condiment manufacturer with cooking wine as a dominant product.

於二零二零年，料酒系列產品繼續成為我們的主要收入來源之一，佔總收入約69.3%。另一方面，因我們醬油產品的產能未能有效釋放，故二零二零年我們醬油產品銷售收入約為人民幣25.2百萬元，佔總收入約11.1%。在市場戰略方面，我們繼續延續二零一九年度的市場滲透戰略，旨在通過增強我們的經銷商網絡而來應對疫情對商業環境的不利影響。我們的經銷商數量保持約624家，並已下沉至全國三十個省、自治區及直轄市。為順應前述市場滲透策略及應對疫情的不利影響，我們調整了本集團的產品結構，更大眾化的毛利相對較低的中低端產品的銷售佔比增加。因此，本集團產品的毛利率從截至二零一九年的29.3%下降至二零二零年的20.1%。

主要由於本年報第26至28頁所載調查中發現的問題以及上述收入及毛利下降的影響，本集團母公司普通權益持有人應佔虧損約為人民幣845.3百萬元，較二零一九年同期下降約63.0%。基於對現有不斷增長的客戶需求和對銷售渠道進一步發展而帶來的醬油、米醋、腐乳等產品的銷售增長預期，我們認為豐富而多元化的調味品結構將更有利於本集團未來幾年的業務發展。因此我們正多層次地深度開發本集團的調味品產業鏈，將老恒和打造成以料酒為主導產品的多元化調味品製造商。





# CHAIRMAN'S STATEMENT

## 主席報告

Our profitability mainly depends on product pricing and our cost of sales, marketing strategy and the product structure and mix. We are actively monitoring any potential risk factors that may have impact our financial results, and trying to mitigate any upward pressure on costs and expenses with more efficient operation, higher profit margins and better product mix and sales channels. The Group faces certain risks in its business development, including: (1) the risk of significant increase in production costs, such as the increase in the prices of subsidiary agricultural products, which are affected by the plantation area, weather conditions, market supply and demand, international futures market pricing, and other factors during the year, as well as packaging cost and labour cost, which are both on the rise; (2) the negative impact on our sales due to changes in customers' spending habits in condiment products, and changing consumption models, which leads to the increasingly diversified channel operation of condiment enterprises; (3) the greater-than-expected increase in market expansion costs and selling expenses; (4) the possible failure of our newly developed products to obtain market recognition in the short run; (5) the more complicated sales policies and credit terms management due to the rapid increase in the number of distributors of the Company; (6) the adverse effects of the ongoing COVID-19 pandemic; and (7) the impact brought by the increasingly abnormal supply chain operation of the Company.

### APPRECIATION

I would like to take this opportunity to express my sincere gratitude to our Shareholders, Board members, management team and all our employees, as well as our business partners and customers for their continuous support and contribution to the Group.

**Chen Wei**

*Chairman of the Board*

28 September 2022

我們的盈利能力主要受產品訂價及我們的銷售成本、營銷策略、產品架構及組合所影響。我們正積極監控任何可能影響我們財務業績的潛在風險因素，並試圖憑藉更高效的營運及利潤率以更佳的產品組合和銷售渠道緩和成本和費用的增加。然而，本集團在業務發展過程中同樣面臨一定風險，包括：(1)生產成本大幅上漲的風險，如農副產品價格受當年的種植面積、氣候條件、市場供求關係以及國際期貨市場價格等因素的影響；包裝成本和勞務成本不斷增加和上升；(2)消費者消費調味產品習慣的轉變及消費方式不斷發生變化，促使調味品企業渠道運營方式不斷多樣化。為我們的銷售帶來負面影響；(3)市場的拓展成本和銷售費用較公司預期大幅上升；(4)我們開發的新產品短期內可能無法獲得市場認可；(5)隨著公司經銷商數量的快速增長，銷售政策及信貸期限管理更加複雜；(6)新冠疫情持續帶來的不利影響；及(7)企業供應鏈趨於不正常作業的影響。

### 致謝

本人謹藉此機會由衷感謝我們的股東、董事會成員、管理團隊及全體員工，以及我們業務夥伴及客戶對本集團一如既往的支持和貢獻。

**陳偉**

*董事會主席*

二零二二年九月二十八日



# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Chen Wei<sup>1</sup>  
Mr. Liu Jianbin<sup>2</sup>  
Mr. Sheng Mingjian<sup>3</sup>  
Mr. Chen Weizhong<sup>4</sup>  
Mr. Wang Chao<sup>5</sup>

#### Non-executive Director

Mr. Gu Wei<sup>6</sup>  
Mr. He Yuanchuan<sup>7</sup>

#### Independent Non-executive Directors

Mr. Shen Zhenchang  
Mr. Ng Wing Fai  
Mr. Sun Jiong

### COMPANY SECRETARY

Mr. Au Wai Keung

### AUTHORISED REPRESENTATIVES

Mr. Chen Weizhong<sup>8</sup>  
Mr. Au Wai Keung  
Mr. Liu Jianbin<sup>9</sup>

### AUDIT COMMITTEE

Mr. Ng Wing Fai (*Chairman*)  
Mr. Sun Jiong  
Mr. Shen Zhenchang  
Mr. Gu Wei<sup>10</sup>  
Mr. He Yuanchuan<sup>11</sup>

### REMUNERATION COMMITTEE

Mr. Shen Zhenchang (*Chairman*)  
Mr. Ng Wing Fai  
Mr. Sun Jiong

- <sup>1</sup> Appointed on 11 September 2020
- <sup>2</sup> Appointed on 2 February 2021
- <sup>3</sup> Resigned on 28 June 2022
- <sup>4</sup> Resigned on 2 February 2021
- <sup>5</sup> Resigned on 11 September 2020
- <sup>6</sup> Appointed on 2 September 2020
- <sup>7</sup> Resigned on 28 August 2020
- <sup>8</sup> Resigned on 2 February 2021
- <sup>9</sup> Appointed on 2 February 2021
- <sup>10</sup> Appointed on 2 September 2020
- <sup>11</sup> Resigned on 28 August 2020

### 董事會

#### 執行董事

陳偉先生<sup>1</sup>  
劉建鑽先生<sup>2</sup>  
盛明健先生<sup>3</sup>  
陳衛忠先生<sup>4</sup>  
王超先生<sup>5</sup>

#### 非執行董事

顧偉先生<sup>6</sup>  
何源川先生<sup>7</sup>

#### 獨立非執行董事

沈振昌先生  
吳榮輝先生  
孫頌先生

### 公司秘書

區偉強先生

### 授權代表

陳衛忠先生<sup>8</sup>  
區偉強先生  
劉建鑽先生<sup>9</sup>

### 審核委員會

吳榮輝先生 (*主席*)  
孫頌先生  
沈振昌先生  
顧偉先生<sup>10</sup>  
何源川先生<sup>11</sup>

### 薪酬委員會

沈振昌先生 (*主席*)  
吳榮輝先生  
孫頌先生

- <sup>1</sup> 於二零二零年九月十一日獲委任
- <sup>2</sup> 於二零二一年二月二日獲委任
- <sup>3</sup> 於二零二二年六月二十八日辭任
- <sup>4</sup> 於二零二一年二月二日辭任
- <sup>5</sup> 於二零二零年九月十一日辭任
- <sup>6</sup> 於二零二零年九月二日獲委任
- <sup>7</sup> 於二零二零年八月二十八日辭任
- <sup>8</sup> 於二零二一年二月二日辭任
- <sup>9</sup> 於二零二一年二月二日獲委任
- <sup>10</sup> 於二零二零年九月二日獲委任
- <sup>11</sup> 於二零二零年八月二十八日辭任

# CORPORATE INFORMATION

## 公司資料

### NOMINATION COMMITTEE

Mr. Sun Jiong (*Chairman*)  
Mr. Ng Wing Fai  
Mr. Shen Zhenchang

### AUDITORS

Grant Thornton Hong Kong Limited  
*Certified Public Accountants*  
11th Floor, Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong

### REGISTERED OFFICE

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

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Balidian Town  
Food and Industrial Park  
Wuxing District, Huzhou City  
Zhejiang 313000, PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A5, 7/F  
China United Plaza  
1008 Tai Nan West Street  
Kowloon, Hong Kong

### 提名委員會

孫頌先生(主席)  
吳榮輝先生  
沈振昌先生

### 核數師

致同(香港)會計師事務所有限公司  
*執業會計師*  
香港  
銅鑼灣  
恩平道28號  
利園二期11樓

### 註冊辦事處

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

### 中國總部及主要營業地點

中國浙江省  
湖州市吳興區  
八里店鎮食品工業園  
郵編：313000

### 香港主要營業地點

香港九龍  
大南西街1008號  
華匯廣場  
7樓A5室



# CORPORATE INFORMATION

## 公司資料

### PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited  
Zhili Branch  
No. 583, 587, 589 Zhenbei Road  
Zhili Town  
Huzhou City, Zhejiang Province  
PRC

Bank of China Limited  
Huzhou Branch  
No. 208, Renmin Road  
Huzhou City, Zhejiang Province  
PRC

Agricultural Bank of China Limited  
Huzhou Branch  
No. 88, Renmin Road  
Huzhou City, Zhejiang Province  
PRC

### LEGAL ADVISER AS TO HONG KONG LAW

Chungs Lawyers in association with DeHeng Law Offices  
28/F, Henley Building  
5 Queen's Road Central  
Central, Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### STOCK CODE

Stock code: 2226

### WEBSITE

<http://www.hzlaohenghe.com>

### 主要往來銀行

中國工商銀行股份有限公司  
織里支行  
中國  
浙江省湖州市  
織里鎮  
珍貝路583、587、589號

中國銀行股份有限公司  
湖州市分行  
中國  
浙江省湖州市  
人民路208號

中國農業銀行股份有限公司  
湖州分行  
中國  
浙江省湖州市  
人民路88號

### 香港法律顧問

鍾氏律師事務所(與德恒律師事務所聯營)  
香港中環  
皇后大道中5號  
衡怡大廈28樓

### 主要股份過戶登記處

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

### 香港證券登記處

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東183號  
合和中心17樓  
1712-1716號舖

### 股份代號

股份代號：2226

### 網址

<http://www.hzlaohenghe.com>



# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員履歷

Below are brief profiles of the directors (“Directors”, each a “Director”) 以下載列本集團董事(「董事」)及高級管理層的簡介。 and senior management of the Group.

Name 姓名	Age 年齡	Current Position 現任職位	Date of appointment as Director 獲委任為董事日期
<b>Executive Directors</b> 執行董事			
Chen Wei (Wang Chao resigned as the executive Director on 11 September 2020) 陳偉(王超於二零二零年九月十一日辭任執行董事)	44	Chairman of the Board and executive Director 董事會主席兼執行董事	11 September 2020 二零二零年九月十一日
Liu Jianbin 劉建濱	45	Executive Director and chief executive officer 執行董事兼首席執行官	2 February 2021 二零二一年二月二日
Sheng Mingjian (resigned as executive Director on 28 June 2022) 盛明健(於二零二二年六月二十八日辭任執行董事)	48	Not applicable 不適用	17 December 2013 二零一三年十二月十七日
Chen Weizhong (resigned as the chairman of the Board on 11 September 2020 and resigned as executive Director and chief executive officer on 2 February 2021) 陳衛忠(於二零二零年九月十一日辭任董事會主席並於二零二一年二月二日辭任執行董事及首席執行官)	51	Not applicable 不適用	13 May 2013 二零一三年五月十三日
<b>Non-executive Director</b> 非執行董事			
Gu Wei 顧偉	38	Non-executive Director 非執行董事	2 September 2020 二零二零年九月二日
He Yuanchuan (resigned as non-executive Director on 28 August 2020) 何源川(於二零二零年八月二十八日辭任非執行董事)	32	Not applicable 不適用	12 April 2019 二零一九年四月十二日
<b>Independent non-executive Directors</b> 獨立非執行董事			
Shen Zhenchang 沈振昌	76	Independent non-executive Director 獨立非執行董事	17 December 2013 二零一三年十二月十七日
Ng Wing Fai 吳榮輝	64	Independent non-executive Director 獨立非執行董事	29 June 2017 二零一七年六月二十九日
Sun Jiong 孫頌	82	Independent non-executive Director 獨立非執行董事	29 June 2017 二零一七年六月二十九日

# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員履歷

### EXECUTIVE DIRECTORS

**Mr. Chen Wei (陳偉)**, aged 44, is the chairman of the Board and the executive Director. He is primarily responsible for our Group's overall strategic planning, recipes use and control, distribution network expansion and overall business operations.

Mr. Chen has been the chairman of the board of directors of Huzhou Wuxing City Investment Development Group Limited\* (湖州吳興城市投資發展集團有限公司) ("Huzhou Wuxing City") since September 2017. Huzhou Wuxing City is a stated-owned enterprise principally engaging in the business of urban infrastructure construction, agricultural development, mine ecological development, land development and the management of social facilities. From August 2012 to September 2017, Mr. Chen worked at Zhejiang Province Huzhou Municipality Nantaihu High Technology Industrial Park Management Committee\* (浙江省湖州市南太湖高新技術產業園區管理委員會) with his last position as the director of the management committee.

Mr. Chen received a diploma of agricultural economic management (financial management in township enterprise) from the Zhejiang University in June 1999 and a Bachelor's degree of political ideology from the Party School of the Central Committee of Chinese Communist Party in December 2002. From September 2010 to January 2014, he pursued a part-time postgraduate study of the Master's degree of Marxist Philosophy from the Party School of the Zhejiang Province of Chinese Communist Party.

### 執行董事

陳偉先生，44歲，為董事會主席兼執行董事。彼主要負責本集團的整體策略規劃、配方運用及控制、經銷網絡擴張及總體業務經營。

陳先生自二零一七年九月起擔任湖州吳興城市投資發展集團有限公司(「湖州吳興城市」)的董事長。湖州吳興城市為國有企業，主要從事城市基建、農業發展、礦業生態發展、土地開發及社會設施管理業務。於二零一二年八月至二零一七年九月，陳先生任職於浙江省湖州市南太湖高新技術產業園區管理委員會，離職前擔任管理委員會主任。

陳先生於一九九九年六月獲浙江大學頒授農業經濟與管理學(鄉鎮企業財務管理)文憑及於二零零二年十二月獲中共中央黨校頒授政工專業學士學位。於二零一零年九月至二零一四年一月期間，彼於中共浙江省委黨校接受馬克思主義哲學專業在職研究生教育。



# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員履歷

**Mr. Liu Jianbin (劉建濱)**, aged 45, is our executive Director and chief executive officer. Mr. Liu is primarily responsible for the management of our Group's financing activities and assisting Mr. Chen to manage the overall business operations. He has been the manager of financing department of Huzhou Laohenghe Brewery Co., Limited\* (湖州老恒和釀造有限公司) since September 2019. Before joining the Group, Mr. Liu worked in Bank of China Huzhou Branch from August 1998 to March 2008, during which he successively served as an account manager of the business department, an account manager of the asset security department and an intermediate manager of the business department. Subsequently, Mr. Liu served as a general manager of the company business department of Shanghai Pudong Development Bank Huzhou Branch from April 2008 to January 2013, and a general manager of the small and medium enterprise department and the sales department of Huaxia Bank Huzhou Branch successively from February 2013 to June 2014. Mr. Liu was the president of Huaxia Bank Zhili Branch during July 2014 to September 2015, and then worked as a deputy general manager of the risk management department of Huaxia Bank Huzhou Branch. Mr. Liu served as a general manager of Huzhou SME Financial Service Center from June 2016 to August 2018 and a managing director of Zhejiang Guohan Yingjia Asset Management Co., Ltd\* (浙江國瀚贏家資產管理有限公司) from August 2018 to September 2019. Mr. Liu obtained a bachelor's degree from Southwest Normal University (西南師範大學) in October 2004.

### NON-EXECUTIVE DIRECTOR

**Mr. Gu Wei (顧偉)**, aged 38, is our non-executive Director and a member of the audit committee of the Company. Mr. Gu has been serving as vice president of Lunar Capital Partners IV L.P. ("Lunar Capital") and head of the risk control department since April 2020. Lunar Capital is a leading private equity fund focusing on consumer market in China and a substantial shareholder of the Company. Mr. Gu focuses on due diligence in investment related fields in the consumer and retail industries, corporate risk control and internal control. Before joining Lunar Capital, Mr. Gu worked in the Beijing Municipal Public Security Bureau, where he led a team to investigate domestic related economic cases and other major cases, and was awarded the Capital Labor Medal\* (首都勞動獎章). Mr. Gu obtained a bachelor's degree in investigation from the People's Public Security University of China (中國人民公安大學) in July 2007 and a master's degree in public management from Beijing Normal University (北京師範大學) in July 2013.

劉建濱先生，45歲，為我們的執行董事及首席執行官。劉先生主要負責管理本集團的融資活動及協助陳先生管理總體業務經營。彼自二零一九年九月起擔任湖州老恒和釀造有限公司的融資部經理。加入本集團之前，劉先生於一九九八年八月至二零零八年三月在中國銀行湖州分行工作，期間先後擔任業務部客戶經理、資產保全部客戶經理及業務部中級經理。隨後，劉先生於二零零八年四月至二零一三年一月擔任上海浦東發展銀行湖州分行公司業務部的總經理，並於二零一三年二月至二零一四年六月期間先後擔任華夏銀行湖州分行中小企業部及營業部的總經理。劉先生於二零一四年七月至二零一五年九月擔任華夏銀行織里支行行長，其後擔任華夏銀行湖州分行風險管理部副總經理。劉先生於二零一六年六月至二零一八年八月擔任湖州市中小企業金融服務中心總經理，並於二零一八年八月至二零一九年九月擔任浙江國瀚贏家資產管理有限公司的董事總經理。劉先生於二零零四年十月取得西南師範大學本科學歷。

### 非執行董事

顧偉先生，38歲，為非執行董事及本公司審核委員會成員。顧先生自二零二零年四月起一直擔任Lunar Capital Partners IV L.P. (「Lunar Capital」) 副總裁及風險控制部主管。Lunar Capital為一家專注中國消費者市場的領先私募股權基金及本公司主要股東。顧先生專注消費及零售業投資相關範疇的盡職審查、企業風險監控及內部監控。於加入Lunar Capital前，顧先生於北京市公安局任職，領導團隊調查與國內有關的經濟案件及其他重大案件，並獲授首都勞動獎章。顧先生於二零零七年七月取得中國人民公安大學的偵查學學士學位，並於二零一三年七月取得北京師範大學的公共管理碩士學位。



# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員履歷

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Shen Zhenchang (沈振昌)**, aged 76, is our independent non-executive Director. Mr. Shen is also the chairman of the remuneration committee, and a member of the nomination committee, and a member of the audit committee of the Company. Mr. Shen has more than 40 years of experience in the rice wine industry. From 1971 to 2006, Mr. Shen worked with China Shaoxing Rice Wine Group (中國紹興黃酒集團有限公司) (previously known as Shaoxing City Rice Wine Corporation (紹興市釀酒總公司)). Before his retirement from China Shaoxing Rice Wine Group in 2006, Mr. Shen was the director of its office and general affairs department.

Mr. Shen is a member of China Brewing Industry Association (rice wine branch) (中國釀酒工業協會黃酒分會), where he has been the deputy council director and secretary general since 2000.

Additionally, Mr. Shen served as a member of National Wine Brewing Standard Technology Committee (全國釀酒標準化技術委員會), a judge at the reviewing committee of China Alcoholic Drinks Association Science Technology Award (中國酒業協會科學技術獎), and the deputy director of the editorial board of China Rice Wine magazine (《中國黃酒》). He is currently working as a senior consultant of China Alcoholic Drinks Association (rice wine branch) (中國酒業協會黃酒分會).

**Mr. Ng Wing Fai (吳榮輝)**, aged 64, is our independent non-executive Director. Mr. Ng is also the chairman of the audit committee, and a member of the remuneration committee and a member of the nomination committee of the Company. Mr. Ng has over 20 years of experience in audit, taxation and consultancy in government and non-government institutes. Mr. Ng holds a bachelor's of arts degree in accountancy and a master's degree of arts in international accounting from City University of Hong Kong. He also holds a bachelor's degree with Honour in UK and Hong Kong law from The Manchester Metropolitan University. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Institute of Chartered Accountants in England and Wales, a past president of the Society of Chinese Accountants & Auditors (2011), and a member of the Hong Kong Securities Institute. Mr. Ng served as an independent non-executive director of China Automation Group Limited (stock code: 569), a company listed on the Stock Exchange, from June 2007 to October 2019; and an independent non-executive director of Evergreen International Holdings Limited (stock code: 238), a company listed on the Stock Exchange, from June 2016 to September 2020.

### 獨立非執行董事

沈振昌先生，76歲，為我們的獨立非執行董事。沈先生亦為薪酬委員會主席，以及本公司提名委員會成員及審核委員會成員。沈先生在黃酒行業擁有40多年經驗。自一九七一年至二零零六年，沈先生於中國紹興黃酒集團有限公司(前稱為紹興市釀酒總公司)任職。於二零零六年從中國紹興黃酒集團有限公司退休之前，沈先生擔任該公司辦公室主任及綜合部部長。

沈先生為中國釀酒工業協會黃酒分會會員，彼自二零零零年起擔任該分會的副理事長兼秘書長。

此外，沈先生曾為全國釀酒標準化技術委員會委員、中國酒業協會科學技術獎評委會委員以及《中國黃酒》雜誌的編委會副主任。彼現為中國酒業協會黃酒分會的高級顧問。

吳榮輝先生，64歲，為我們的獨立非執行董事。吳先生亦為本公司審核委員會主席以及薪酬委員會及提名委員會成員。吳先生擁有逾20年在政府及非政府機構之核數、稅務及諮詢方面之經驗。吳先生持有香港城市大學會計文學士學位及國際會計學文學碩士學位，並持有曼徹斯特都會大學之英國及香港法律榮譽學士學位。彼為香港會計師公會資深會員、英格蘭及威爾斯特許會計師公會資深會員、香港華人會計師公會前任會長(二零一一年)及香港證券學會會員。吳先生於二零零七年六月至二零一九年十月出任聯交所上市公司中國自動化集團有限公司(股份代號：569)之獨立非執行董事；及於二零一六年六月至二零二零年九月出任聯交所上市公司長興國際(集團)控股有限公司(股份代號：238)的獨立非執行董事。





# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員履歷

**Mr. Sun Jiong (孫頌)**, aged 82, is our independent non-executive Director. Mr. Sun is also the chairman of the nomination committee, and a member of the remuneration committee and a member of the audit committee of the Company. Mr. Sun is a senior postgraduate engineer. Mr. Sun graduated from fermentation engineering profession of Wuxi Institute of Light Industry (無錫輕工業學院) in 1963. Mr. Sun served as an engineer and the topic responsible officer (課題負責人) of the Food Fermentation Institute of the Department of Light Industry of the PRC (中國輕工業部食品發酵所) from 1963 to 1979, and a senior engineer and officer of the Environmental Protection Research Institute of the Department of Light Industry of the PRC (中國輕工業部環境保護研究所) from 1979 to 1988. Mr. Sun also served as the deputy general manager of the Food Engineering Technological Development Company (中國食品工業技術開發總公司) from 1988 to 1991 and the deputy general manager and senior postgraduate engineer of China National Food Industry (Group) Corporation (中國食品工業(集團)公司) from 1991 to 1997. He has also served as the head of institute, professor and tutor of PhD students of the Food Fermentation Industry Research Institute (中國食品發酵工業研究院) from 1997 to 2002. Mr. Sun has been the instructor of PhD students of Jiangnan University since December 2001 and has also acts as part-time professor of various universities including Zhongshan University, Shandong University, South China University of Technology, Tianjin University of Science and Technology and Shanghai University. Mr. Sun has been a senior consultant of the Chinese Institute of Food Science and Technology (中國食品科學技術學會) and a food safety expert of the State Food and Drug Administration since 2002.

孫頌先生，82歲，為我們的獨立非執行董事。孫先生亦為本公司提名委員會主席以及薪酬委員會及審核委員會成員。孫先生為研究員級高級工程師。孫先生於一九六三年在無錫輕工業學院以發酵工學專業畢業。孫先生於一九六三年至一九七九年在中國輕工業部食品發酵所任職工程師及課題負責人，並於一九七九年至一九八八年在中國輕工業部環境保護研究所任職高級工程師及室主任。孫先生亦於一九八八年至一九九一年在中國食品工業技術開發總公司出任副總經理，並於一九九一年至一九九七年在中國食品工業(集團)公司擔任副總經理及研究員級高級工程師。彼亦於一九九七年至二零零二年在中國食品發酵工業研究院任職院長、教授及博士研究生導師。孫先生自二零零一年十二月起擔任江南大學博士生指導教師，並於中山大學、山東大學、華南理工大學、天津科技大學及上海大學等多家大學擔任客座教授。孫先生自二零零二年起為中國食品科學技術學會高級顧問及國家食品藥品監督管理局食品安全專家。



# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員履歷

### SENIOR MANAGEMENT

### 高級管理層

Name 姓名	Age 年齡	Year joined 加入年份	Current Position 現任職位
Chen Wei 陳偉	44	2020 二零二零年	Chairman of the Board and executive Director 董事會主席兼執行董事
Liu Jianbin 劉建鏞	45	2019 二零一九年	Executive Director and chief executive officer 執行董事兼首席執行官
Wang Chao (resigned as executive Director on 11 September 2020) 王超(於二零二零年九月十一日辭任執行董事)	45	2006 二零零六年	Head of the sales and marketing 銷售及市場推廣主管
Wan Peiyao 萬培耀	51	2005 二零零五年	Director of production 生產部主管
Chen Weizhong (resigned as the chairman of the Board on 11 September 2020 and resigned as executive Director and chief executive officer on 2 February 2021) 陳衛忠(於二零二零年九月十一日辭任董事會主席並於二零二一年二月二日辭任執行董事及首席執行官)	51	2005 二零零五年	Not applicable 不適用
Liu Chuanli (resigned as financial controller on 25 June 2022) 劉傳禮(於二零二二年六月二十五日辭任財務總監)	42	2012 二零一二年	Officer of the Board office 董事會辦公室主任
Sheng Mingjian (resigned as executive Director and vice general manager on 28 June 2022) 盛明健(於二零二二年六月二十八日辭任執行董事及副總經理)	48	2006 二零零六年	Not applicable 不適用



# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員履歷

**Mr. Chen Wei (陳偉)**, aged 44, is the chairman of the Board and executive Director. His biographical details are set out above under the section headed “Profile of Directors and Senior Management — Executive Directors” to this annual report.

陳偉先生，44歲，為董事會主席及執行董事。彼之履歷詳情載於本年報上文「董事及高級管理人員履歷 — 執行董事」一節。

**Mr. Liu Jianbin (劉建濱)**, aged 45, is our executive Director and chief executive officer. His biographical details are set out above under the section headed “Profile of Directors and Senior Management — Executive Directors” to this annual report.

劉建濱先生，45歲，為我們的執行董事及首席執行官。彼之履歷詳情載於本年報上文「董事及高級管理人員履歷 — 執行董事」一節。

**Mr. Wang Chao (王超)**, aged 45, is our head of the sales and marketing, and was the executive Director in FY2020. He has over 15 years of experience in the condiment industry. Mr. Wang joined Huzhou Lao Heng He Brewing Factory (湖州老恒和釀造廠) (currently Huzhou Lao Heng He Brewery Co., Ltd. (“**Huzhou Lao Heng He**”) in 1998 where he worked in various departments, including business operation department and finance department. Since 2006, Mr. Wang worked in management positions in Huzhou Lao Heng He’s customer service centre and sales and marketing department. Mr. Wang graduated from Zhejiang Electronic Polytechnic School (浙江省電子工業學校), a technical middle school in 1998.

王超先生，45歲，為我們的銷售及市場推廣主管，於二零二零財年曾為執行董事。彼在調味品行業擁有逾15年的經驗。王先生於一九九八年加入湖州老恒和釀造廠(現稱湖州老恒和釀造有限公司(「**湖州老恒和**」))，曾於該廠的多個部門工作，包括業務營運部門及財務部門。自二零零六年起，王先生於湖州老恒和的客戶服務中心以及銷售及市場推廣部擔任管理職務。王先生於一九九八年畢業於一所中等專業學校浙江省電子工業學校。

**Mr. Wan Peiyao (萬培耀)**, aged 51, is our director of production department. He is primarily responsible for the Group’s production management. He has more than 11 years of experience in the condiment and cooking wine industry. Mr. Wan joined our Group in 2005, and has worked in various departments including workshop operation department, cooking wine production department and plant operation department. Prior to joining our Group, Mr. Wan was the plant manager and executive assistant to the general manager of Huzhou Ganchang Wine Company (湖州乾昌酒業有限公司) from 2000 to 2005. Mr. Wan passed the test for first-class sommelier of PRC (國家一級品酒師) in December 2012.

萬培耀先生，51歲，為我們的生產部主管。彼主要負責本集團的生產管理。彼於調味料及料酒行業擁有逾11年經驗。萬先生於二零零五年加入本集團，曾於工場經營部、料酒生產部及工廠經營部等多個部門任職。於加入本集團前，自二零零零年至二零零五年期間，萬先生曾任湖州乾昌酒業有限公司工廠經理及總經理執行助理。萬先生於二零一二年十二月通過國家一級品酒師測試。

Mr. Wan graduated from Zhejiang University of Technology (浙江工業大學) with a bachelor’s degree in industrial engineering (biochemistry) in 1995.

萬先生於一九九五年畢業於浙江工業大學，獲得工業工程(生物化學)學士學位。

**Mr. Liu Chuanli (劉傳禮)**, aged 42, is the officer of the Board office. He joined our Group in July 2012 and had more than 11 years of experience in financial management. He resigned as the financial controller of the Company with effect from 25 June 2022 and was redesigned as the officer of Board office with effect from 28 June 2022. He obtained a bachelors’ degree majoring in accounting and e-commerce from Hefei University (合肥學院) in 2003.

劉傳禮先生，42歲，為董事會辦公室主任。彼於二零一二年七月加入本集團，擁有逾11年的財務管理經驗。彼於二零二二年六月二十五日辭任本公司財務總監，並於二零二二年六月二十八日獲調任為董事會辦公室主任。彼於二零零三年取得合肥學院會計及電子商務專業學士學位。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### BUSINESS REVIEW

For details of our business review, please refer to the section on “Chairman’s Statement” on pages 4 to 7 to this annual report.

### FINANCIAL REVIEW

#### Overview

The key financial indicators of the Group are as follows:

### 業務回顧

有關我們業務回顧之詳情，請參閱本年報第4至7頁的「主席報告」一節。

### 財務回顧

#### 概覽

本集團的主要財務指標如下：

		Year ended 31 December 截至十二月三十一日止年度		Year-on-year Change 按年變動
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	%
<b>Income statement items</b>	<b>收益表項目</b>			
Revenue	收入	226,331	235,456	(3.9)
Gross profit	毛利	45,600	69,018	(33.9)
Loss attributable to owners of the Company	本公司持有人應佔虧損	(845,293)	(2,285,365)	(63.0)
Loss before interest, taxes, depreciation and amortization (“LBITDA”)	除利息、稅項、折舊及攤銷前虧損（「除利息、稅項、折舊及攤銷前虧損」）	(718,216)	(2,176,767)	(67.0)
Loss per share (RMB) (note (a))	每股虧損（人民幣元）（附註(a)）	(1.46)	(3.95)	(63.0)
<b>Selected financial ratios</b>	<b>節選財務比率</b>			
Gross profit margin (%)	毛利率(%)	20.1	29.3	(31.3)
Net Loss margin (%)	淨虧損率(%)	(373.5)	(970.6)	(61.5)
LBITDA margin (%)	除利息、稅項、折舊及攤銷前虧損率(%)	(317.3)	(924.5)	(65.7)
Return on equity holders’ equity (%)	權益持有人權益回報(%)	(84.5)	(1,889.5)	(95.5)
Gearing ratio (note (b))(%)	資本負債比率（附註(b)）(%)	189.6	106.9	77.4

Notes:

- (a) Please refer to note 16 to the consolidated financial statements of this report for the calculation of loss per share.
- (b) The gearing ratio is based on net debt divided by net debt plus total deficit as at 31 December 2020. Net debt includes total debt net of cash and cash equivalents. Total debt includes trade payables, other payables and accruals, amounts due to related companies, amount due to ultimate holding company, interest-bearing bank and other borrowings provision for loss on unauthorised guarantees and other long term liabilities.

附註：

- (a) 有關每股虧損的計算方法，請參閱本報告的綜合財務報表附註16。
- (b) 於二零二零年十二月三十一日，資本負債比率按淨債務除以虧絀總額加淨債務計算。淨債務包括總債務減現金及現金等價物。總債務包括應付貿易款項、其他應付款項及應計項目、應付關聯公司款項、應付最終控股公司款項、計息銀行及其他借款、未經授權擔保虧損撥備以及其他長期負債。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Revenue

The revenue of the Group slightly decreased by 3.9% from RMB235.5 million in 2019 to RMB226.3 million in 2020, primarily due to the impact of COVID-19 pandemic.

Revenue from cooking wine products increased by 6.4% from RMB147.5 million in 2019 to RMB156.9 million in 2020, primarily due to changes in the structure of the goods sold.

Revenue from the Group's soy sauce products decreased by 25.3%, from RMB33.7 million in 2019 to RMB25.2 million in 2020, primarily because the production capacity of soy sauce has not been effectively utilised and the aforesaid impact of COVID-19 pandemic.

Revenue from the Group's rice vinegar products decreased by 2.3% from RMB17.1 million in 2019 to RMB16.7 million in 2020, primarily due to the aforesaid impact of COVID-19 pandemic.

While introducing new products to the market, we have also adjusted our product portfolio of other products by reducing the production volume of low-performing products during the year. As a result, the revenue from the Group's other products decreased by 25.9% from RMB37.2 million in 2019 to RMB27.5 million in 2020.

### Cost of Sales

Our cost of sales increased by 8.6% from RMB166.4 million in 2019 to RMB180.7 million in 2020. The increase in cost of sales was primarily attributable to the impact of pandemic and the rising prices of some raw materials.

### Gross Profit and Gross Profit Margin

Our gross profit decreased by 33.9% from RMB69.0 million in 2019 to RMB45.6 million in 2020. The gross profit margin decreased from 29.3% in 2019 to 20.1% in 2020, primarily due to the aforesaid reasons.

### 收入

本集團的收入略有下降，由二零一九年的人民幣235.5百萬元減少3.9%至二零二零年的人民幣226.3百萬元，主要由於新冠疫情的影響所致。

料酒產品的收入由二零一九年的人民幣147.5百萬元增長6.4%至二零二零年的人民幣156.9百萬元，主要由於已售產品結構變化所致。

本集團醬油產品的收入由二零一九年的人民幣33.7百萬元減少25.3%至二零二零年的人民幣25.2百萬元，主要由於醬油的產能未能被有效利用及上述新冠疫情的影響所致。

本集團米醋產品的收入由二零一九年的人民幣17.1百萬元減少2.3%至二零二零年的人民幣16.7百萬元，主要由於上述新冠疫情的影響所致。

在向市場投放新產品的同時，我們於本年也對我們其他產品的產品結構進行調整，縮減了市場表現不好的產品的產量。因此，本集團其他產品的收入從二零一九年的人民幣37.2百萬元減少25.9%至二零二零年的人民幣27.5百萬元。

### 銷售成本

我們的銷售成本由二零一九年的人民幣166.4百萬元增加8.6%至二零二零年的人民幣180.7百萬元。銷售成本的增加主要由於新冠疫情的影響及部分原材料價格上漲影響所致。

### 毛利及毛利率

我們的毛利由二零一九年的人民幣69.0百萬元減少33.9%至二零二零年的人民幣45.6百萬元。毛利率由二零一九年的29.3%下跌至二零二零年的20.1%，主要由於上述綜合影響所致。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Other Income and Gains

Other income and gains decreased by 21.8% from RMB18.7 million in 2019 to RMB14.6 million in 2020. Other income and gains primarily include subsidies received, bank interest income, foreign exchange gain, net and written off of amounts due to directors. The decrease in other income and gains was primarily due to a decrease in subsidies received and bank interest income.

### Selling and Distribution Expenses

Selling and distribution expenses primarily consist of advertising expenses, marketing expenses, promotion expenses, travelling expenses, and remuneration of our sales employees.

Our selling and distribution expenses decreased from RMB96.1 million in 2019 to RMB55.7 million in 2020, and the distribution expenses as a percentage of the Group's revenue decreased from 40.8% in 2019 to 24.6% in 2020, primarily due to a decrease in advertising expenses.

### Administrative Expenses

The administrative expenses decrease by 4.9% from RMB75.9 million in 2019 to RMB72.1 million in 2020. The decrease in administrative expenses was primarily due to a decrease in research and development expenses.

### Finance Costs

Finance costs increased by 35.6% from RMB71.0 million in 2019 to RMB96.2 million in 2020. The increase in finance costs primarily reflected the increase in interest expenses from RMB71.0 million in 2019 to RMB96.2 million in 2020 primarily attributable to the increase in average borrowing amount.

### Loss before Income Tax

Due to the aforesaid reasons, the loss before income tax decreased by 63.0% from RMB2,278.3 million in 2019 to RMB843.2 million in 2020.

### 其他收入及收益

其他收入及收益由二零一九年的人民幣18.7百萬元減少21.8%至二零二零年的人民幣14.6百萬元。其他收入及收益主要包括收到的補貼、銀行利息收入、匯兌收益淨值及撇銷應付董事款項。其他收入及收益減少主要由於收到的補貼及銀行利息收入減少所致。

### 銷售及經銷開支

銷售及經銷開支主要包括廣告開支、營銷開支、推廣開支、差旅開支及我們銷售僱員的酬金。

我們的銷售及經銷開支由二零一九年的人民幣96.1百萬元減少至二零二零年的人民幣55.7百萬元，而經銷開支佔本集團收入的百分比由二零一九年的40.8%減少至二零二零年的24.6%，乃主要由於廣告費減少所致。

### 行政開支

行政開支由二零一九年的人民幣75.9百萬元減少4.9%至二零二零年的人民幣72.1百萬元。行政開支減少主要由於研發費用減少所致。

### 融資成本

融資成本由二零一九年的人民幣71.0百萬元增加35.6%至二零二零年的人民幣96.2百萬元。融資成本增加主要反映利息費用由二零一九年的人民幣71.0百萬元增加至二零二零年的人民幣96.2百萬元，乃主要歸因於平均借款金額增加。

### 除所得稅前虧損

由於上述原因，除所得稅前虧損由二零一九年的人民幣2,278.3百萬元減少63.0%至二零二零年的人民幣843.2百萬元。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Income Tax Expense

The corporate income tax of the Group in respect of its operations in China has been provided at the rate of 25% (2019: 25%) on the taxable profits, based on the existing laws, interpretations and practices in respect thereof.

Pursuant to the approval from the National Office of Leading Group for Administration of Hi-tech Enterprise Recognition, Huzhou Laohenghe Brewery Co., Limited (湖州老恒和釀造有限公司) and Huzhou Laohenghe Wine Co., Limited (湖州老恒和酒業有限公司), both being wholly-owned subsidiaries of the Company, were granted the “Advanced and New Technology Enterprise” status and were entitled to the preferential tax rate of 15% for three consecutive years commencing from 2019, which remained stable as compared to that of 2019 (2019: 15%).

Income tax expense decreased by 70.3% from RMB7.0 million in 2019 to RMB2.1 million in 2020, mainly due to the combined effect of loss incurred in 2020 and the additional tax expense in 2020 as a result of underpayment of tax in 2019.

### Loss Attributable to Owners of the Company

Loss attributable to ordinary equity holders of the Company decreased by 63.0% from RMB2,285.4 million in 2019 to RMB845.3 million in 2020, which is mainly attributable to the decrease in net loss as a result of the aforesaid reasons and one-off charge of loss arising from the incident.

### Loss per Share Attributable to Ordinary Equity Holders of the Company

Basic loss per share decrease from RMB3.95 in 2019 to RMB1.46 in 2020. The decrease in loss per share was attributable to the decrease in loss attributable to ordinary equity holders of the Company.

### Net Loss Margin

Net loss margin decreased by 61.5% from 970.6% in 2019 to 373.5% in 2020, which was mainly attributable to a comparative decrease in loss arising from the incident as compared with last year.

### 所得稅開支

有關本集團於中國經營業務的企業所得稅，已經根據相關現行法律、詮釋及慣例按稅率25%（二零一九年：25%）對應課稅利潤作出撥備。

根據全國高新技術企業認定管理工作領導小組辦公室發出的批文，本公司全資附屬公司湖州老恒和釀造有限公司及湖州老恒和酒業有限公司獲得「高新技術企業」資格，並可自二零一九年起計連續三個年度享受15%的優惠稅率，與二零一九年相比保持平穩（二零一九年：15%）。

所得稅開支由二零一九年的人民幣7.0百萬元減少70.3%至二零二零年的人民幣2.1百萬元，主要由於二零二零年產生虧損及二零一九年少繳稅項導致的二零二零年額外稅項開支的綜合影響所致。

### 本公司擁有人應佔虧損

本公司普通股權益持有人應佔虧損由二零一九年的人民幣2,285.4百萬元減少63.0%至二零二零年的人民幣845.3百萬元，主要是由於上述原因導致的淨虧損及一次性的事件產生的虧損支出減少所致。

### 本公司普通權益持有人應佔每股虧損

每股基本虧損由二零一九年的人民幣3.95元減少至二零二零年的人民幣1.46元，每股虧損的減少乃由於本公司普通股權益持有人應佔虧損減少所致。

### 淨虧損率

淨虧損率由二零一九年的970.6%下降61.5%至二零二零年的373.5%。淨虧損率下降主要是由於事件產生的虧損較去年相對減少所致。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### FINANCIAL AND LIQUIDITY POSITION

#### Prepayments, deposits and other receivables

Details of the Group's prepayments, deposits and other receivables as at 31 December 2020 and 2019 are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Prepayments for fixed assets	固定資產的預付款項	3,463	13,528
Prepayments for procurements of condiment products	採購調味品的預付款項	2,837	18,696
Other prepayments	其他預付款項	1,652	20,008
Deposits and other receivables	按金及其他應收款項	23,309	45,185
		<b>31,261</b>	<b>97,417</b>
Less: Portion classify as non-current assets	減：分類為非流動資產的部分	<b>(15,714)</b>	<b>(25,028)</b>
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的流動部分	<b>15,547</b>	<b>72,389</b>

#### Trade receivables

Trade receivables decreased from RMB28.4 million as at 31 December 2019 to RMB20.4 million as at 31 December 2020 and the turnover days of trade receivables decreased from 47 days in 2019 to 44 days in 2020, mainly reflecting the fact that the Company tightened its control over the timing for collection of account receivables. Details of the ageing analysis of trade receivables are set out in note 21 to the consolidated financial statements in this report.

In 2020, we classified our distributors into two categories, namely core distributors and non-core distributors, based on their scale, channels, capability and cooperativeness, local influence and other factors, and provided them with our resources in respect with terminal construction and market development for their orderly development and reasonable allocation, with an aim of molding all of them to be our core distributors.

### 財務及流動資金狀況

#### 預付款項、按金及其他應收款項

本集團於二零二零年及二零一九年十二月三十一日的預付款項、按金及其他應收款項詳情如下：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Prepayments for fixed assets	3,463	13,528
Prepayments for procurements of condiment products	2,837	18,696
Other prepayments	1,652	20,008
Deposits and other receivables	23,309	45,185
	<b>31,261</b>	<b>97,417</b>
Less: Portion classify as non-current assets	<b>(15,714)</b>	<b>(25,028)</b>
Current portion included in prepayments, deposits and other receivables	<b>15,547</b>	<b>72,389</b>

#### 應收貿易款項

應收貿易款項由二零一九年十二月三十一日的人民幣28.4百萬元減少至二零二零年十二月三十一日的人民幣20.4百萬元，應收貿易款項週轉天數從二零一九年的47天減少至二零二零年的44天，主要由於本公司加強對應收賬款回款的及時性管控的因素所致。應收貿易款項賬齡分析詳情載於本報告的綜合財務報表附註21。

於二零二零年，我們依據經銷商的規模、渠道、能力及配合度、當地影響力等因素將其分為核心經銷商與非核心經銷商兩類，在終端建設、市場開發方面給予資源聚焦，有序發展、合理配置，使其全部培養為核心經銷商。





# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Inventories

As at 31 December 2020, the carrying amount of the Group's inventories amounted to RMB684.9 million (2019: RMB1,070.7 million), of which RMB524.7 million (2019: RMB788.4 million) were base wine.

Inventories decreased from RMB1,070.7 million as at 31 December 2019 to RMB684.9 million as at 31 December 2020, primarily due to the decrease in the number of work in progress. A substantial part of our inventories are work in progress, mainly representing base wine, base soy sauce, semi-finished soybean paste and base vinegar in the brewing period. Due to the long production cycle and short sales cycle, we reserve certain amount of well-aged base wine to cope with the sales growth in the future.

We regularly monitor the inventory level maintained by our distributors. Our sales representatives maintain frequent telephone or email communications with our distributors to inquire about their monthly inventory reports, and pay regular visits to their warehouses. Our sales representatives conduct statistics on the inventory of distributors at least once a week on Saturday, which is reported to the Company weekly, and pay regular visits to the warehouses of distributors to ensure that they keep optimal stock level and our products are sold to end sellers within the shelf life. We generally expect our distributors to maintain sufficient stock for 30 to 60 days of supply. In the event a distributor maintains stocks of more than 45 days of supply, the relevant sales representatives will assist such distributor in marketing and promotional activities and suggest orders with a smaller amount to be placed for the subsequent periods to minimize excess inventory.

As at 31 December 2020, our inventories with a carrying amount of RMB549.2 million (31 December 2019: RMB682.3 million) were pledged to secure bank loans granted to the Group, for details please refer to note 20 to the consolidated financial statements.

### 存貨

於二零二零年十二月三十一日，本集團賬面值為人民幣684.9百萬元(二零一九年：人民幣1,070.7百萬元)其中人民幣524.7百萬元(二零一九年：人民幣788.4百萬元)的存貨為基酒。

存貨由二零一九年十二月三十一日的人民幣1,070.7百萬元減至二零二零年十二月三十一日的人民幣684.9百萬元，主要由於在製品數目減少所致。我們存貨的絕大部分為在製品，主要指處於釀造期的基酒、基醬油、黃豆醬半成品及基醋。由於較長的生產週期及較短的銷售週期，我們會儲備一定數量的經過長年陳釀的基酒存貨，以應對未來的銷售增長。

我們定期監控經銷商維持的存貨水平。我們的銷售代表與經銷商保持頻繁的電話或電郵聯繫，詢問彼等的月度存貨報告並定期到訪彼等的倉庫。我們的銷售代表至少每週六統計一次經銷商的庫存，每週上報給本公司，以及定期到訪一次經銷商倉庫，確保彼等維持最佳的存貨水平，並確保我們的產品乃在保質期內出售予終端銷售者。我們通常期望我們的經銷商維持足以供應30至60天的存貨。倘若某經銷商所維持存貨的供應天數超過45天，相關銷售代表將協助該經銷商進行市場推廣及促銷活動，並建議在隨後期間下達較小額訂單，盡量降低過剩存貨。

於二零二零年十二月三十一日，我們已將賬面值人民幣549.2百萬元的存貨(二零一九年十二月三十一日：人民幣682.3百萬元)作為本集團所獲授銀行貸款的擔保，有關詳情請參閱綜合財務報表附註20。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Borrowings

As at 31 December 2020, our total borrowings amounted to RMB1,495.5 million (31 December 2019: RMB1,428.2 million).

Our principal sources of liquidity include cash generated from business operation, bank borrowings and other borrowings. The cash from these sources are primarily used for our working capital, the expansion of production capacity, other capital expenditures and debt service requirements.

As at 31 December 2020, the Group's bank loans amounting to approximately RMB462.5 million were not in compliance with certain financial loan covenants. No further reclassification is needed regarding the rest of the aforesaid bank loans since their maturity were all within 12 months and have already been classified as current liabilities.

### Foreign currency risks

The Group mainly operates in the PRC and its operations mainly settled in Renminbi. The Group will closely monitor the fluctuations of the Renminbi exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. For the year ended 31 December 2020, the Group was not engaged in hedging activities for managing foreign exchange rate risk.

### Liquidity and Financial Resources

As at 31 December 2020, we had cash and cash equivalents of RMB8.4 million (31 December 2019: RMB172.1 million). As at 31 December 2020, we had interest-bearing bank and other borrowings of an aggregate amount of RMB1,495.5 million (31 December 2019: RMB1,428.2 million), which were denominated in RMB with interest rates from 3.9% to 24.0% per annum.

Our principal sources of liquidity include cash generated from business operation, bank borrowings and other borrowings. We used cash from such sources for working capital, production facility expansions, other capital expenditures and debt repayment. We expect these uses will continue to be our principal uses of cash in the future, and that our cash flow will be sufficient to fund our ongoing business requirements. Meanwhile, we have decided to further broaden our financing channel to improve our capital structure.

### 借款

於二零二零年十二月三十一日，我們借款總額為人民幣1,495.5百萬元(二零一九年十二月三十一日：人民幣1,428.2百萬元)。

我們的流動資金主要來源包括從業務營運產生的現金、銀行借款及其他借款。自該等來源獲得的現金主要用作我們的營運資金、擴張產能、其他資本開支及債務服務需求。

於二零二零年十二月三十一日，本集團的銀行貸款約人民幣462.5百萬元並不符合若干金融貸款契約。上述銀行貸款毋須進一步重新分類，此乃由於其均會在12個月內到期，並已獲分類為流動負債。

### 外幣風險

本集團主要在中國營運，大部分業務以人民幣進行結算。本集團將密切監察人民幣匯率的波動，並審慎考慮於適當時候進行貨幣掉期安排，以對沖相應的風險。截至二零二零年十二月三十一日止年度，本集團並未進行管理外匯匯率風險的對沖活動。

### 流動資金及財務資源

於二零二零年十二月三十一日，我們的現金及現金等價物為人民幣8.4百萬元(二零一九年十二月三十一日：人民幣172.1百萬元)。於二零二零年十二月三十一日，我們的計息銀行及其他借款合計為人民幣1,495.5百萬元(二零一九年十二月三十一日：人民幣1,428.2百萬元)，均以人民幣計值，按年利率介乎3.9%至24.0%計息。

我們流動資金的主要來源包括業務營運產生的現金、銀行借款及其他借款。我們過去將來自該等來源的現金用於營運資金、生產設施擴張、其他資本支出及償債需要。我們預期該等用途將繼續為我們未來的主要現金用途，及預期我們的現金流量將足以滿足我們持續經營業務的需求。同時，我們已決定進一步拓寬我們的融資渠道以改善我們的資本架構。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### GEARING RATIO

The gearing ratio of the Group was 189.6% as at 31 December 2020, representing an increase of 77.4% over 2019.

The gearing ratio is based on net debt divided by net debt plus total deficit as at 31 December 2020. Net debt includes total debt net of cash and cash equivalents. Total debt includes trade payables, other payables and accruals, amounts due to related companies, amount due to ultimate holding company, interest-bearing bank and other borrowings, provision for loss on unauthorised guarantees and other long term liabilities.

### CAPITAL COMMITMENT

Capital commitment as at 31 December 2020 amounted to RMB5.0 million (31 December 2019: RMB5.2 million), which was mainly related to equipment installation works of condiment workshop.

### CONTINGENT LIABILITIES

Save as disclosed in note 42 to the consolidated financial statements in this annual report, as at 31 December 2020, we did not have other material contingent liabilities.

### PLEDGE OF ASSETS

As at 31 December 2020, our inventories with a carrying amount of RMB549.2 million, property, plant and equipment with a carrying amount of RMB251.5 million, leasehold land with a carrying amount of RMB50.9 million, and deposits with a carrying amount of RMB0.2 million were pledged to secure general banking facilities granted to us.

Except as disclosed in this report, to the best knowledge and belief of the Directors, we have not entered into any off-balance sheet guarantees or other commitments to guarantee the payment obligations of any third party. It does not have any interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to it or engage in leasing or hedging or research and development or other service.

### MATERIAL ACQUISITION AND DISPOSAL

The Company has no material acquisition and disposal as at 31 December 2020.

### SIGNIFICANT INVESTMENTS HELD

Our Group did not hold any significant investments during the year ended 31 December 2020.

### 資本負債比率

於二零二零年十二月三十一日，本集團資本負債比率為189.6%，較二零一九年增加77.4%。

資本負債比率按二零二零年十二月三十一日之淨債務除以淨債務加虧絀總額計算得出。淨債務包括總債務減現金及現金等價物。總債務包括應付貿易款項、其他應付款項及應計項目、應付關聯公司款項、應付最終控股公司款項、計息銀行及其他借款、未經授權擔保虧損撥備以及其他長期負債。

### 資本承擔

於二零二零年十二月三十一日的資本承擔為人民幣5.0百萬元(二零一九年十二月三十一日：人民幣5.2百萬元)，主要與調味品車間設備安裝工程有關。

### 或有負債

除本年報綜合財務報表附註42所披露，於二零二零年十二月三十一日，我們並無其他重大或有負債。

### 資產質押

於二零二零年十二月三十一日，我們抵押賬面值為人民幣549.2百萬元的存貨、賬面值為人民幣251.5百萬元的物業、廠房及設備、賬面值為人民幣50.9百萬元的租賃土地及賬面值為人民幣0.2百萬元的存款，作為授予我們一般銀行融資的抵押。

除本報告所披露者外，據董事所深知及確信，我們並無訂立任何資產負債表外擔保或其他承擔，以擔保任何第三方的付款責任。其並無於向其提供融資、流動資金、市場風險或信貸支持或從事租賃或對沖或研發或其他服務的任何未合併實體中擁有任何權益。

### 重大收購及出售事項

於二零二零年十二月三十一日，本公司概無任何重大收購及出售事項。

### 所持重大投資

截至二零二零年十二月三十一日止年度，本集團並無持有任何重大投資。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### DISCLAIMER OF OPINION (THE “DISCLAIMER OF OPINION”)

The Company's auditor, Grant Thornton Hong Kong Limited issued a disclaimer of opinion on the consolidated financial statements of the Group, details of which are set out in the independent auditor's report.

### BASIS FOR DISCLAIMER OF OPINION

#### Issues arising from the Investigation and scope limitation

As described in note 2.1(a) to the consolidated financial statements, the Company was informed in 2021 of certain issues in relation to the discrepancy of a bank account balance, unauthorised guarantees and outstanding issues of prepayments for fixed assets and tax matters of the Group (the “**Incident**”). In response to this, the Company has established an Independent Investigation Committee of the board of directors and the Independent Investigation Committee has engaged FTI Consulting (China) Limited (“**FTI Consulting**”), as an independent forensic accountant, to undertake an independent investigation (the “**Investigation**”) on the Incident. The impact of the Incident, together with the findings of the Investigation and follow up actions taken by the Company, are summarised in note 2.1(a) to the consolidated financial statements.

The findings of the Investigation, together with other matters identified by the management during their process of quantifying the impact in the appropriate accounting periods by reconstructing the accounting records and examination of supporting documents as detailed in note 2.1(a) to the consolidated financial statements (“**Management Reassessment**”), led to the recognition of a loss arising from the Incident as detailed in note 2.1 to the consolidated financial statements, of approximately RMB600,575,000 and RMB2,061,934,000 (the “**Loss arising from the Incident**”) which were recognised in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2020 and 2019, respectively as the directors of the Company were of the opinion that these were the practicable periods to recognise the loss having taken into account the findings of the Investigation and Management Reassessment.

As described in the findings of the Investigation, Mr. Chen Weizhong and a number of former employees were likely involved in the Incident and have resigned, resulting in mishandling and loss of certain of the source documents of the Group of past years. Due to the above concern and irregular nature of the Incident, and; there was no other satisfactory audit procedure that Grant Thornton Hong Kong Limited could adopt Grant Thornton Hong Kong Limited were unable to obtain sufficient audit evidence to ascertain the nature and commercial substance of the underlying transactions leading to the Loss arising from the Incident; and as to whether the nature of these underlying transactions involved in the Incident was properly disclosed and recognised in the appropriate accounting periods in the consolidated financial statements for the years ended 31 December 2020 and 2019.

### 不發表意見(「不發表意見」)

本公司核數師致同(香港)會計師事務所有限公司就本集團綜合財務報表刊發不發表意見，其詳情載於獨立核數師報告。

### 不發表意見的基準

#### 調查中發現的問題及範圍限制

如綜合財務報表附註2.1(a)所述，本公司於二零二一年得悉有關本集團銀行賬戶結餘差異、未經授權擔保以及與固定資產預付款項及稅務事宜有關的未解決問題的若干問題(「**事件**」)。為此，本公司已成立董事會獨立調查委員會且獨立調查委員會已委聘FTI Consulting (China) Limited(「**FTI Consulting**」)擔任獨立法務會計師，以就事件進行獨立調查(「**調查**」)。事件的影響連同調查結果及本公司採取的後續行動於綜合財務報表附註2.1(a)概述。

調查結果連同管理層於透過重建會計記錄及審查證明文件量化於適當會計期間的影響的過程中發現的其他事項(如綜合財務報表附註2.1(a)所詳述)(「**管理層重估**」)導致確認事件產生的虧損(如綜合財務報表附註2.1所詳述)分別約人民幣600,575,000元及人民幣2,061,934,000元(「**事件產生的虧損**」)，該等虧損分別於截至二零二零年及二零一九年十二月三十一日止年度的綜合損益及其他全面收益表內確認，乃由於本公司董事經考慮調查結果及管理層重估後認為該等期間為確認虧損的可行期間。

如調查結果所詳述，陳衛忠先生及多名前僱員可能牽涉事件且彼等已辭職，從而導致本集團過往數年的若干原始檔案處理不當及遺失。由於上述問題及事件的非常規性質以及致同(香港)會計師事務所有限公司並無其他滿意的審計程序可採用，致同(香港)會計師事務所有限公司無法獲得足夠的審核證據，以確定導致事件產生的虧損的相關交易的性質及商業實質，以及事件所涉及的該等相關交易的性質是否妥為披露並於截至二零二零年及二零一九年十二月三十一日止年度的綜合財務報告的適當會計期間確認。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

Any adjustments that might have been found necessary in respect of the Incident would affect the disclosure and recognition of the Loss arising from the Incident in the Group's consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2020 and 2019 and the accounting items in the consolidated statements of financial position as at 1 January 2020 and the categorisation of the related cash flows in the consolidated statements of cash flows for the years ended 31 December 2020 and 2019.

### Existence, accuracy, valuation and completeness of inventories

Grant Thornton Hong Kong Limited were unable to obtain sufficient appropriate audit evidence to satisfy themselves as to the existence, accuracy, valuation and completeness of the inventories of approximately RMB684,926,000 because Grant Thornton Hong Kong Limited were appointed as auditors subsequent to 31 December 2020 and hence not able to observe the physical stock-counts at 31 December 2020 and the existence of inventories needs involvement of laboratory examination to validate its chemical contents from an independent third-party examination agency at 31 December 2020 because the majority of the inventories were base wine and base soy sauce which could not be easily substantiated via physical observation. Accordingly, Grant Thornton Hong Kong Limited have been unable to determine the valuation, accuracy and completeness of inventories as at 31 December 2020. There was no other satisfactory audit procedure that Grant Thornton Hong Kong Limited could adopt to assess the condition of inventories and to validate the existence, accuracy, valuation and completeness of inventories were properly disclosed and recognised in the consolidated financial statements as at 31 December 2020 and 1 January 2020.

### Opening balances and corresponding figures

Based on the findings of the Investigation and the Management Reassessment as described in note 2.1(b) to the consolidated financial statements, the Group corrected the accounting errors in the current year's consolidated financial statements by adjusting the opening balances as at 1 January 2020 and restating the comparative amounts as at 31 December 2019 as described in note 2.1(b) to the consolidated financial statements (the "prior years' adjustments"). However, due to the loss of certain records and documents as described in matter mentioned in item 1 above, the Group was unable to accurately and completely determine the portion of the prior years' adjustments that should have been recorded in accounting periods prior to 31 December 2019. Hence, a third consolidated statement of financial position as at 1 January 2019 was not presented in the current year's consolidated financial statements.

任何可能被認為與事件有關的必要調整均會影響本集團截至二零二零年及二零一九年十二月三十一日止年度的綜合損益及其他全面收益表中事件產生的虧損的披露及確認以及截至二零二零年一月一日綜合財務狀況表中的會計項目以及截至二零二零年及二零一九年十二月三十一日止年度的綜合現金流量表中相關現金流量的分類。

### 存貨的存在、準確性、估值及完整性

由於致同(香港)會計師事務所有限公司於二零二零年十二月三十一日之後獲委任為核數師，因此致同(香港)會計師事務所有限公司無法獲得足夠適當的審核證據，令致同(香港)會計師事務所有限公司信納約人民幣684,926,000元的存貨的存在、準確性、估值及完整性，故無法觀察二零二零年十二月三十一日的實物存貨盤點，且於二零二零年十二月三十一日存貨的存在需要獨立第三方檢測機構進行實驗檢測以驗證其化學成分，乃由於多部分存貨為基酒及基醬油，其無法通過物理觀察輕易證實。因此，致同(香港)會計師事務所有限公司無法確定二零二零年十二月三十一日存貨的估值、準確性及完整性。於二零二零年十二月三十一日及二零二零年一月一日的綜合財務報表中並無妥為披露及確認其他令人信納的審核程序，以供致同(香港)會計師事務所有限公司採用以評估存貨的狀況及證實存貨的存在、準確性、估值及完整性。

### 期初結餘及相應數據

根據綜合財務報表附註2.1(b)所述的調查結果及管理層重估，本集團已更正本年度綜合財務報表中的會計錯誤，方法是調整二零二零年一月一日的期初結餘，並按綜合財務報表附註2.1(b)所述重列二零一九年十二月三十一日的可比較金額(「過往年度調整」)。然而，由於上文第1項所述事項中所述的若干記錄及文件丟失，本集團無法準確及完整地確定本應於二零一九年十二月三十一日之前的會計期間記錄的過往年度的部分調整。因此，截至二零一九年一月一日的第三份綜合財務狀況表並無於本年度綜合財務報表中呈列。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

This is not in accordance with International Accounting Standards 1 *Presentation of Financial Statements*, which requires an entity to present a third statement of financial position as at the beginning of the preceding period if a retrospective application of an accounting policy, retrospective restatement or reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period. Accordingly, a third consolidated statement of financial position as at 1 January 2019 should have been presented in the current year's financial statements. Due to the irregular nature of the Incident, Grant Thornton Hong Kong Limited were unable to obtain sufficient and appropriate audit evidence to assess the appropriateness of the prior years' adjustments for the year ended 31 December 2019 and whether certain portion of the prior years' adjustments should have been recorded in accounting periods prior to 31 December 2019. Accordingly, the prior years' adjustments for the year ended 31 December 2019 may not be accurately recognised or disclosed and the restated corresponding amounts for the year ended 31 December 2019 may not be comparable to current year.

Had Grant Thornton Hong Kong Limited been able to satisfy themselves in respect of the matters mentioned in the items 1 to 3 above, adjustments might have been found to be necessary which would have had a consequential impact on the financial position of the Group as at 31 December 2020 and its financial performance for the year ended 31 December 2020 and/or the comparative information, and may have resulted in additional information being disclosed in the consolidated financial statements as to the nature of these transactions.

### THE MANAGEMENT'S POSITION, VIEW AND ASSESSMENT ON THE DISCLAIMER OF OPINION

In view of the uncertainties relating to (i) issues arising from the Investigation and scope limitation; (ii) existence, accuracy, valuation and completeness of inventories; and (iii) material uncertainties related to going concern, the Directors have undertaken a number of plans and measures to migrate the issues above, including but not limited to:

- (i) established the Independent Investigation Committee, appointed the Independent Forensic Accountant, to investigate into the Irregularities identified in the Investigation, including other bank discrepancies and fictitious sales and purchase transactions which happened in 2019 and 2020 and certain suspicious prepayments which happened in 2015. For details of the key findings of the Investigation, please refer to the announcement of the Company dated 30 May 2022;

此情況不符合國際會計準則第1號呈列財務報表，該準則要求當追溯應用會計政策、追溯重列或重新分類對前期之期初的財務狀況表的資料有重大影響時，實體須於前期之期初呈列第三份財務狀況表。因此，於二零一九年一月一日的第三份綜合財務狀況表本應於本年度的財務報表中呈列。由於事件的非常規性質，致同(香港)會計師事務所有限公司無法取得足夠且適當的審核證據，以評估截至二零一九年十二月三十一日止年度的過往年度調整是否適當，以及過往年度的若干部分調整是否應於二零一九年十二月三十一日之前的會計期間入賬。因此，截至二零一九年十二月三十一日止年度的過往年度調整未必予以準確確認或披露，而截至二零一九年十二月三十一日年度的經重列相應金額可能無法與本年度進行比較。

倘能夠令致同(香港)會計師事務所有限公司信納上述第1至3項所述的事項，則可能須作出調整，並會對本集團於二零二零年十二月三十一日之財務狀況及於截至二零二零年十二月三十一日止年度的財務表現及／或可比較資料年造成連帶影響，並可能導致於綜合財務報表中額外披露有關該等交易性質的資料。

### 管理層對不發表意見的立場、 見解及評估

鑒於涉及以下各項之不確定性因素：(i) 調查中發現的問題及範圍限制；(ii) 存貨的存在、準確性、估值及完整性；及(iii) 有關持續經營的重大不確定因素，董事已採取若干計劃及措施解決上述問題，包括但不限於：

- (i) 成立獨立調查委員會，委任獨立法務會計師，對調查中發現的違規行為進行調查，包括於二零一九年及二零二零年發生的其他銀行賬戶不符之處及虛構買賣交易以及於二零一五年發生的若干可疑預付款項；有關主要調查結果的詳情，請參閱本公司日期為二零二零年五月三十日的公佈。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

- (ii) the Company has appointed an internal control consultant to review the Group's internal controls and procedures and provide recommendations and remedial measures to the Group to strengthen the existing corporate governance and internal controls, particularly for the measures to prevent deliberate overriding by Mr. Chen Weizhong in the future. The Group has implemented the recommended remedial measures, for details please refer to the announcement of the Company dated 27 September 2022;
- (iii) undertook certain personnel arrangements to ensure the personnel involved in the Incidents are no longer involved in the management of the operation of the Group; and
- (iv) further, management performed management reassessment to quantify the impact and considered the events leading to accounting errors might have happened in or prior to 2019. During the course of the preparation of the consolidated financial statements for the year ended 31 December 2020, management has prepared the necessary prior years' adjustments, in according with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, to correct the errors and restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable (see details in note 2.1 to the consolidated financial statements), except the Directors found it is impracticable to recognise the cumulative effects of the losses on the Incident until the end of 2020 when the Incident was ended.
- (ii) 本公司已委任內部監控顧問檢討本集團的內部監控及程序，並向本集團提供建議及補救措施，以加強現有的企業管治及內部監控，尤其是防止陳衛忠先生日後蓄意越權的措施。本集團已實施所建議的補救措施，有關詳情請參閱本公司日期為二零二二年九月二十七日的公告；
- (iii) 進行若干人事安排以確保事件牽涉的人員不再參與管理本集團的運營；及
- (iv) 此外，管理層執行管理層重估以將影響量化，並認為導致會計錯誤的事件可能已於二零一九年或之前發生。編製截至二零二零年十二月三十一日止年度綜合財務報表過程中，管理層已根據國際會計準則第8號會計政策、會計估計變更及錯誤的規定，對過往年度作出必要調整，以糾正錯誤並重列可切實作出追溯重列的最早期間的資產、負債及權益的年初結餘（詳見綜合財務報表附註2.1），惟董事發現未能切實於二零二零年年底（即事件結束之時）前確認事件的虧損累計影響。

Based on the above, the Board is of the view that the Company and its management had endeavoured their best efforts to resolve the issues leading to the disclaimer of opinion.

根據上文所述，董事會認為本公司及其管理層已竭盡全力解決引致不發表意見的問題。

### AUDIT COMMITTEE'S VIEW ON THE DISCLAIMER OF OPINION

The Audit Committee had critically reviewed the Disclaimer of Opinion, the management's position concerning the Disclaimer of Opinion (the "**Management's Position**") and measures taken by the Group for addressing the Disclaimer of Opinion. There was no disagreement between the views of the Audit Committee and the management in respects of the Disclaimer of Opinion and the Company's plan to address the Disclaimer. The Audit Committee had also considered Grant Thornton Hong Kong Limited's rationale and understood their consideration in arriving their opinion.

### 審核委員會對不發表意見的見解

審核委員會已嚴格審閱不發表意見、管理層對不發表意見的立場（「**管理層立場**」）以及本集團為解決不發表意見所採取的措施。審核委員會與管理層對不發表意見及本公司處理不發表意見的計劃不存在分歧。審核委員會亦已考慮致同（香港）會計師事務所有限公司的理據並理解彼等於達致其意見時的考慮事項。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### FUTURE PROSPECTS

In the wake of uncertainties brought by the COVID-19 pandemic and consumers' concern over the global economic prospect, the proportion of household consumption of condiment products is expected to increase, while the proportion of catering and entertainment consumption is expected to decrease accordingly. Therefore, the Company will continue to commit resources to the supermarket, distribution and e-commerce channels related to household consumption in the short term. In the long run, the Group still believes that the catering market will be the main growth point of its future business as the post-pandemic recovery continues in the catering industry. The Group is committed to developing and gradually launching value-for-money products suitable for consumption in the catering market to gain a larger market share.

As for the cooking wine market, the brewing standards of the cooking wine market have been further regulated with the introduction and implementation of the standards for brewing cooking wine. It has become a trend for "pure brewing" to replace the "prepared" and "blended" condiment products in the market. Considering that the growth in sales of brewed cooking wine can be achieved through guiding the consumers' usage habits, the Group will strive to influence consumers from the aspects of raw materials, wine quality, years and brewing technology of its products, aiming at boosting the market share and sales price of the Group's cooking wine products. With the food safety and environmental protection measures deepening, the Group, as a leading player in the cooking wine industry, clearly enjoys more advantages in terms of technology, capital, market and risk resistance over other small and medium-sized enterprises in the market. The Group's outstanding brand awareness, modernised traditional craftsmanship, mature quality control system and comprehensive product research and development system will provide the cooking wine products under "Lao Heng He" brand with more room for development.

In addition to maintaining the leading position of our cooking wine products, we will endeavor to adhere to our strategy of "diversified" product structure so as to meet the diversified market demand for green, healthy and tasty condiment products. We will also keep expanding our production capacity and achieving automation upgrade to enhance our overall profitability. Leveraging on the product quality and technology of "Lao Heng He" brand as our core-competitiveness, we hope to stand out amid fierce market competition through differentiation in product quality.

Therefore, we believe that our "Lao Heng He" products will continue to grow in China.

### 未來前景

面對當前新型冠狀病毒疫情的不確定性及消費者對全球經濟前景感到擔憂，調味品產品的家庭居家消費比重將預期會有所增加，相應的，在餐飲娛樂消費的比重將預期會有所下降。因此，公司將會在短期保持家庭消費相關的商超、流通和電商等渠道的資源投入。而從長遠發展看，隨著餐飲業在疫情後的持續回暖，本集團依舊認為餐飲市場將會是本集團未來業務的主要增長點，正在致力於開發並逐步推出性價比高的適合餐飲市場消費的產品以獲取更大的市場份額。

對於料酒市場，一方面，隨著釀造料酒標準的出台實施，料酒市場的釀造標準的進一步規範，「純釀造」取代市場中的「配製」及「勾兌」的調味品產品已經成為趨勢。考慮到對消費者使用習慣的教育將會帶來釀造料酒銷量的增加，我們將致力於從本集團產品的原料、酒質、年份及釀造工藝等方面影響消費者帶來本集團料酒產品的市場份額和銷售價格的雙提升。另一方面，隨著食品安全及環境保護措施的深化，本集團作為料酒行業內的龍頭企業相對於中小型企業在技術、資金、市場及抗風險能力的優勢日益明顯。本集團優秀的品牌知名度、現代化的傳統工藝、成熟的質量管控體系和完善的產品研發體系，將會為「老恒和」品牌的料酒產品提供更多的發展空間。

除了繼續保持料酒產品的龍頭地位外，我們仍舊不斷堅持「多元化」產品結構的戰略以便應對市場上對綠色健康及口味優質的調味品多樣化的需求，我們亦將不斷擴大產能和提高自動化水平來提升我們整體的利潤率水平。產品質量和技術含量仍舊為「老恒和」品牌的核心競爭力，我們希望通過產品品質的差異化在激烈的市場競爭中脫穎而出。

因此，我們認為我們的「老恒和」品牌的產品在中國將繼續增長。





# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### GOALS AND STRATEGIES

Although the pandemic has intensified the fierce competition in the condiment market, the rigid demand for condiments maintains strong momentum without noticeable cyclical features, and the condiment industry is least impacted by macroeconomic conditions, and demonstrates a desirable profitability. With the continuous improvement of national urbanization rate and the formation of Central Metropolitan Area of Yangtze River Delta through integrated development covering nine cities, the consumption and quality demand for condiments have increased significantly, with a large room for industry development and distinct development level. We will adhere to a consumer-oriented sales strategy. By “diversifying” resources to develop products for different sales channels, we are committed to achieving higher customer loyalty. We focus on providing consumers with safer and healthier naturally-brewed condiment products.

Our business goal is to enhance our position in the condiments industry by leveraging on our leading position in the cooking wine industry to diversify the sales channels and conduct sales of portfolio products. On one hand, we will further increase the input in establishing the marketing team and training our staff. On the other hand, we will enrich the product structure of the Company and offer a variety of high-quality products commensurate with the spending power of the general public. In respect of the expansion of distributors, we will continue to cooperate with capable distributors through our diversified sales channels, and continue to actively improve the market share of our “Lao Heng He” brand in the PRC market.

In view of the new spending patterns due to the pandemic, we also actively accelerated the development of new retail channels and enriched our online products. A batch of new platforms with strategic cooperation have been formed, such as the online platform of KA (Key Account) malls and supermarkets, the community e-commerce platform, and the e-commerce platform for group-buying members, which achieved multi-dimensional and full coverage of promotional effects through live stream videos, short movie clips, etc. In addition, we also strived to activate the linkage of social e-commerce and the community to create a community distribution model for all shopping guides.

We always pay close attention to and actively address any risks that may come along with the growth of business. In 2020, we released the vitality of the marketing team by reforming marketing architecture in response to the possible negative impact caused by the incompetence of our sales teams in the sales of the Group’s products under the influence of the pandemic. Meanwhile, we also continue to further strengthen the credit risk management of customers by strengthening credit approval and establishing an information sharing platform for distributors to deal with the risks caused by the pandemic.

“Lao Heng He” strives to become a preferred choice of consumers.

### 目標及策略

疫情加劇了調味品市場的激烈競爭，調味品剛需極強，受宏觀經濟影響不明顯，週期性特徵不突出，行業盈利水平良好。伴隨全國城鎮化率的持續提升及長三角一體化九城市中心都市圈的形成，調味品消費量和品質需求均有顯著提升，行業發展空間大、發展層次清晰，我們的銷售策略仍以消費者為中心，我們的「多元化」地將資源用於開發適合不同銷售渠道的產品，致力實現更高的客戶忠誠度。我們專注於向消費者提供更優質、更安全和更健康的天然釀造的調味品。

我們的經營目標為通過我們在料酒行業的龍頭地位拓展多元化的銷售渠道，進行組合產品的銷售，提升公司在調味品行業的市場地位。一方面，我們將更進一步增加對營銷團隊建設的投入和員工培訓。另一方面，我們將豐富公司的產品結構，推出更多優質的且符合大眾消費能力的各類別產品。在經銷商拓展方面，我們將在不斷地多元化發展的渠道中與有實力的經銷商合作，繼續積極地提升「老恒和」品牌在中國市場的市場佔有率。

順勢與疫情帶來的新消費習慣的養成，我們亦積極加快新零售渠道開發速度，豐富線上品項，形成了一批具備戰略合作的新平台，如KA商超的線上平台、社區電商平台、團購會員電商平台等。各平台通過線上直播、短片拍攝等方式達到多維度全覆蓋的傳播效果。另外，我們也努力驅動社交電商和社群的聯動，打造全員導購的社群分銷模式。

我們亦時刻關注並積極應對增長可能帶來的風險。二零二零年，我們對營銷架構進行改革，釋放營銷團隊的活力，來應對疫情影響下銷售團隊能力不足可能對本集團產品銷售產生的負面影響。同時，我們還通過加強授信審批及建立經銷商信息共享平台來進一步加強對客戶的信用風險管理應對疫情導致的風險。

「老恒和」矢志成為消費者的首選品牌。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### EMPLOYEES AND WELFARE CONTRIBUTION

As at 31 December 2020, the Group had approximately 422 full-time employees (31 December 2019: 538). The employees' remuneration packages are determined with reference to their experience and qualifications and general market conditions. The remuneration policies, bonus, evaluation systems and training programs for employees of our Group were implemented continuously according to policies disclosed in the 2019 annual report and no change has been made in 2020.

The total remuneration paid to the Group's employees (excluding Directors' and chief executive's remuneration) for the year ended 31 December 2020 amounted to approximately RMB33.6 million (2019: approximately RMB51.7 million), which included the Group's contribution to the employee benefit plan for the year 2020 of RMB3.5 million (2019: RMB6.4 million). Details of the employee benefit expense are disclosed in note 2.23 to the consolidated financial statements in this annual report.

The following table sets forth the Group's full-time employees by function as at 31 December 2020:

As at 31 December 2020 截至二零二零年十二月三十一日			
		Number of employees 僱員人數	% of total 佔總數百分比
Production	生產	236	55.9
Management and administration	管理及行政管理	21	5.0
Sales and marketing	銷售及營銷	83	19.7
Quality control, research and development and others	質量控制、研發及其他	82	19.4
Total	總計	422	100.0

The Group has designed an evaluation system to assess the performance of its employees. This system forms the basis for determination of employees' salaries, bonuses and promotions. We believe the salaries and bonuses that our Group's employees receive are competitive with market rates. Under applicable PRC laws and regulations, our Group is subject to social insurance contribution plans, work-related injury insurance and maternity insurance schemes.

### 僱員及福利繳費

於二零二零年十二月三十一日，本集團共聘有大約422名全職僱員(二零一九年十二月三十一日：538名)。僱員薪酬方案乃參考彼等的經驗及資質以及總體市況而釐定。本集團僱員的薪酬政策、花紅、評估體系及培訓計劃繼續按照於二零一九年年報披露的政策執行，且於二零二零年概無變動。

於截至二零二零年十二月三十一日止年度支付予本集團僱員之薪酬總額(不包括董事及最高行政人員薪酬)為約人民幣33.6百萬元(二零一九年：約人民幣51.7百萬元)，包括本集團於二零二零年就僱員福利計劃作出的供款人民幣3.5百萬元(二零一九年：人民幣6.4百萬元)。僱員福利開支詳情披露於本年報綜合財務報表附註2.23。

下表載列本集團截至二零二零年十二月三十一日按職能劃分的全職僱員：

本集團已設計評估體系，以評定其僱員的表現。該體系為釐定僱員薪金、獎金及晉升的依據。我們認為，本集團僱員收取的薪金及獎金可與市價競爭。根據適用中國法律法規，本集團須參與社會保險供款計劃、工傷保險及生育保險計劃。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

We place a strong emphasis on providing training to our employees in order to enhance their technical and product knowledge as well as comprehension of industry quality standards and work place safety standards. We also provide regular on-site and off-site training to help our employees to improve their skills and knowledge. These training courses range from further educational studies to basic production process and skill training to professional development courses for its management personnel.

我們非常重視向我們的僱員提供培訓，以便提升彼等的技術及產品知識以及對行業質量標準及工作場所安全標準的理解。我們亦提供定期場內及場外培訓，幫助我們的僱員提升技能和知識。該等培訓課程範圍由基礎生產程序及技術訓練的深造班至管理人員的專業發展課程均齊備。

### CHARITABLE DONATIONS

During the year of 2020, the Group made charitable donations of RMB66,000.

### 慈善捐款

於二零二零年內，本集團作出慈善捐款人民幣66,000元。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company is committed to maintaining a high standard of corporate governance practices for enhancing accountability and transparency of the Company to its investors and Shareholders. The Board and the management of the Company are committed to conducting the Group's businesses in a transparent and responsible manner, and they believe good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, sustainable business growth and enhancing Shareholders' value in the long term.

### (A) CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "Governance Code") as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the "Listing Rules") as its own code to govern its corporate governance practices.

During the year ended 31 December 2020, the Company has complied with the code provisions set out in the Governance Code except the deviations as set out below in this report.

The Board will continue to review and monitor the practices of the Company with an aim to achieve and maintain a high standard of corporate governance practices.

### (B) DIRECTORS' AND SENIOR MANAGEMENT'S SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuer" (the "Model Code") set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors of the Company and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all Directors of the Company confirmed that they have complied with the Model Code during the year ended 31 December 2020. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the year ended 31 December 2020.

本公司承諾為其投資者及股東維持高標準的企業管治常規以提高本公司之問責性及透明度。董事會及本公司管理層承諾以透明負責的方式開展本集團業務，而彼等相信，良好企業管治能為有效管理、健全企業文化、可持續業務增長以及提升股東長遠價值方面提供一個不可或缺之框架。

### (A) 企業管治常規

本公司已採納香港聯合交易所有限公司證券上市規則(經不時修訂)(「上市規則」)附錄十四所載企業管治守則及企業管治報告(「管治守則」)所載的守則條文，以作為其本身規管其企業管治常規的守則。

截至二零二零年十二月三十一日止年度，本公司已遵守管治守則所載之守則條文，惟本報告下文所載之偏離事項除外。

為達到及維持高標準的企業管治常規，董事會將不斷檢討及監察本公司的常規。

### (B) 董事及高級管理層之證券交易

本公司已採納載列於上市規則附錄十之「上市發行人董事進行證券交易之標準守則」(「標準守則」)，作為本公司董事及本集團高級管理層(因彼之職位或僱傭關係，乃有可能持有有關本集團或本公司證券之內幕消息)有關買賣本公司證券之行為守則。

於具體詢問後，本公司全體董事確認彼等於截至二零二零年十二月三十一日止年度已遵守標準守則。此外，本公司並無發現於截至二零二零年十二月三十一日止年度本集團高級管理層有任何違反標準守則的行為。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (C) THE BOARD OF DIRECTORS

#### Board Responsibilities

The Board is responsible for the overall management of the Company, including establishing and overseeing the Company's strategic development, business plans, financial objectives, capital investment proposals and assumes the responsibilities of corporate governance of the Company.

The Board gave their input and considered the priorities and initiatives, aiming at developing a sustainable plan for the Company to generate and preserve its long-term corporate values and to achieve its business strategies and objectives.

The Board may from time to time delegate all or any of its powers that it may think fit to a Director or member of senior management of the Company. The Board has formulated clear and specific rules and policies on such delegation of power to facilitate efficient operation of the Company and is supported by three board committees together the “**Board Committees**”, which are audit Committee (the “**Audit Committee**”), remuneration Committee (the “**Remuneration Committee**”) and nomination Committee (the “**Nomination Committee**”).

Directors must dedicate sufficient time and attention to the Group's affairs. Besides, the Company also requested all Directors to disclose to the Company annually the number and the nature of offices held in public companies or organizations and other significant commitments with an indication of the time involved.

The Company has arranged appropriate insurance for all Directors in respect of legal actions against the Directors arising out of corporate activities.

### (C) 董事會

#### 董事會的責任

董事會負責本公司的整體管理，包括制訂及監督本公司的策略發展、業務計劃、財務目標及資金投資建議，並承擔本公司企業管治的責任。

董事會已投放資源及考慮各事項的優先次序及措施，旨在為本公司制定持續計劃，以產生及維護其長期企業價值，以及實現其業務策略及目標。

董事會可不時將其認為合適的所有或任何權力授予董事或本公司高級管理層成員。在三個董事會委員會（即審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」），統稱「**董事會委員會**」）的支持下，董事會已就有關授權制訂清晰明確的規則及政策，以促進本公司有效營運。

董事須付出足夠時間及精神以處理本集團的事務。另外，本公司亦要求全體董事每年向本公司披露其於公眾公司或組織擔任有關職務的數目及性質以及其他重大承擔，並指明所涉及的時間。

本公司已就因企業活動而對董事採取的法律行動為全體董事安排合適的保險。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Functions and Duties of the Board

The Board supervises the management of business and affairs of the Company. The primary duties of the Board include:

- (a) overall management of the business and strategic development;
- (b) deciding business plans and investment plans;
- (c) monitoring the ongoing operation of the Company and to ensure that it is managed in the best interests of the Shareholders as a whole while taking into account the interests of other stakeholders;
- (d) convening general meetings and reporting to the Shareholders; and
- (e) exercising other powers, functions and duties conferred by Shareholders in general meetings.

The Board delegates the authority and responsibility of daily operations, business strategies and day to day management of the Company to the chief executive officer (“CEO”) and the senior management.

The senior management, under the leadership of the CEO, is delegated by the Board the authority and responsibility for the daily operations and management of the Group. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions to be entered by the Company.

### Board Members

During the year ended 31 December 2020, the Board consist of the following Directors:

#### Executive Directors

- Mr. Chen Wei (Chairman)  
(appointed on 11 September 2020)
- Mr. Chen Weizhong (CEO)  
(resigned as the Chairman on 11 September 2020, and resigned as executive Director and CEO on 2 February 2021)
- Mr. Sheng Mingjian (resigned on 28 June 2022)
- Mr. Wang Chao (resigned on 11 September 2020)

#### Non-executive Director

- Mr. Gu Wei (appointed on 2 September 2020)
- Mr. He Yuanchuan (resigned on 28 August 2020)

#### Independent Non-executive Directors

- Mr. Shen Zhenchang
- Mr. Ng Wing Fai
- Mr. Sun Jiong

### 董事會的職能及職責

董事會監督本公司業務及事務的管理。董事會的主要職責包括：

- (a) 業務及策略發展的整體管理；
- (b) 決定業務計劃及投資計劃；
- (c) 監督本公司的持續營運，以及確保其管理方式既符合整體股東的最佳利益，同時亦顧及本公司其他持份者的利益；
- (d) 召開股東大會及向股東匯報；及
- (e) 執行股東於股東大會上授予的其他權力、職能及職責。

董事會將本公司日常營運、業務策略及日常管理之職權及責任轉授予首席執行官（「**首席執行官**」）及高級管理層。

在首席執行官的領導下，高級管理層獲董事會轉授本集團日常營運及管理的權力及責任。所轉授職能及工作任務均獲定期檢討。於本公司訂立任何重大交易之前，均須獲得董事會批准。

### 董事會成員

截至二零二零年十二月三十一日止年度，董事會由以下董事組成：

#### 執行董事

- 陳偉先生（主席）  
（於二零二零年九月十一日獲委任）
- 陳衛忠先生（首席執行官）  
（於二零二零年九月十一日辭任主席，並於二零二一年二月二日辭任執行董事及首席執行官）
- 盛明健先生（於二零二二年六月二十八日辭任）
- 王超先生（於二零二零年九月十一日辭任）

#### 非執行董事

- 顧偉先生（於二零二零年九月二日獲委任）
- 何源川先生（於二零二零年八月二十八日辭任）

#### 獨立非執行董事

- 沈振昌先生
- 吳榮輝先生
- 孫頴先生



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

There is no financial, business, family or other material or relevant relationships among the Directors of the Company.

An updated list of the roles and functions of Directors is maintained on the websites of the Company and the Stock Exchange, and the Company shall keep updating whenever necessary. The details of the Directors' biographical information (save for those that have resigned) are contained in the section headed "Profile of Directors and Senior Management" of this annual report.

The Company has adopted a Board diversity policy on 25 March 2014 (the "**Board Diversity Policy**"). The Company recognizes and embraces the benefits of having a diverse Board to the quality of its performance. The Board Diversity Policy aims to set out the approach to achieve diversity on the Board. The Remuneration Committee and Nomination Committee will evaluate the balance and blend of skills, experience and diversity of perspectives of the Board. Selection of candidates will be based on a range of diversity experiences, including but not limited to age, gender, cultural and educational background, and merit and contribution that the selected candidates will bring to the Board.

Having reviewed the Board composition, the Nomination Committee recognises the importance and benefits of the gender diversity at the Board level and will take initiatives to enhance the gender diversity among the Board members when selecting and making recommendation on suitable candidates for Board appointments.

The Board currently consists of only male Director. In recognising the particular importance of gender diversity, the Company targets to appoint at least one female director by on later than 31 December 2024.

### Director Nomination Policy

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would review the implementation of the Board Diversity Policy in achieving the objectives set for the benefits of the Company.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

本公司各董事之間概無財務、業務、家族或其他重大或相關關係。

最新的董事角色及職能清單已刊載於本公司及聯交所的網站，而本公司將於有需要時持續更新。各董事（已辭任者除外）的履歷資料詳情載於本年報「董事及高級管理人員履歷」一節。

本公司已於二零一四年三月二十五日採納董事會成員多元化政策（「**董事會成員多元化政策**」）。本公司認同及深信，董事會成員多元化對提升其表現質素裨益良多。董事會成員多元化政策旨在載列為達致董事會成員多元化而採取的方針。薪酬委員會及提名委員會將會評核董事會成員的技能、經驗及多元化範疇方面的平衡與融合。甄選人選將按一系列多元化範疇為基準，包括但不限於年齡、性別、文化及教育背景，以及獲選人選的長處及可為董事會提供的貢獻。

提名委員會在審視董事會組成後深明董事會成員性別多元化在董事會層面而言屬攸關重要及別有裨益，故其會在甄選及建議合適候選人供董事會任命時採取措施，藉以改善董事會成員的性別多元化。

董事會目前僅由男性董事組成。深知性別多元化尤為重要，本公司計劃在二零二四年十二月三十一日前委任至少一名女性董事。

### 董事提名政策

在評估董事會的組成時，提名委員會將考慮董事會多元化政策中規定的各個方面，包括但不限於性別、年齡、文化和教育背景、專業資格、技能、知識和行業以及區域經驗。提名委員會於實現為本公司利益制定的目標的過程中將審核董事會多元化政策的實施情況。

在確定及甄選合適的董事候選人時，提名委員會會在考慮候選人的特徵、資格、經驗、獨立性及就補足企業策略及實現董事會多元化（如適用）而言屬必要的其他相關標準後方向董事會提出建議。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Independent Non-executive Directors

The Company at all times complied with the requirement of Rule 3.10A of the Listing Rules, which requires an issuer's board of directors to have at least one-third of its members being independent non-executive directors. In addition, the Company has duly complied with Rule 3.10(1) and Rule 3.10(2) of the Listing Rules, which requires the issuer's board must include at least three independent non-executive directors and at least one of the independent non-executive directors to have appropriate professional qualifications or accounting or related financial management expertise.

Mr. Ng Wing Fai, chairman of the Company's Audit Committee and being one of the independent non-executive Director, possesses over 20 years of experience in audit, taxation and consultancy in government and non-government institutions. Together with another two independent non-executive Directors, Mr. Shen Zhenchang and Mr. Sun Jiong, all of whom have wide exposure and experience in the cooking food industry and provide the Group with diversified expertise and experience.

Their views and participation in Board and Board committee meetings bring independent judgment and advice on issues relating to the Group's strategies, performance, conflicts of interest, management process and to ensure that the interests of all Shareholders are taken into account.

The Company has received an annual confirmation from each of the independent non-executive Directors on their respective independence pursuant to Rule 3.13 of the Listing Rules and the Board considers that each of them be independent. The Board believes that the present structure of the Board can ensure the independence and objectivity of the Board and provide an effective system of checks and balance to safeguard the interests of the Shareholders and the Company.

The Board considers that the balance between executive and non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of Shareholders and the Group as a whole. The composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business development of the Group and for effective leadership. The Board has separate and independent access to the senior management and the company secretary at all times.

All Directors, including independent non-executive Directors, are clearly identified as such in all corporate communications containing the names of the Directors.

### 獨立非執行董事

本公司一直遵守上市規則第3.10A條之規定，該規定要求發行人之董事會至少有三分之一成員為獨立非執行董事。此外，本公司已妥為遵守上市規則第3.10(1)條及第3.10(2)條，該條規定發行人之董事會必須包括至少三名獨立非執行董事及至少有一名獨立非執行董事擁有適當專業資格或會計或相關財務管理專業知識。

本公司審核委員會主席兼其中一名獨立非執行董事吳榮輝先生於向政府及非政府機構提供審計、稅務及顧問服務方面擁有逾20年的經驗。連同其他兩名獨立非執行董事沈振昌先生及孫頌先生，彼等全部於料理烹調行業擁有廣泛接觸及經驗，為本集團帶來多元化的專業知識及經驗。

彼等提出的意見及透過參與董事會及董事會委員會會議，為本集團在策略、表現、利益衝突及管理程序等相關事宜上提供獨立判斷及建議，並可確保顧及全體股東之利益。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就彼等各自之獨立性發出之年度確認，董事會亦認為彼等各自均屬獨立。董事會相信，董事會之現時架構可確保董事會之獨立性及客觀性，並提供有效的審查及制衡制度，以保障股東及本公司的整體利益。

董事會認為執行董事與非執行董事之間的平衡可合理及適當發揮充分審查及制衡作用，保障股東及本集團的整體利益。董事會的組成反映適合本集團業務發展所需技能及經驗與有效領導之間的必要平衡。董事會可於任何時候個別及獨立接觸高級管理層及公司秘書。

本公司在所有載有董事姓名的公司通訊中均已明確識別全體董事(包括獨立非執行董事)的身份。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Appointment, Re-election and Removal of Directors

Each of the Directors has entered into a service contract or a letter of appointment with the Company for a specific term. The initial term of office for each Director is a term of three years from their respective appointment date and is subject to retirement by rotation at an annual general meeting (the “AGM”) at least once every three years. According to the articles of association of the Company (the “Articles”), one-third of the Directors for the time being shall retire from office by rotation at each AGM provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election at the relevant AGM. In addition, the Articles provide that any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment, whereas any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM. The Director appointed by the Board as aforesaid shall be eligible for re-election at the relevant general meeting.

Shareholders may, at any general meeting of the members convened and held in accordance with the Articles, remove a Director at any time before the expiration of his/her period of office notwithstanding to the contrary in the Articles or in any agreement between the Company and such Director.

No annual general meeting of the Company was held since 29 June 2020. Therefore, no Directors have been subject to retirement and re-election by the Shareholders at the annual general meeting.

### 董事的委任、重選及罷免

各董事已與本公司訂立特定年期的服務合約或委任書。各董事之初始任期為自彼等各自委任日期起計三年，惟須最少每三年於股東週年大會（「股東週年大會」）上輪席告退一次。根據本公司組織章程細則（「細則」），當時在任之三分之一董事應於各股東週年大會上輪席告退，惟各董事須至少每三年輪席告退一次。退任董事將有資格於相關股東週年大會上膺選連任。此外，細則規定任何為填補臨時空缺而獲董事會委任的董事僅可留任至其獲委任後之本公司首次股東大會為止，而任何作為現有董事會新增成員而獲董事會委任的董事僅可留任至下屆股東週年大會為止。前述獲董事會委任之董事將有資格於相關股東大會上接受重選。

即使會違反細則或本公司與該董事訂立的任何協議，股東可隨時於按照細則召開及舉行的任何股東大會上，罷免任期尚未屆滿的董事。

自二零二零年六月二十九日起，本公司未曾舉行股東週年大會。因此，並無董事須於股東週年大會上退任及經股東重選。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Directors' Continuing Professional Development

The Company has regularly provided the Directors with information of relevant training courses. Updates on the amendments of applicable rules and regulations have been given to the Directors from time to time. Save for the directors resigned during the year 2020 and Mr. Chen Weizhong, all our Directors have provided the Company with a record of their training received in 2020. A summary of the Directors participation in continuous professional training for the year ended 31 December 2020 is as follows:

### 董事之持續專業發展

本公司定期為董事提供相關培訓課程的資料。適用之規則和法規的修訂更新資料亦會不時提供給董事。除於二零二零年辭任的董事及陳衛忠先生外，董事已向本公司提供彼等於二零二零年所接受培訓的記錄。董事於截至二零二零年十二月三十一日止年度參與的持續專業培訓概列如下：

Name of Director	董事姓名	Attending briefings/ seminars/ conferences reading materials/ regulatory updates 出席簡介會/ 座談會/會議 閱覽資料/ 法律更新資料
<i>Executive Directors</i>		
Mr. Chen Wei (appointed on 11 September 2020)	陳偉先生 (於二零二零年九月十一日獲委任)	✓
Mr. Chen Weizhong (resigned on 2 February 2021)	陳衛忠先生 (於二零二一年二月二日辭任)	✓
Mr. Sheng Mingjian (resigned on 28 June 2022)	盛明健先生 (於二零二二年六月二十八日辭任)	✓
Mr. Wang Chao (resigned on 11 September 2020)	王超先生 (於二零二零年九月十一日辭任)	✓
<i>Non-executive Director</i>		
Mr. Gu Wei (appointed on 2 September 2020)	顧偉先生 (於二零二零年九月二日獲委任)	✓
Mr. He Yuanchuan (resigned on 28 August 2020)	何源川先生 (於二零二零年八月二十八日辭任)	✓
<i>Independent non-executive Directors</i>		
Mr. Shen Zhenchang	沈振昌先生	✓
Mr. Ng Wing Fai	吳榮輝先生	✓
Mr. Sun Jiong	孫頌先生	✓

Internally, the Company's senior management, including the executive Directors, will implement a training plan and conduct training sessions for its key staff members on a continuing basis. The Directors are required to submit to the Company details of training sessions taken by them in each financial year for the Company's maintenance of proper training records of the Directors.

本公司高級管理層(包括執行董事)亦將在內部實施培訓計劃，持續為其主要員工提供培訓課程。董事須向本公司提交彼等於各財政年度所接受的培訓課程詳情，以便本公司妥為存置董事培訓記錄。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Board and Board Committee Meetings

Under code provision A.1.1 of the Governance Code (which has been renumbered as code provision C.5.1 with effect from 1 January 2022), the Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals and under code provision A.2.7 of the Governance Code (which has been renumbered as code provision C.2.7 with effect from 1 January 2022), the chairman of the board should at least annually hold meeting with the non-executive Directors (including independent non-executive Directors) without the executive Directors present.

At least 14 days' notice for all regular Board meetings will be given to all Directors and all Directors must be given the opportunity to include items or businesses for discussion in the agenda. For all other Board meetings, reasonable notice will be given. Relevant agenda and accompanying Board papers will be sent to all Directors at least three days in advance of every regular Board meeting.

All matters and decisions reached, including any concerns raised by Directors or dissenting views expressed, will be recorded in minutes of Board meeting or other Board committees meetings in sufficient detail. Draft and final versions of minutes of Board/Board committee meetings will be sent to all Directors/committee members for comment and records respectively, within reasonable time after the respective meetings are held. The final versions of these minutes are kept by the Company secretary of the Company and are available for inspection at any reasonable time on reasonable notice by any Director and auditor of the Company.

During the year ended 31 December 2020, the Board convened a total of eight Board meetings, one Remuneration Committee meeting, one Nomination Committee meeting, four Audit Committee meetings, based on the need of the operation and business development of the Company.

### 董事會及董事會委員會會議

根據管治守則的守則條文第A.1.1條(自二零二二年一月一日起已重新編號為守則條文第C.5.1條),董事會必須定期舉行會議,至少每年舉行四次,約每季一次,而根據管治守則守則條文第A.2.7條(自二零二二年一月一日起已重新編號為守則條文第C.2.7條),董事會主席應至少每年與非執行董事(包括獨立非執行董事)舉行一次沒有執行董事出席的會議。

所有董事將在所有董事會常規會議至少14天前接獲會議通知,且全體董事須有機會提出將商討項目或事項列入會議議程。如屬所有其他董事會會議,將會給予合理通知。相關議程及相關董事會文件將在舉行每次常規董事會會議前至少三天送交所有董事。

在董事會會議或其他董事會委員會會議的會議記錄中,將對已達致的所有事項及決定(包括董事提出的任何疑慮或表達的反對意見)作出充分詳細的記錄。於所召開的相關會議結束後,將於合理時間內將董事會/董事會委員會會議之會議記錄的初稿及最後定稿分別發送予全體董事/委員會成員,初稿供董事表達意見,最後定稿則作其記錄之用。該等會議記錄之最後定稿均由本公司的公司秘書保管,並於接獲任何董事及本公司核數師的合理通知後,於任何合理時間內可供查閱。

截至二零二零年十二月三十一日止年度,基於本公司營運及業務發展需要,董事會共召開八次董事會會議、一次薪酬委員會會議、一次提名委員會會議及四次審核委員會會議。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

All Board members attended the said meetings in person or by means via telephonic conferencing, which constituting presence at a meeting as if he has been present in person under the Articles. The Board intends to meet at least four times per year in the future, and the chairman of the Board intends to hold at least one meeting per year with the non-executive Directors (including the independent non-executive Directors) without the executive Directors present.

During the year ended 31 December 2020, the Board considers that all meetings have been legally and properly convened in compliance with the relevant laws and regulations (including the Listing Rules and the Articles). With the assistance of the company secretary, the chairman of the Board takes the lead to ensure that Board meetings and Board committee meetings are convened in accordance with the requirements set out in the Articles, the terms of reference of the respective Board committees and the Listing Rules. The Director's attendance at the Board meetings is set out in the section headed "Attendance at Board and Board Committee Meetings" below.

Upon making reasonable request to the Company, Board members have the right to seek independent professional advice or services at the Company's expense to assist them to perform their duties to the Company.

Should a potential conflict of interest involving substantial Shareholder(s) or Director(s) arise and the Board considers the matter to be material, the Company will hold a physical Board meeting to discuss and consider the matter, instead of passing a written resolution. Independent non-executive Directors who, and whose associates, have no material interest in the transaction should be required to be present at that Board meeting.

全體董事會成員親身或以電話視像會議方式出席上述會議，根據細則，以電話視像會議方式出席會議構成其親身出席會議。董事會擬於未來每年至少召開四次會議，而董事會主席擬至少每年與非執行董事（包括獨立非執行董事）舉行一次沒有執行董事出席的會議。

截至二零二零年十二月三十一日止年度，董事會認為所有會議均遵循相關法律及法規（包括上市規則及細則）依法及妥善召開。在公司秘書的協助下，董事會主席領導董事會，以確保董事會會議及董事會委員會會議均根據細則所載規定、各董事會委員會的職權範圍及上市規則召開。董事出席董事會會議之情況載於下文「出席董事會及董事會委員會會議」一節。

經向本公司作出合理要求後，董事會成員有權尋求獨立專業意見或服務以協助彼等履行其對本公司的責任，費用由本公司承擔。

倘出現涉及主要股東或董事的潛在利益衝突，而董事會認為有關事項屬重大，則本公司將舉行董事會會議討論及考慮有關事項（而非通過書面決議案）。在交易中本身及其聯繫人均沒有重大利益的獨立非執行董事須出席有關的董事會會議。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Attendance at Board, Board Committee Meetings and General Meeting

Attendance of each Director at all the Board meetings, Board committee meetings and 2020 AGM held during 2020 is set out as follows.

### 出席董事會、董事會委員會會議以及股東大會

各董事出席於二零二零年舉行的全部董事會會議、董事會委員會會議及二零二零年股東週年大會的情況載列如下。

Name of Director	董事姓名	Board meeting	Audit Committee meeting	Nomination Committee meeting	Remuneration Committee meeting	2020 Annual General Meeting
		董事會會議	審核委員會會議	提名委員會會議	薪酬委員會會議	二零二零年股東週年大會
<i>Executive Directors</i>		<i>執行董事</i>				
Mr. Chen Wei (appointed as chairman of the Board and executive Director on 11 September 2020)	陳偉先生 (於二零二零年九月十一日獲委任為董事會主席兼執行董事)	1/1	N.A. 不適用	N.A. 不適用	N.A. 不適用	0/0
Mr. Chen Weizhong (resigned as chairman of the Board on 11 September 2020)	陳衛忠先生 (於二零二零年九月十一日辭任董事會主席)	8/8	N.A. 不適用	N.A. 不適用	N.A. 不適用	N.A. 不適用
Mr. Sheng Mingjian (resigned as executive Director on 28 June 2022)	盛明健先生 (於二零二二年六月二十八日辭任執行董事)	8/8	N.A. 不適用	N.A. 不適用	N.A. 不適用	1/1
Mr. Wang Chao (resigned as executive Director on 11 September 2020)	王超先生 (於二零二零年九月十一日辭任執行董事)	7/7	N.A. 不適用	N.A. 不適用	N.A. 不適用	1/1
<i>Non-executive Director</i>		<i>非執行董事</i>				
Mr. Gu Wei (appointed on 2 September 2020)	顧偉先生 (於二零二零年九月二日獲委任)	2/2	1/1	N.A. 不適用	N.A. 不適用	0/0
Mr. He Yuanchuan (resigned on 28 August 2020)	何源川先生 (於二零二零年八月二十八日辭任)	6/6	2/2	N.A. 不適用	N.A. 不適用	1/1
<i>Independent non-executive Directors</i>		<i>獨立非執行董事</i>				
Mr. Shen Zhenchang	沈振昌先生	8/8	4/4	1/1	1/1	1/1
Mr. Ng Wing Fai	吳榮輝先生	8/8	4/4	1/1	1/1	1/1
Mr. Sun Jiong	孫頴先生	8/8	4/4	1/1	1/1	1/1

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Corporate Governance Responsibilities

The Board is responsible for fulfilling the following corporate governance responsibilities:

- develop and review the Company's corporate governance policies and practices and put forward recommendations to the Board;
- review and monitor the training and continuing professional development of Directors and senior management;
- review and monitor the Company's policies and practices regarding compliance with laws and regulatory provisions;
- develop, review and monitor code of conduct and compliance manual for staff and Directors (if any);
- review the Company's compliance with the Code and disclosure in the corporate governance report; and
- develop shareholder communications policy and regularly review the policy to ensure its effectiveness.

### 企業管治職責

董事會負責履行以下企業管治職責：

- 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；
- 檢討本公司遵守守則的情況及在企業管治報告內的披露；及
- 制定股東通訊政策，並定期檢討該政策以確保其成效。

## (D) CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the Governance Code (which has been renumbered as code provision C.2.1 with effect from 1 January 2022) provides that the roles of the chairman and the CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the CEO should be clearly established and set out in writing.

The Group has complied with the practice in code provision A.2.1 of the Governance Code (which has been renumbered as code provision C.2.1 with effect from 1 January 2022) since 11 September 2020 when Mr. Chen Weizhong resigned as the chairman of the Board and Mr. Chen Wei has been appointed as the chairman of the Board and an executive Director.

## (D) 主席及最高行政人員

管治守則之守則條文第A.2.1條(自二零二二年一月一日起已重新編號為守則條文第C.2.1條)規定，主席與首席執行官的角色應有所區分，並不應由同一人兼任。主席與首席執行官之間職責的分工應清楚界定並以書面形式訂明。

自二零二零年九月十一日起，因陳衛忠先生已辭任董事會主席且陳偉先生獲委任為董事會主席兼執行董事，本集團已遵守管治守則之守則條文第A.2.1條(自二零二二年一月一日起已重新編號為守則條文第C.2.1條)慣例。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Remuneration Committee and Nomination Committees also regularly review the structure and composition of the Board and will make appropriate recommendations to the Board regarding any proposed changes.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining and implementing a high standard of corporate governance practices.

Mr. Chen, as the chairman of the Board, is responsible for ensuring that the Directors receive in a timely manner, adequate information which is accurate, clear, complete and reliable. He ensures that all Directors are properly briefed on issues arising at the Board meetings. Mr. Chen is also responsible for ensuring good corporate governance practices and procedures are maintained, all Directors make full and active contribution to the Board's affairs, and the Board acts in the best interests of the Company and its Shareholders.

Under the leadership of Mr. Chen, the Board works effectively and performs its responsibilities with all key and appropriate issues discussed in a timely manner. Appropriate steps are taken to provide effective communication between the Shareholders and the Board. Mr. Chen will ensure appropriate steps are taken and the Shareholders' views are communicated to the Board as a whole.

A culture of openness and constructive relations among Directors are promoted within the Board, facilitating effective contribution of non-executive Directors and ensuring constructive relations between executive and non-executive Directors.

In the year ended 31 December 2020, Mr. Chen, the chairman of the Board has met with the independent non-executive Directors (without the presence of the executive Directors) once to discuss, and obtain independent views of, the Board affairs.

薪酬委員會及提名委員會亦會定期檢討董事會架構及組成，並將就任何擬議變動向董事會作出適當建議。

董事會將繼續檢討及監控本公司的常規，旨在維持及實行高水平的企業管治常規。

作為董事會主席，陳偉先生負責確保董事及時收到準確、清晰、完整及可靠的充足資料。彼確認全體董事均就於董事會會議上提出之事宜獲得妥善簡報。陳偉先生亦負責確保維持良好的企業管治常規及程序、全體董事全力積極參與董事會事務，以及董事會的行事符合本公司及其股東的最佳利益。

於陳偉先生帶領下，董事會有效運作，並履行其職責，及時商討所有關鍵及適當事宜，亦採取適當措施，促進股東與董事會之間的有效溝通。陳偉先生將確保採取合適步驟及將股東的意見整體傳達至董事會。

董事會內部倡導開誠佈公的文化及董事之間建立建設性關係，為促進非執行董事作出有效貢獻及確保執行董事與非執行董事保持建設性的關係。

截至二零二零年十二月三十一日止年度，董事會主席陳偉先生曾在執行董事避席的情況下與獨立非執行董事進行一次會議，以商討董事會事務及聽取有關方面的獨立意見。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (E) NON-EXECUTIVE DIRECTOR

The term of Mr. Gu Wei, the Company's incumbent non-executive director, shall last for three years from 2 September 2020.

### (F) BOARD COMMITTEES

#### Delegation by the Board

The Board is supported by the Board Committees, and the Board has delegated various responsibilities to the Board Committees, namely the Audit Committee, Remuneration Committee and the Nomination Committee. All Board Committees perform their distinct roles in accordance with their respective terms of reference which are available to public on the websites of the Company and the Stock Exchange.

The Company has provided the Board Committees with sufficient resources and the Board Committees may seek independent professional advice as and when required at the Company's expense.

#### Audit Committee

The Company established the Audit Committee on 17 December 2013 with written terms of reference in compliance with the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and the Governance Code. The Audit Committee currently has four members, namely Mr. Ng Wing Fai, Mr. Sun Jiong, Mr. Shen Zhenchang and Mr. Gu Wei. Mr. Ng Wing Fai, the Company's independent non-executive Director, has been appointed as the chairman of the Audit Committee, and possess the appropriate professional qualifications required under the Listing Rules. The Audit Committee has access to professional advice, if required, and is provided with sufficient resources to perform its duties.

The primary responsibilities of the Audit Committee are to review and supervise the financial reporting process, financial control, internal control and risk management systems of the Company, nominate and monitor external auditor, oversee the audit process and perform other duties and responsibilities as assigned by the Board on an annual basis.

### (E) 非執行董事

本公司現時非執行董事顧偉先生的任期為由二零二零年九月二日起計三年。

### (F) 董事會委員會

#### 董事會授權

董事會在董事會委員會輔助下行事，並已將多項職責轉授予董事會委員會，即審核委員會、薪酬委員會及提名委員會。所有董事會委員會均根據彼等各自的職權範圍(可供公眾人士於本公司及聯交所的網站查閱)履行彼等各自的職責。

本公司已向董事會委員會提供充足資源，而董事會委員會亦可於有需要時尋求獨立專業意見，費用由本公司承擔。

#### 審核委員會

本公司於二零一三年十二月十七日設立審核委員會，其書面職能範圍已遵照聯交所證券上市規則(「上市規則」)以及管治守則的規定。審核委員會現有四名成員，即吳榮輝先生、孫頌先生、沈振昌先生及顧偉先生。本公司的獨立非執行董事吳榮輝先生已獲委任為審核委員會主席，並具備上市規則規定的適當專業資格。審核委員會可獲取專業意見(如有需要)，並獲提供充足資源以履行其職責。

審核委員會的主要職責為每年檢討及監察本公司的財務申報程序、財務監控、內部監控及風險管理制度、提名及監察外聘核數師、監督審核程序以及履行董事會賦予的其他職責及責任。





# CORPORATE GOVERNANCE REPORT

## 企業管治報告

During the year ended 31 December 2020, the Audit Committee has convened four meetings, with all members present in person or through telephonic conferencing, during which the following works were performed:

During the review of financial statements, management has taken/to be taken actions to settle prepayments for fixed assets, and tax matters. The audit committee did not express any disagreement with management's assessment concerning of the fixed assets, and tax matters in the preparation of 2020 consolidated financial statements.

The terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The attendance of the Audit Committee members at the above meeting is set out in the above section headed "Attendance at Board and Board Committee Meetings".

### Remuneration Committee

The Company established the Remuneration Committee on 17 December 2013 with written terms of reference in compliance with the Listing Rules and the Governance Code. The Remuneration Committee has three members, namely Mr. Shen Zhenchang, Mr. Ng Wing Fai and Mr. Sun Jiong. Mr. Shen Zhenchang, the Company's independent non-executive Director, has been appointed as the chairman of the Remuneration Committee. The Remuneration Committee has access to professional advise, if required, and is provided with sufficient resources to perform its duties.

The primary duties of the Remuneration Committee are to review, determine and make recommendations to the Board on the policy and structure of the remuneration (including bonuses and other compensation) payable to the Directors and senior management, assess performance of executive Directors, approve the terms of executive Directors' service contracts and make recommendations on employee benefit arrangements.

The Remuneration Committee is also responsible to establish a formal and transparent procedure for development of remuneration policy, and ensuring no Director or his/her associate is involved in deciding his/her own remuneration. The Remuneration Committee will consult with chairman of the Board about the remuneration proposals for the other executive Directors.

截至二零二零年十二月三十一日止年度，審核委員會曾召開四次會議，全體成員親身或以電話會議方式出席會議，在此期間，進行下列工作：

於審閱財務報表時，管理層已採取／擬採取行動以結付固定資產以及稅務事項的預付款項。審核委員會針對管理層於編製二零二零年綜合財務報表時對固定資產及稅務事項的評估並無表示異議。

審核委員會的職權範圍可於本公司及聯交所的網站查閱。

審核委員會成員出席上述會議之情況載於上文「出席董事會及董事會委員會會議」一節。

### 薪酬委員會

本公司於二零一三年十二月十七日設立薪酬委員會，其書面職能範圍已遵照上市規則以及管治守則的規定。薪酬委員會有三名成員，即沈振昌先生、吳榮輝先生及孫頌先生。本公司的獨立非執行董事沈振昌先生已獲委任為薪酬委員會主席。薪酬委員會可獲取專業意見（如有需要），並獲提供充足資源以履行其職責。

薪酬委員會的主要職責為檢討及釐定應付予董事及高級管理層的薪酬（包括花紅及其他薪酬）政策及架構，並就此向董事會提供推薦建議、評估執行董事表現、批准執行董事服務合約條款，以及就僱員福利安排提供推薦意見。

薪酬委員會亦負責建立制訂薪酬政策的正式具透明度之程序，並確保概無董事或其聯繫人參與決定自身的薪酬。薪酬委員會將就其他執行董事的薪酬建議徵詢董事會主席的意見。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Remuneration Committee of the Company held one meeting in 2020 to review and make recommendations on the existing remuneration packages of all Directors and senior management. The attendance of the Remuneration Committee members at the above meeting is set out in the section headed “Attendance at Board and Board Committee Meetings” above.

The terms of reference of the Remuneration Committee is available on websites of the Company’s website and the Stock Exchange.

Pursuant to code provision B.1.5 of the Governance Code (which has been renumbered as code provision E.1.5 with effect from 1 January 2022), the annual remuneration of the members of the senior management by band for the year ended 31 December 2020 is set out below:

Remuneration band (RMB) 薪酬範圍(人民幣)		Number of Individual 人數
Nil-1,000,000	零至 1,000,000 元	6

Details of the remuneration of each Director for the year ended 31 December 2020 are set out in note 12 to the consolidated financial statements in this annual report.

### Nomination Committee

The Company established the Nomination Committee on 17 December 2013 with written terms of reference in compliance with the Listing Rules and the Governance Code. The Nomination Committee consists of three members, namely Mr. Sun Jiong, Mr. Shen Zhenchang and Mr. Ng Wing Fai. Mr. Sun Jiong, the Company’s independent non-executive Director, has been appointed as the chairman of the Nomination Committee. The Nomination Committee has access to professional advice, if required, and is provided with sufficient resources to perform its duties.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually and make recommendations on any proposed changes to the Board compositions to complement the Company’s corporate strategy. The Nomination Committee is also responsible for identifying suitably qualified individuals and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning of Directors. Furthermore, it also assesses the independence of the independent non-executive Directors.

本公司薪酬委員會於二零二零年舉行一次會議，以檢討全體董事及高級管理層的現有薪酬待遇及就此提供推薦意見。薪酬委員會成員出席上述會議之情況載於上文「出席董事會及董事會委員會會議」一節。

薪酬委員會的職權範圍可於本公司及聯交所的網站查閱。

根據管治守則之守則條文第B.1.5條(自二零二二年一月一日起已重新編號為守則條文第E.1.5條)，截至二零二零年十二月三十一日止年度高級管理層成員按範圍劃分之年度薪酬載列如下：

各位董事於截至二零二零年十二月三十一日止年度之薪酬詳情載於本年報所載綜合財務報表附註12。

### 提名委員會

本公司於二零一三年十二月十七日設立提名委員會，其書面職能範圍已遵照上市規則以及管治守則的規定。提名委員會包括三名成員，即孫頌先生、沈振昌先生及吳榮輝先生。本公司的獨立非執行董事孫頌先生已獲委任為提名委員會主席。提名委員會可獲取獨立專業意見(如有需要)，並獲提供充足資源以履行其職責。

提名委員會的主要職責為每年檢討董事會的架構、規模及組成，並就補充本公司的企業策略而對董事會組成作出的任何潛在變動提出推薦建議。提名委員會亦負責物色具備合適資格的人士，並就董事委任或重新委任以及董事繼任計劃向董事會提出推薦建議。此外，其亦評核獨立非執行董事的獨立性。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Nomination Committee has held one meeting in 2020, during which the diversity, structure, size and composition of the Board and the independence of the independent non-executive Directors were reviewed and considered, and relevant recommendation was made to the Board. The attendance of the Nomination Committee members at the above meeting is set out in the section headed “Attendance at Board and Board Committee Meetings” above.

In assessing the Board composition, the Nomination Committee takes into account the various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee discussed and agreed on measurable objectives for achieving diversity on the Board, where necessary, and recommends them to the Board for adoption. The Nomination Committee considers an appropriate balance of diversity perspective of the Board is maintained. The Board Diversity Policy shall be reviewed by the Nomination Committee annually, as appropriate, to ensure its effectiveness.

In selecting candidates for directorship of the Company, the Nomination Committee makes reference to certain criteria such as the Company’s needs, the integrity, experience, skills and expertise of the candidate, board diversity aspects and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. External recruitment professionals might be engaged to carry out selection process when necessary.

The terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

提名委員會已於二零二零年舉行一次會議，並於會上檢討及考慮董事會之多元性、架構、規模及組成以及獨立非執行董事的獨立性，並已向董事會作出相關推薦建議。提名委員會成員出席上述會議之情況載於上文「出席董事會及董事會委員會會議」一節。

於評估董事會組成時，提名委員會考慮董事會成員多元化政策所載多個方面，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識以及行業及區域經驗。提名委員會於必要時討論及一致同意實現董事會多元化的可衡量目標，並推薦予董事會以供採納。提名委員會認為，董事會維持了多元化方面的適當平衡。提名委員會應每年檢討董事會成員多元化政策（如適用），以確保其有效性。

於篩選本公司董事候選人時，提名委員會參考若干條件，例如本公司的需要、候選人的誠信、經驗、技能及專業知識、董事會成員多元化方面及該候選人對履行其職務及責任將付出的時間及努力。如有需要，可委聘外部招聘專業人士進行篩選程序。

提名委員會的職權範圍可於本公司及聯交所的網站查閱。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (G) AUDITORS' REMUNERATION

The remuneration paid or payable to the Company's external auditors, Ernst & Young (resigned as auditors of the Company with effect from 26 April 2021) ("EY") and Grant Thornton Hong Kong Limited (appointed as auditors of the Company with effect from 12 May 2021) ("Grant Thornton"), during the year is set out below:

Service Category	服務類別	Remuneration Paid/Payable 已付/應付酬金 RMB'000 人民幣千元
Audit services provided by EY	安永提供核數服務	2,000
Audit services provided by Grant Thornton	致同提供核數服務	3,200

The Audit Committee has expressed its views to the Board that the level of fees paid/payable to the Company's external auditors for annual audit and non-audit services is reasonable. Save as mentioned in the announcement of the Company dated 26 April 2021, there has been no major disagreement between the EY and the management of the Company during the year ended 31 December 2020.

The Audit Committee is responsible to make recommendation to the Board as to the appointment, re-appointment and removal of the external auditors. There is no disagreement between the Board and the Audit Committee regarding the appointment of Grant Thornton as the Company's external auditors during the years ended 31 December 2020 and 2021.

### (G) 核數師酬金

年內支付或應付予本公司外聘核數師安永會計師事務所(已於二零二一年四月二十六日辭任本公司核數師)(「安永」)及致同(香港)會計師事務所有限公司(已於二零二一年五月十二日獲委任為本公司核數師)(「致同」)之酬金載列如下：

Service Category	服務類別	Remuneration Paid/Payable 已付/應付酬金 RMB'000 人民幣千元
Audit services provided by EY	安永提供核數服務	2,000
Audit services provided by Grant Thornton	致同提供核數服務	3,200

審核委員會已向董事會反映其意見，表示已付/應付本公司外聘核數師提供年度核數及非核數服務的費用水平屬合理。除本公司日期為二零二一年四月二十六日的公佈提述者外，安永與本公司管理層於截至二零二零年十二月三十一日止年度並無任何重大意見分歧。

審核委員會負責就外聘核數師的委聘、續聘及罷免向董事會提出推薦建議。董事會與審核委員會就委任致同為本公司截至二零二零年及二零二一年十二月三十一日止財政年度之外聘核數師並無意見分歧。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (H) DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare accounts of the Group and other financial disclosures required under the Listing Rules and the Company's management will provide information and explanation to the Board to enable it to make informed assessments of the financial and other decisions.

Grant Thornton draws attention to note 2.2 in the consolidated financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Their opinion is not modified in respect of this matter. Save as disclosed in note 2.2 of the consolidated financial statements in this annual report, the Directors are not aware of any other material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the auditors of the Company in respect of their reporting responsibilities on the Company's consolidated financial statements for the year ended 31 December 2020 is set out in the "Independent Auditors' Report" contained in this annual report.

### (I) RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining effective risk management and internal control systems and conducting regular review on the effectiveness of the risk management and internal control system of the Company. The risk management and Internal Control systems of the Group are characterised by distinct division between power and authority, clear procedures, high transparency and efficiency. The Company has worked out a procedure for identifying, evaluating and managing significant risks of the Company. Business departments including the production and sales departments are responsible for identifying, supervising and evaluating the risks related to themselves, and report to the Company's senior management on a regular basis. The senior management shall evaluate and set priorities for the identified risks according to the procedure set by the Board's Audit Committee, and then submit risk alleviation plans to the Audit Committee which shall appoint officers responsible for risk management.

### (H) 董事就綜合財務報表之財務申報責任

董事確認，彼等負責根據上市規則規定編製本集團賬目及其他財務披露，而本公司管理層將為董事會提供資料及解釋，令董事會可對財務及其他決定作出知情評估。

致同提請注意綜合財務報表附註2.2，當中載述導致本集團持續經營的能力出現重大疑問的主要狀況。該等事件或狀況反映存在重大不確定因素可能導致對本集團持續經營的能力產生重大疑慮。其並未就此發表保留意見。除本年報綜合財務報表附註2.2所披露者外，董事並無發現有關事件或狀況的任何其他重大不確定因素會導致本公司繼續持續經營的能力出現重大疑問。

本公司核數師就其對本公司截至二零二零年十二月三十一日止年度綜合財務報表之申報責任發出的聲明載於本年報所載的「獨立核數師報告」。

### (I) 風險管理及內部監控

董事會負責維持有效的風險管理及內部監控制度及定期檢討本公司風險管理及內部監控制度的有效性。本集團風險管理及內部監控制度的特點為權責分明、程序清晰、高度透明、富有成效。本公司已制訂一套供以辨認、評估及管理本公司的重大風險的程序。本公司的生產、銷售等業務部門分別負責辨認、監察及評估與部門本身相關的風險，並定期向本公司高級管理層匯報。高級管理層根據董事會審核委員會負責制訂的程序，評估及排列所識別風險的優先次序，從而向董事會審核委員會提議緩和風險的計劃及由審核委員會指定管理風險的負責人。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company has formulated the insider information policies according to the Securities & Futures Ordinance and the Listing Rules. The Company's Directors, senior management and all others relevant employees are provided with the guidelines to ensure that the Company promptly disclose the insider information under reasonable and practicable circumstances. The guideline contains a series of procedure to ensure that the information are kept confidential before they are disclosed to the general public, and shall publicly disclose such information immediately if the Company considers that it is impossible to keep it confidential as required.

The risk management and internal control systems adopted by the Company are designed to manage rather than eliminate the risks of failing to achieve the business objectives and can only make reasonable but not absolute assurance against material misstatement or loss. Procedures have been designed for safeguarding assets against unauthorized use or disposition, maintaining of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance of applicable laws, rules and regulations. However, the system can only provide reasonable but not absolute assurance against misstatements or losses.

The Board is responsible for presenting a balanced and clear assessment of the Group's performance and prospects. Management of the Company provides all relevant information to the Board, giving its members sufficient information and explanation that it needs to discharge their responsibilities.

The Board acknowledged that there are major internal control deficiencies identified as a result of the findings from the forensic investigation and internal control review.

Please refer to the announcement of the Company dated 30 May 2022 and the announcement of the Company expected to be published by the end of September 2022 for further details of the key findings of the forensic investigation, the supplemental forensic investigation and certain remedial measures adopted by Group.

本公司就遵循證券及期貨條例和上市規則的規定制訂了內幕消息政策，為本公司之董事、高級管理層及所有其他相關僱員提供指引，以確保本公司能在合理及切實可行的情況下儘快向公眾披露內幕消息。有關指引有一系列程序確保該等消息在向公眾全面披露前的保密性，以及一旦本公司認為無法保持所需的保密性，會即時向公眾披露該等消息。

本公司所採納的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就重大的失實陳述或損失作出合理而非絕對的保證。本公司已設計程序，以保障資產免被非法使用或處置，保持恰當的會計記錄以提供可靠之財務資料供內部使用或公佈，及確保遵守適用法律、規例及法規。然而，該制度僅可就防止錯誤陳述或損失提供合理而非絕對的保證。

董事會負責呈列有關本集團表現及前景的均衡清晰的評估。本公司管理層向董事會提供一切相關資料，令其成員獲得履行其職責所需的充分資料及解釋。

董事會承認根據法證調查及內部監控審閱的結果發現存在重大內部監控缺陷：

務請參閱本公司日期為二零二二年五月三十日的公佈及本公司預期於二零二二年九月底前刊發的公佈，以了解法證調查主要結果、補充法證調查以及本集團採取的若干補救措施的進一步詳情。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

As disclosed in the announcement of the Company dated 16 August 2021, the Company has engaged an internal control consultant to conduct a review of the internal control systems and procedures of the Group, identify any defects in the internal control systems and procedures of the Group and make recommendations accordingly. As at the date of this report, the internal control review has completed. Please refer to the announcement of the Company dated 27 September 2022 for further details of the internal control review, defects identified in the internal control systems and procedures of the Group and remediation actions taken by the Group.

As disclosed in the Company's announcement dated 30 March 2021, 26 April 2021, 24 June 2021, 30 August 2021, 31 March 2022 and 31 August 2022, (1) the publication of the annual results for the year ended 31 December 2020 and 31 December 2021; (2) the despatch of the annual report for the year ended 31 December 2020 and 31 December 2021; (3) the publication of the interim results for the six months ended 30 June 2021 and 30 June 2022; and (4) the despatch of the interim report for the six months ended 30 June 2021 and ended 30 June 2022 had been delayed (the "Delay"). For reasons of the Delay, please refer to the mentioned announcements.

The Delay constitutes non-compliance of Rules 13.49(1), 13.46(2)(a), 13.48(1) and 13.49(6) of the Listing Rules respectively. The failure to lay the financial statements for the year ended 31 December 2020 and 31 December 2021 before its members at an annual general meeting within 6 months after the end of the financial year constitutes non-compliance of Rule 13.46(2)(b) of the Listing Rule.

The Company had kept the Shareholders and potential investors informed of the progress of the aforesaid matters by announcements. Eventually, the mentioned annual results and interim results were released and published on the websites of the Stock Exchange and the Company in September 2022. It is expected that the relevant reports will be despatch in due course. The Board is of the view that the aforesaid delays are one-off incidents and that the aforesaid matters had been/will be rectified eventually and the Company had complied with the Listing Rules in keeping the Shareholders and investors informed of the progress of the aforesaid matters.

誠如本公司日期為二零二一年八月十六日的公佈所披露，本公司已委任內部監控顧問對本集團的內部監控系統及程序進行審閱，識別本集團內部監控系統及程序的任何缺陷並據此提供推薦建議。於本報告日期，內部監控審閱已告完成。務請參閱本公司日期為二零二二年九月二十七日發的公佈，以了解內部監控審閱、本集團內部監控系統及程序發現的缺陷以及本集團採取的補救措施的進一步詳情。

如本公司日期為二零二一年三月三十日、二零二一年四月二十六日、二零二一年六月二十四日、二零二一年八月三十日、二零二二年三月三十一日及二零二二年八月三十一日的公佈所披露，(1)刊發截至二零二零年十二月三十一日及二零二一年十二月三十一日止年度年度業績；(2)寄發截至二零二零年十二月三十一日及二零二一年十二月三十一日止年度年報；(3)刊發截至二零二一年六月三十日及二零二二年六月三十日止六個月中期業績；及(4)寄發截至二零二一年六月三十日及二零二二年六月三十日止六個月中期報告均已延遲(「延遲」)。有關延遲原因，務請參閱前述公佈。

延遲分別未有遵守上市規則第13.49(1)、13.46(2)(a)、13.48(1)及13.49(6)條。於財政年度末後六個月內未能於股東週年大會向其股東呈上截至二零二零年十二月三十一日及二零二一年十二月三十一日止年度的財務報表未有遵守上市規則第13.46(2)(b)條。

本公司一直透過公佈方式向股東及潛在投資者告悉前述事項的進展。最終，前述年度業績及中期業績於二零二二年九月在聯交所及本公司網站發佈及刊發。預期相關報告將於適當時寄發。董事會認為，前述延遲屬一次性事件且前述事項已／將最終予以糾正，同時本公司已遵守上市規則向股東及投資者告悉前述事項的進展。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Articles set out matters which are specifically reserved to the Board for its decision. The management team of the Company holds meetings regularly to review and discuss with executive Directors on daily operational issues, financial and operating performance as well as to monitor and ensure the management properly implement the directions and strategies set by the Board.

In order to improve the Group's internal audit function, the Audit Committee has resolved to establish an internal audit department and to be staffed with experienced internal audit personnel in discharging the Group's internal audit function.

The Board will continue, with the assistance of the Audit Committee and external independent professionals if necessary, to review and improve the Group's internal controls system, taking into account the prevailing regulatory requirements, the Group's business development and the interests of shareholders.

### (J) COMPANY SECRETARY

Mr. Au Wai Keung (“**Mr. Au**”) served as the company secretary of the Company during the year ended 31 December 2020. Mr. Au is a director of Arion and Associates Limited, a corporate secretarial and accounting services provider in Hong Kong. Mr. Au possesses the professional qualifications that the Stock Exchange has considered acceptable and has taken no less than 15 hours of professional training during the year ended 31 December 2020.

The primary contact person at the Company is Mr. Liu Jianbin, the CEO and executive Director of the Company.

Mr. Au is responsible for providing advice to the Board on corporate governance matters.

### (K) SHAREHOLDERS' RIGHT

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at Shareholders' meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company ([www.hzlaohenghe.com](http://www.hzlaohenghe.com)) and Stock Exchange after each Shareholders' meeting. The Articles allow a Shareholder to attend and vote at a general meeting or to appoint a proxy, who needs not be a Shareholder, to attend the meeting and vote thereon on his/her/its behalf.

細則已載列特定留待董事會決定的事項。本公司管理團隊定期舉行會議，與執行董事進行檢討及討論，內容包括日常營運事宜、財務及經營表現，以及監察及確保管理層妥善落實董事會制定的方向及策略。

為改善本集團的內部審計職能，審核委員會議決成立內部審計部門，並配備經驗豐富的內部審計人員，以履行本集團的內部審計職能。

董事會在審核委員會及外聘獨立專業人士(如必要)的協助下，將考慮當時的監管規定、本集團的業務發展及股東權益，不斷檢討及改善本集團的內部監控系統。

### (J) 公司秘書

截至二零二零年十二月三十一日止年度，區偉強先生(「**區先生**」)擔任本公司公司秘書一職。區先生為一家香港企業秘書及會計服務供應商亞利安會計事務所有限公司之董事。區先生擁有聯交所認可之專業資格，並於截至二零二零年十二月三十一日止年度接受不少於15小時之專業培訓。

本公司之主要聯絡人為本公司首席執行官兼執行董事劉建鑽先生。

區先生負責就企業管治事宜向董事會提供意見。

### (K) 股東權利

為保障股東利益及權利，將於股東大會上就各個別重大事項(包括選舉個別董事)提呈獨立決議案。根據上市規則，所有於股東大會上提呈的決議案將以投票方式表決，而投票結果將於各股東大會後刊登於本公司網站([www.hzlaohenghe.com](http://www.hzlaohenghe.com))及聯交所網站。細則允許股東有權出席股東大會及於會上投票或委聘代表(毋須為股東)代表其出席大會及於會上投票。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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

With respect to the Shareholders' right in proposing persons for election as Directors, please refer to the procedures available on the website of the Company.

There is no provision allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

Shareholders and potential investors are welcome to communicate with the Company by email: [ir02226@hzlaohenghe.com](mailto:ir02226@hzlaohenghe.com). Shareholders may also put forward their written enquiries or requisitions to the Board at Balidian Town, Food and Industrial Park, Wuxing District, Huzhou City, PRC (Attention: the Board of Directors).

### (L) INVESTOR RELATIONS

The Company believes that effective and proper investor relations play a vital role in creating Shareholders' value, enhancing the corporate transparency as well as establishing market confidence. The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions. Updated key information and business development of the Group are also available on the Company's website to enable Shareholders and investors to have timely access to information about the Group.

根據細則，任何於提請要求當日持有不少於本公司繳足股本(賦有權利在本公司股東大會投票)十分之一的一名或多名股東，應有權向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求所指明的任何事務交易；該會議須於提請該要求後兩個月內舉行。倘董事會於該提請後21日內未有召開該會議，則提請要求的人士可以同樣方式自行召開會議，且本公司須償還提請要求的人士因董事會未有召開該會議而引致的所有合理開支。

關於股東提名董事候選人之權利，請參閱本公司網站所載之程序。

開曼群島公司法或細則並無條文准許股東可在股東大會上提呈任何新決議案。有意動議決議案之股東可按上段所載程序要求本公司召開股東大會。

歡迎股東及潛在投資者電郵至 [ir02226@hzlaohenghe.com](mailto:ir02226@hzlaohenghe.com) 與本公司溝通。股東亦可將書面詢問或請求寄予董事會，地址為中國湖州市吳興區八里店鎮食品工業園(收件人：董事會)。

### (L) 投資者關係

本公司相信，與投資者建立有效及適當的關係對營造股東價值、提高公司透明度及建立市場信心起著重要作用。本公司根據上市規則披露資料，及根據有關法律及法規向公眾人士刊發定期報告及公告。本公司盡力確保及時披露資料，而有關資料實屬公正、準確及完整，務求使股東、投資者及公眾人士能作出合理的知情決定。本集團最新的重要資料及業務發展亦會刊登於本公司網站，以使股東及投資者及時獲得有關本集團的資料。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company also endeavours to maintain an on-going dialogue with Shareholders and in particular, through general meetings which provides a forum for Shareholders to raise comments and exchange views with the Board. Directors (or their delegates as appropriate) will be available at the AGMs of the Company to address Shareholders' queries.

The Company will continue to take measures to ensure effective Shareholders' communication and transparency.

There has been no change in the Articles since the Listing Date. An up to date version of the Articles is available on the websites of the Stock Exchange and the Company.

The Company will strive to strengthen investor relationships and maintain transparency of the operating strategies, financial performance and development prospects of the Company.

### (M) DIVIDEND POLICY

Policy on payment of dividend of the Company is in place setting out the factors in determination of dividend payment of the Company, the Company's long-term earning capacity and expected cash inflow and outflow, the frequency and form of dividend payments. The policy shall be reviewed periodically and submitted to the Board for approval if amendments are required.

本公司亦竭力與股東保持持續對話，尤其是，透過股東大會為股東提供提出意見及與董事會交換意見的討論會。董事(或其代表(如適用))將於本公司股東週年大會上處理股東的詢問。

本公司將繼續採取措施確保有效的股東交流及透明度。

自上市日期起，細則並無變動。細則的最新版本可於聯交所及本公司網站查閱。

本公司將致力強化投資者關係，以及維持本公司經營策略、財務表現及發展前景的透明度。

### (M) 股息政策

本公司已制定股息派付政策，載明釐定本公司股息派付的因素、本公司的長期盈利能力及預期現金流入及流出、股息派付的頻率及形式。該政策應予定期檢討及提交董事會批准是否需要修改。



# DIRECTORS' REPORT

## 董事會報告

The Board is pleased to present the annual report together with the audited financial statements of the Group for the year ended 31 December 2020.

董事會欣然提呈本集團截至二零二零年十二月三十一日止年度之年報及經審核財務報表。

### PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on 4 December 2012 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company is an investment holding company, and its subsidiaries established in the PRC are primarily engaged in the manufacturing of cooking wine and other condiment products in China under the "Lao Heng He" ("老恒和") brand.

### 主要業務

本公司於二零一二年十二月四日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。本公司為投資控股公司，其於中國成立的附屬公司主要從事於中國生產「老恒和」牌料酒及其他調味品。

The activities and particulars of the Company's subsidiaries are shown under note 1 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and note 5 and note 6.1 to the consolidated financial statements in this annual report.

本公司附屬公司的業務及詳情載於綜合財務報表附註1。本集團年內收入及經營利潤按主要業務劃分之分析載於本年報「管理層討論與分析」一節及本年報綜合財務報表附註5及附註6.1。

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2020 are set out on pages 80 to 86 of this annual report.

### 業績及股息

本集團截至二零二零年十二月三十一日止年度業績載於本年報第80至86頁。

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020.

董事會不建議派付截至二零二零年十二月三十一日止年度期末股息。

### FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 3 of this annual report.

### 財務概要

本集團過去五個財政年度的已公佈業績及資產及負債概要載於本年報第3頁。

### PROPERTY, PLANT AND EQUIPMENT

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

### 物業、廠房及設備

本集團年內物業、廠房及設備變動詳情載於本年報綜合財務報表附註17。

### EQUITY-LINKED AGREEMENTS

There were no equity-linked agreements entered into by the Group, or existed during the year ended 31 December 2020.

### 股權關聯協議

截至二零二零年十二月三十一日止年度，本集團概無簽訂或存在任何股權關聯協議。



# DIRECTORS' REPORT

## 董事會報告

### SHARE CAPITAL

Details of the movements in the Company's share capital during the year ended 31 December 2020 are set out in note 33 to the consolidated financial statements in this annual report.

### PRE-EMPTIVE RIGHTS

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

### DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company has no reserve available for distribution to the shareholders.

### RESERVES

Details of the movement in the reserves of the Group and of the Company during the year ended 31 December 2020 are set out in note 34 to the consolidated financial statements in this annual report.

### BANKING FACILITIES AND OTHER BORROWINGS

Details of the borrowings are set out in the section headed "Management Discussion and Analysis" in this annual report and note 29 to the consolidated financial statements in this annual report.

The Directors are not aware of any circumstances which would give rise to disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 31 December 2020.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during 2020.

### DIRECTORS

A summary of the Directors who held office during the year ended 31 December 2020 and up to the date of this annual report is set out on page 8 of this annual report.

### 股本

本公司於截至二零二零年十二月三十一日止年度之股本變動詳情載於本年報綜合財務報表附註33。

### 優先購買權

細則或開曼群島法律並無有關優先購買權的任何規定，規限本公司須向現有股東按其持股比率發售新股份。

### 可供分派儲備

於二零二零年十二月三十一日，本公司並無儲備可供分派予股東。

### 儲備

本集團及本公司截至二零二零年十二月三十一日止年度儲備變動詳情載於本年報綜合財務報表附註34。

### 銀行融資及其他借款

借款詳情載於本年報「管理層討論與分析」一節及本年報綜合財務報表附註29。

董事並不知悉截至二零二零年十二月三十一日有任何將導致根據上市規則第13.18條履行披露責任的情況。

### 購買、出售或贖回本公司上市證券

本公司及其任何附屬公司於二零二零年並無購買、出售或贖回本公司之任何上市證券。

### 董事

截至二零二零年十二月三十一日止年度及直至本年報日期在任之董事概述載於本年報第8頁。

# DIRECTORS' REPORT

## 董事會報告

### INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and considers that all the independent non-executive Directors are independent.

### BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out in the section headed "Profile of Directors and Senior Management" on pages 11 to 17 of this annual report.

### DIRECTORS' SERVICE CONTRACTS

As at 31 December 2020, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or its subsidiaries, as applicable, within one year without payment of compensation (other than statutory compensation).

### CONTRACTS WITH DIRECTORS AND CONTROLLING SHAREHOLDERS

No contract of significance (as defined under notes 16.1 and 16.2 of Appendix 16 to the Listing Rules) has been entered into between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries during the year ended 31 December 2020.

No contract of significance (as defined under notes 15.2 and 15.3 of Appendix 16 to the Listing Rules) which the Company or any of its subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2020.

### 獨立非執行董事之獨立性

董事會接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出之年度確認書，並認為全體獨立非執行董事均屬獨立人士。

### 董事及高級管理人員履歷詳情

本年報日期之董事及本集團高級管理人員履歷詳情載於本年報第11頁至17頁「董事及高級管理人員履歷」一節。

### 董事的服務合約

於二零二零年十二月三十一日，概無董事與本公司或其任何附屬公司訂立本公司或其附屬公司(如適用)不可於一年內終止而毋須支付賠償(法定賠償除外)的服務合約。

### 與董事及控股股東的合約

截至二零二零年十二月三十一日止年度，本公司或其任何附屬公司與控股股東或其任何附屬公司之間概無訂立任何重大合約(定義見上市規則附錄16附註16.1及16.2)。

本公司或其任何附屬公司概無於年終或截至二零二零年十二月三十一日止年度內任何時間存續而董事或與董事有關連的實體(不論直接或間接)於其中擁有重大權益之任何重大合約(定義見上市規則附錄16附註15.2及15.3)。



# DIRECTORS' REPORT

## 董事會報告

### COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management members of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The remuneration (including fees, salaries, allowances and benefits in kind, performance related bonuses, and pension scheme contributions) paid to the Company's Directors in aggregate for the years ended 31 December 2019 and 2020 were approximately RMB1,707,000 and RMB1,573,000, respectively.

The remuneration (including salaries, allowances and benefits in kind, performance related bonuses, and pension scheme contributions) paid to our Group's five highest paid individuals in aggregate for the years ended 31 December 2019 and 2020 were approximately RMB1,379,000 and RMB2,084,000, respectively.

For the year ended 31 December 2020, no emoluments were paid by our Group to any director of the Company or any of the five highest paid individuals as an inducement to join or upon joining our Group or as compensation for loss of office. None of the directors has waived any emoluments for the year ended 31 December 2020.

Details of the Directors' emoluments and the emoluments of the five highest paid individuals in the Group are set out in note 12 and note 13 of the consolidated financial statements in this annual report.

Except as disclosed above, no other payments have been made or are payable, for the year ended 31 December 2020 by our Group to or on behalf of any of the Directors.

### 董事及高級管理人員酬金

董事及本集團高級管理層成員之酬金由董事會參考薪酬委員會給出的建議釐定，並考慮本集團的經營業績、個人表現及可比較市場數據。

截至二零一九年及二零二零年十二月三十一日止年度，向本公司董事支付的薪酬(包括袍金、工資、津貼及實物利益、表現相關的花紅及退休金計劃供款)總計分別約人民幣1,707,000元及人民幣1,573,000元。

截至二零一九年及二零二零年十二月三十一日止年度，向本集團五位最高薪人士支付的薪酬(包括工資、津貼及實物利益、表現相關的花紅及退休金計劃供款)總計分別約人民幣1,379,000元及人民幣2,084,000元。

截至二零二零年十二月三十一日止年度，本集團概無向本公司任何董事或五位最高薪酬人士支付薪酬，作為加入或於加入本集團時的酬金或作為離職補償。概無董事就截至二零二零年十二月三十一日止年度放棄任何酬金。

董事薪酬及本集團五位最高薪酬人士之薪酬詳情載於本年報綜合財務報表附註12和附註13。

除上文披露者外，截至二零二零年十二月三十一日止年度，概無由本集團或代表任何董事支付或應付任何其他款項。



# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors nor the controlling Shareholders of the Company or their respective associates (as defined in the Listing Rules) had any interest in a business that competed or was likely compete with, either directly or indirectly, the business of the Group.

On 8 January 2014, Mr. Chen Weizhong and Key Shine Global Holdings Limited (the “**Covenantors**”), and the Company (for itself and as trustee for each of its subsidiaries) entered into a deed of non-competition (the “**Non-competition Deed**”), pursuant to which each of the Covenantors has irrevocably, jointly and severally given certain non-competition undertakings to the Company (for itself and as trustee for each of its subsidiaries). Details of which are set out in the section headed “Relationship with Our Controlling Shareholders — Non-competition Undertaking” in the Prospectus.

The Covenantors declared that they have complied with the Non-competition Deed. The independent non-executive Directors have conducted such review for the year ended 31 December 2020 and also reviewed the relevant undertakings and are satisfied that the Non-competition Deed has been fully complied.

### PERMITTED INDEMNITY PROVISION

The Company maintained Directors' liability insurance to protect them from any loss to which the Directors of the Company might be liable arising from their actual or alleged misconduct.

### MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence as at the end of the year or at any time during 2020.

### LOAN OR GUARANTEE FOR LOAN GRANTED TO THE DIRECTORS

Save as the disclosed in the paragraphs headed “Connected Transaction and Related Party Transactions” of this report below, during 2020, the Group had not made any loan or provided any guarantee for any loan, directly or indirectly, to the Directors, senior management, its ultimate controlling Shareholders or their respective connected persons.

### 董事於競爭業務的權益

於年內，概無董事或本公司控股股東或彼等各自的聯繫人（定義見上市規則）在直接或間接與本集團業務競爭或可能競爭的業務中擁有任何權益。

於二零一四年一月八日，陳衛忠先生與Key Shine Global Holdings Limited（「**契諾人**」）及本公司（為其本身及作為其各附屬公司之信託人）訂立一份不競爭契據（「**不競爭契據**」），據此，各契諾人已不可撤回地共同及個別向本公司（為其本身及作為其各附屬公司之信託人）作出若干不競爭承諾。相關詳情載於招股章程「與我們控股股東的關係 — 不競爭承諾」一節。

契諾人宣佈彼等已遵守不競爭契據。獨立非執行董事於截至二零二零年十二月三十一日止年度已作出有關檢討，亦已檢討相關承諾且信納已完全遵守不競爭契據。

### 獲准許的彌償條文

本公司已投保董事責任保險，以就本公司董事可能需要承擔任何因其事實上或遭指控的不當行為所引致的損失而向彼等提供保障。

### 管理合約

除董事之服務合約及委任函件以外，於年末或二零二零年內任何時間，概無訂立或存在與本集團整體或任何重大部分業務的管理及行政事務有關的合約。

### 向董事授予的貸款或貸款擔保

除本報告下文「關連交易及與關聯方的交易」各段所披露者外，於二零二零年，本集團並未向董事、高級管理層、其最終控股股東或彼等各關連人士直接或間接提供任何貸款或就任何貸款提供擔保。



# DIRECTORS' REPORT

## 董事會報告

### INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at 31 December 2020, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of the associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

#### Interests in Shares and underlying Shares of the Company as at 31 December 2020

### 董事及最高行政人員於證券之權益及淡倉

於二零二零年十二月三十一日，本公司董事及最高行政人員於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所（包括根據證券及期貨條例之該等條文彼等被視為或被當作擁有之權益及淡倉）；或(b)根據證券及期貨條例第352條須記錄於該條所述登記冊內；或(c)根據標準守則須知會本公司及聯交所之權益或淡倉：

#### 截至二零二零年十二月三十一日於股份及本公司相關股份之權益

Name of Director	董事姓名	Capacity/Nature of Interest	Number of Underlying Shares	Approximate percentage of the Company's issued share capital 佔本公司已發行股本概約百分比
Mr. Chen Weizhong	陳衛忠先生	Interest in a controlled corporation <sup>(note)</sup> 受控制法團權益 <sup>(附註)</sup>	283,018,750	48.90%
		Beneficial owner 實益擁有人	2,682,000	0.46%

Note: These shares are held by Key Shine Global Holdings Limited ("Key Shine"). The entire issued share capital of Key Shine is owned by Mr. Chen Weizhong. Mr. Chen Weizhong is deemed to be interested in the shares held by Key Shine under SFO.

附註：該等股份由Key Shine Global Holdings Limited（「Key Shine」）持有。Key Shine的全部已發行股本由陳衛忠先生擁有。根據證券及期貨條例，陳衛忠先生被視為擁有Key Shine持有的股份的權益。

Save as disclosed above and to the best knowledge of the Directors, as at 31 December 2020, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

除上文所披露者外及據董事所知，於二零二零年十二月三十一日，概無本公司董事或最高行政人員於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所（包括根據證券及期貨條例彼等各自被視為或被當作擁有之權益及淡倉）；或根據證券及期貨條例第352條須列入該條所述登記冊內；或根據標準守則須知會本公司及聯交所之任何權益及／或淡倉。



# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2020 or the period following 31 December 2020 up to the date of this annual report, was the Company or any of its subsidiaries or holding company or any of the subsidiaries of the Company's holding company a party to any arrangement to enable the Directors or the chief executive of the Company or their respective associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors and chief executive, or their spouse and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during such period.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2020, so far as are known to the Board, the following parties (other than any Directors or chief executive of the Company) had interests and/or short positions in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under section 336 of the SFO:

### 董事購買股份或債券之權利

截至二零二零年十二月三十一日止年度或於二零二零年十二月三十一日後直至本年報日期期間內任何時間，本公司或其任何附屬公司或控股公司或任何本公司控股公司之附屬公司概無參與任何安排，致使董事或本公司最高行政人員或彼等各自的聯繫人可透過購買本公司或其他任何法人團體之股份或債券而獲取利益，以及概無董事及最高行政人員或彼等之配偶及18歲以下之子女擁有任何認購本公司證券之權利，或已於該期間內行使任何該等權利。

### 主要股東於證券之權益及淡倉

於二零二零年十二月三十一日，據董事會所知，下列人士（董事或本公司最高行政人員除外）於股份及相關股份擁有根據證券及期貨條例第XV部第2及3分部條文須予披露或須記錄於根據證券及期貨條例第336條規定存置的登記冊的權益及／或淡倉：



# DIRECTORS' REPORT

## 董事會報告

Long positions in the Shares and underlying Shares of the Company as at 31 December 2020 截至二零二零年十二月三十一日於本公司股份及相關股份之好倉

Name	名稱	Nature of interests	權益性質	Number of Shares held	持有股份數目	Approximate percentage of the Company's issued Share capital <sup>(1)</sup>	佔本公司已發行股本概約百分比 <sup>(1)</sup>
Key Shine Global Holdings Limited <sup>(2)</sup>	Key Shine Global Holdings Limited <sup>(2)</sup>	Beneficial owner	實益擁有人	283,018,750 (L)		48.90%	
Ms. Xing Liyu <sup>(3)</sup>	邢利玉女士 <sup>(3)</sup>	Interest of spouse	配偶權益	285,700,750 (L)		49.37%	
Wuxing City Investment HK Company Limited <sup>(4)</sup>	吳興城投(香港)有限公司 <sup>(4)</sup>	Person having a security interest in shares	擁有股份質押權益的人士	229,424,000 (L)		39.64%	
Huzhou Wuxing Chengshi Touzi Fazhan Jituan Youxian Gongsi <sup>(4)</sup>	湖州吳興城市投資發展集團有限公司 <sup>(4)</sup>	Person having a security interest in shares	擁有股份質押權益的人士	229,424,000 (L)		39.64%	
Huzhoushi Wuxingqu State-owned Assets Supervision and Administration Services Centre <sup>(4)</sup>	湖州市吳興區國有資本監督管理服務中心 <sup>(4)</sup>	Person having a security interest in shares	擁有股份質押權益的人士	229,424,000 (L)		39.64%	
Hwabao Trust Company Limited (as Hwabao Overseas Markets Investment No. 2 QDII Single Unit Trust Plan 32-8) <sup>(5)</sup>	華寶信託有限責任公司(作為華寶境外市場投資2號系列32-8期QDII單一資金信託計劃) <sup>(5)</sup>	Beneficial owner	實益擁有人	72,625,000 (L)		12.55%	
Chongqing Zhongxin Rongbang Investment Center (Limited Partnership) <sup>(5)</sup>	重慶中新融邦投資中心(有限合夥) <sup>(5)</sup>	Interest of a controlled corporation	受控法團權益	72,625,000 (L)		12.55%	
Tibet Zhongxin Ruiyin Investment Management Co., Ltd. <sup>(5)</sup>	西藏中新睿銀投資管理有限公司 <sup>(5)</sup>	Interest of a controlled corporation	受控法團權益	72,625,000 (L)		12.55%	
China Innovative Capital Management Limited <sup>(5)</sup>	中新融創資本管理有限公司 <sup>(5)</sup>	Interest of a controlled corporation	受控法團權益	72,625,000 (L)		12.55%	
Beijing Zhonghai Jiacheng Capital Management Limited <sup>(5)</sup>	北京中海嘉誠資本管理有限公司 <sup>(5)</sup>	Interest of a controlled corporation	受控法團權益	72,625,000 (L)		12.55%	
Zhonghai Shengfeng (Beijing) Capital Management Co., Ltd. <sup>(5)</sup>	中海晟豐(北京)資本管理有限公司 <sup>(5)</sup>	Interest of a controlled corporation	受控法團權益	72,625,000 (L)		12.55%	

# DIRECTORS' REPORT

## 董事會報告

Name	名稱	Nature of interests	Number of Shares held	Approximate percentage of the Company's issued Share capital <sup>(1)</sup> 佔本公司已發行股本概約百分比 <sup>(1)</sup>
		權益性質	持有股份數目	
Natural Seasoning International (HK) Limited (formerly known as China Seasoning International (HK) Limited) <sup>(6)</sup>	Natural Seasoning International (HK) Limited (前稱 China Seasoning International (HK) Limited) <sup>(6)</sup>	(i) Beneficial owner; (ii) A concert party to an agreement to buy shares described in s.317(1)(a); and (iii) Person having a security interest in shares (i) 實益擁有人； (ii) 屬第317(1)(a)條所述的買入股份協議一方的一致行動人士；及 (iii) 擁有股份質押權益的人士 <sup>(7)</sup>	345,700,750 (L) <sup>(8)</sup>	59.73% <sup>(8)</sup>
Natural Seasoning International Limited (formerly known as China Seasoning International Limited) <sup>(6)</sup>	Natural Seasoning International Limited (前稱 China Seasoning International Limited) <sup>(6)</sup>	Interest of a controlled corporation 受控法團權益	345,700,750 (L) <sup>(8)</sup>	59.73% <sup>(8)</sup>
Lunar Capital Partners IV LP <sup>(6)</sup>	Lunar Capital Partners IV LP <sup>(6)</sup>	Interest of a controlled corporation 受控法團權益	345,700,750 (L) <sup>(8)</sup>	59.73% <sup>(8)</sup>
Lunar Capital Partners IV GP, LP <sup>(6)</sup>	Lunar Capital Partners IV GP, LP <sup>(6)</sup>	Interest of a controlled corporation 受控法團權益	345,700,750 (L) <sup>(8)</sup>	59.73% <sup>(8)</sup>
LCM-IV General Partner Ltd. <sup>(6)</sup>	LCM-IV General Partner Ltd. <sup>(6)</sup>	Interest of a controlled corporation 受控法團權益	345,700,750 (L) <sup>(8)</sup>	59.73% <sup>(8)</sup>
Mr. Mao Huixin <sup>(9)</sup>	茅惠新先生 <sup>(9)</sup>	Person having a security interest in shares 擁有股份質押權益的人士	52,000,000 (L)	8.98%
MERIDIAN HARVEST LIMITED <sup>(9)</sup>	MERIDIAN HARVEST LIMITED <sup>(9)</sup>	Person having a security interest in shares 擁有股份質押權益的人士	52,000,000 (L)	8.98%
SUPER SUN & MOON CO., LIMITED <sup>(10)</sup>	SUPER SUN & MOON CO., LIMITED <sup>(10)</sup>	Interest of a controlled corporation 受控法團權益	52,000,000 (L)	8.98%
Osiris International Trustees Limited <sup>(10)</sup>	Osiris International Trustees Limited <sup>(10)</sup>	Interest of a controlled corporation 受控法團權益	52,000,000 (L)	8.98%

(L): represents long position

(L) : 指好倉

# DIRECTORS' REPORT

## 董事會報告

### Notes:

- (1) The percentage of shareholding is calculated on the basis of 578,750,000 issued shares of the Company as at 31 December 2020.
- (2) The entire issued share capital of Key Shine Global Holdings Limited ("**Key Shine**") is legally and beneficially owned by Mr. Chen Weizhong. Chen Weizhong is deemed to be interested in the shares held by Key Shine under the SFO.
- (3) Ms. Xing Liyu is the spouse of Mr. Chen Weizhong. Under the SFO, Ms. Xing Liyu is deemed to be interested in the same number of shares in which Mr. Chen Weizhong is interested.
- (4) Key Shine charged 229,424,000 Shares to Wuxing City Investment HK Company Limited. Wuxing City Investment HK Company Limited is wholly owned by Huzhou Wuxing Chengshi Touzi Fazhan Jituan Youxian Gongsi (湖州吳興城市投資發展集團有限公司) which is in turn wholly-owned by Huzhoushi Wuxingqu State-owned Assets Supervision and Administration Services Centre (湖州市吳興區國有資本監督管理服務中心). Accordingly, Huzhou Wuxing Chengshi Touzi Fazhan Jituan Youxian Gongsi (湖州吳興城市投資發展集團有限公司) and Huzhoushi Wuxingqu State-owned Assets Supervision and Administration Services Centre (湖州市吳興區國有資本監督管理服務中心) is deemed to be interested in the 229,424,000 Shares which Wuxing City Investment HK Company Limited interested in.
- (5) These shares are held by Hwabao Trust Company Limited (as Hwabao Overseas Markets Investment No. 2 QDII Single Unit Trust Plan 32-8) (華寶信託有限責任公司(作為華寶境外市場投資2號系列32-8期QDII單一資金信託計劃)) ("**Hwabo Trust**"), which is entrusted by Chongqing Zhongxin Rongbang Investment Center (Limited Partnership) (重慶中新融邦投資中心(有限合夥)) ("**Chongqing Zhongxin (LLP)**"), which is managed by Tibet Zhongxin Ruiyin Investment Management Co., Ltd. (西藏中新睿銀投資管理有限公司) ("**Tibet Zhongxin**").

Tibet Zhongxin is controlled by China Innovative Capital Management Limited (中新融創資本管理有限公司) ("**China Innovative Capital**"), as to 100%. China Innovative Capital is controlled by Beijing Zhonghai Jiacheng Capital Management Limited (北京中海嘉誠資本管理有限公司) ("**Beijing Zhonghai Jiacheng**"), as to 40.8%. Beijing Zhonghai Jiacheng is controlled by Zhonghai Shengfeng (Beijing) Capital Management Co., Ltd. (中海晟豐(北京)資本管理有限公司) ("**Zhonghai Shengfeng**"), as to 90.00%. By virtue of the SFO, each of Zhonghai Shengfeng, Beijing Zhonghai Jiacheng, China Innovative Capital, Tibet Zhongxin, Chongqing Zhongxin (LLP) is deemed to be interested in the shares held by Hwabo Trust.

- (6) Based on the disclosure of interests forms filed on 5 December 2019, Natural Seasoning International (HK) Limited is a direct wholly-owned subsidiary of Natural Seasoning International Limited, which is wholly-owned by Lunar Capital Partners IV LP. Lunar Capital Partners IV LP is a partnership managed by Lunar Capital Partners IV GP, LP (as sole general partner), which is managed by LCM-IV General Partner Ltd. (as sole general partner). By virtue of the SFO, each of LCM-IV General Partner Ltd., Lunar Capital Partners IV GP, LP, Lunar Capital Partners IV LP and Natural Seasoning International Limited is deemed to be interested in the shares held by Natural Seasoning International (HK) Limited.

### 附註：

- (1) 股權百分比乃基於本公司於二零二零年十二月三十一日的578,750,000股已發行股份計算。
- (2) Key Shine Global Holdings Limited (「**Key Shine**」)的全部已發行股本由陳衛忠先生合法實益擁有。根據證券及期貨條例，陳衛忠先生被視為於Key Shine所持股份中擁有權益。
- (3) 邢利玉女士為陳衛忠先生的配偶。根據證券及期貨條例，邢利玉女士被視為於陳衛忠先生擁有權益的相同數目股份中擁有權益。
- (4) Key Shine將229,424,000股股份質押予吳興城投(香港)有限公司。吳興城投(香港)有限公司由湖州吳興城市投資發展集團有限公司全資擁有，而湖州吳興城市投資發展集團有限公司則由湖州市吳興區國有資本監督管理服務中心全資擁有。因此，湖州吳興城市投資發展集團有限公司及湖州市吳興區國有資本監督管理服務中心被視為於吳興城投(香港)有限公司擁有權益的229,424,000股股份中擁有權益。
- (5) 該等股份由華寶信託有限責任公司(作為華寶境外市場投資2號系列32-8期QDII單一資金信託計劃)(「**華寶信託**」)持有，該計劃由重慶中新融邦投資中心(有限合夥)(「**重慶中新(有限合夥)**」)委託，而重慶中新(有限合夥)由西藏中新睿銀投資管理有限公司(「**西藏中新**」)管理。

西藏中新由中新融創資本管理有限公司(「**中新融創資本**」)控制100%的權益。中新融創資本由北京中海嘉誠資本管理有限公司(「**北京中海嘉誠**」)控制40.8%的權益。北京中海嘉誠由中海晟豐(北京)資本管理有限公司(「**中海晟豐**」)控制90.00%的權益。根據證券及期貨條例，中海晟豐、北京中海嘉誠、中新融創資本、西藏中新及重慶中新(有限合夥)均被視為於華寶信託所持有股份中擁有權益。

- (6) 根據二零一九年十二月五日遞交的權益披露表，Natural Seasoning International (HK) Limited為Natural Seasoning International Limited的直接全資附屬公司，而Natural Seasoning International Limited由Lunar Capital Partners IV LP全資擁有。Lunar Capital Partners IV LP乃由Lunar Capital Partners IV GP, LP(作為唯一普通合夥人)管理的合夥企業，而Lunar Capital Partners IV GP, LP則由LCM-IV General Partner Ltd.(作為唯一普通合夥人)管理。根據證券及期貨條例，LCM-IV General Partner Ltd.、Lunar Capital Partners IV GP, LP、Lunar Capital Partners IV LP及Natural Seasoning International Limited均被視為於Natural Seasoning International (HK) Limited所持有股份中擁有權益。



# DIRECTORS' REPORT

## 董事會報告

- (7) Based on the three sets of disclosure of interest forms filed on 2 December 2019 and 5 December 2019 (the "Natural Seasoning DI Forms"), (i) 64,276,750 shares were held by Natural Seasoning International (HK) Limited in the capacity as the beneficial owner; (ii) 281,424,000 shares were held by Natural Seasoning International (HK) Limited in the capacity as a concert party to an agreement to buy shares described in s.317(1)(a); and (iii) 95,723,250 shares were held by Natural Seasoning International (HK) Limited in the capacity as person having a security interest in shares. The information contained in the Natural Seasoning DI Forms may be subject to dispute. For details of the dispute, please refer to the Company's announcement dated 16 December 2019.
- (8) The information disclosed is based on the Natural Seasoning DI Forms. The information contained in the Natural Seasoning DI Forms may be subject to dispute. For details of the dispute, please refer to the Company's announcement dated 16 December 2019.
- (9) Key Shine charged 52,000,000 Shares in favour of Meridian Harvest Limited and Mr. Mao Huixin.
- (10) These shares are held by MERIDIAN HARVEST LIMITED ("Meridian Harvest"). Meridian Harvest is controlled by SUPER SUN & MOON CO., LIMITED ("Super Sun") as to 100%. Super Sun is controlled by Osiris International Trustees Limited ("Osiris") as to 100%. By virtue of the SFO, each of Super Sun and Osiris is deemed to be interested in the shares held by Meridian Harvest.
- (7) 根據於二零一九年十二月二日及二零一九年十二月五日遞交的三份權益披露表(「Natural Seasoning 權益披露表」)，(i) 64,276,750股股份由Natural Seasoning International (HK) Limited以實益擁有人身份持有；(ii) 281,424,000股股份由Natural Seasoning International (HK) Limited以第317(1)(a)條所述買入股份協議一方的一致行動人士身份持有；及(iii) 95,723,250股股份由Natural Seasoning International (HK) Limited以擁有股份質押權益的人士身份持有。Natural Seasoning 權益披露表所載資料可能存在爭議。有關爭議的詳情，請參閱本公司日期為二零一九年十二月十六日的公佈。
- (8) 披露的資料基於Natural Seasoning 權益披露表。Natural Seasoning 權益披露表所載資料可能存在爭議。有關爭議的詳情，請參閱本公司日期為二零一九年十二月十六日的公佈。
- (9) Key Shine將52,000,000股股份質押予Meridian Harvest Limited及茅惠新先生。
- (10) 該等股份由MERIDIAN HARVEST LIMITED (「Meridian Harvest」) 持有。Meridian Harvest由SUPER SUN & MOON CO., LIMITED (「Super Sun」) 控制100%的權益。Super Sun由Osiris International Trustees Limited (「Osiris」) 控制100%的權益。根據證券及期貨條例，Super Sun及Osiris均被視為於Meridian Harvest所持有股份中擁有權益。

Please note that the information stated above is based on the disclosure of interest forms filed by the relevant parties and disclosed on the website of the Stock Exchange, and the Company makes no representation as to the accuracy, validity, correctness and completeness of the information stated therein.

Save as disclosed above, as at 31 December 2020, none of the Directors was aware that any other persons/entities (other than any Directors or chief executive of the Company) had an interest or short position in the Shares or underlying Shares of the Company, its members of the Group or associated corporations which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which had entered in the register required to be kept by the Company pursuant to section 336 of the SFO.

## MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2020, the Group's largest customer accounted for 11.5% (2019: 11.9%) of the Group's total revenue. The Group's five largest customers accounted for 26.3% (2019: 27.6%) of the Group's total revenue.

In the year ended 31 December 2020, the Group's largest supplier accounted for 9.4% (2019: 22.2%) of the Group's total purchases. The Group's five largest suppliers accounted for 36.4% (2019: 46.6%) of the Group's total purchases.

務請注意前述資料乃根據有關人士呈交的權益披露表並於聯交所網站上披露，而本公司概不就其載述資料的準確性、有效性、正確性及完備性發表任何聲明。

除上文披露者外，於二零二零年十二月三十一日，董事並不知悉任何其他人士／實體（董事或本公司最高行政人員除外）於本公司、本集團成員公司或相聯法團之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或已記入根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉。

## 主要供應商及客戶

截至二零二零年十二月三十一日止年度，本集團最大客戶佔本集團總收益的11.5%（二零一九年：11.9%）。本集團五大客戶佔本集團總收益的26.3%（二零一九年：27.6%）。

截至二零二零年十二月三十一日止年度，本集團最大供應商佔本集團採購總額的9.4%（二零一九年：22.2%）。本集團五大供應商佔本集團採購總額的36.4%（二零一九年：46.6%）。

# DIRECTORS' REPORT

## 董事會報告

To the knowledge of the Directors, none of the Directors or any of their associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers during the reporting period of 2020.

### EMPLOYEES

As at 31 December 2020, the Group had 422 full-time employees, as compared to 538 employees as at 31 December 2019. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits, liabilities for breaches and grounds for termination. Remuneration of the Group's employees includes basic salaries, allowances, bonus and other employee benefits and are determined with reference to their experiences, qualifications, competence and general market conditions.

The emoluments payable to the Directors will depend on their respective contractual terms under their employment contracts or service agreements as approved by the Remuneration Committee and Nomination Committee, having regard to the Company's operating results, individual performance and comparable market statistics. No Director should determine his or her own remuneration.

Details of the Directors' emoluments and emoluments of the five highest paid individual in the Group are set out in notes 12 and 13 to the consolidated financial statements in this annual report.

### RETIREMENT BENEFITS SCHEME

The Company participates in the Mandatory Provident Fund Schemes ("MPF Schemes") registered under the Mandatory Provident Scheme Fund Ordinance. The contributions represent contributions payable to the MPF Schemes by the Company in accordance with government regulations.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefits schemes operated by the PRC government. The PRC subsidiaries are required to contribute to the retirement benefits schemes based on a certain percentage of their payroll to fund the benefits. The only obligation of the Group with respect to these retirement benefits schemes is to make the required contributions under the schemes.

Contributions paid or payable for these retirement benefits schemes for the year of 2020 are approximately RMB3.4 million (2019: RMB6.4 million). No forfeited contributions are available to reduce the contribution payable by the Group in future years.

據董事所知，於二零二零年報告期內，概無董事或彼等之任何聯繫人(定義見上市規則)或任何股東(就董事所深知，擁有本公司已發行股本超過5%權益)於本集團之五大供應商或本集團之五大客戶中擁有任何實益權益。

### 僱員

截至二零二零年十二月三十一日，本集團聘有約422名全職僱員，而二零一九年十二月三十一日為538名僱員。本集團與僱員訂立僱傭合約，訂明職位、僱用年期、工資、僱員福利、違約責任及終止理由等事宜。本集團僱員的報酬包括基本薪金、津貼、花紅及其他僱員福利，並參考彼等之經驗、資歷、能力及一般市況釐定。

應付董事之薪酬將取決於彼等各自的僱傭合約或服務協議項下之合約條款(經薪酬委員會及提名委員會批准)，並已考慮本公司之經營業績、個人表現及可資比較市場統計數據而釐定。董事概不得釐定其自身之薪酬。

董事之薪酬及本集團五名最高薪酬人士之薪酬詳情載於本年報綜合財務報表附註12及附註13。

### 退休福利計劃

本公司已參與根據強制性公積金條例登記之強制性公積金計劃(「強積金計劃」)。供款相等於本公司依照政府規例應付予強積金計劃之供款。

中國附屬公司僱傭之僱員為中國政府所經營之國家管理退休福利計劃之成員。中國附屬公司須按彼等工資之若干百分比供款予退休福利計劃以支付福利開支。本集團就此等退休福利計劃之唯一責任為根據計劃作出規定供款。

二零二零年就該等退休福利計劃已付或應付之供款約為人民幣3.4百萬元(二零一九年：人民幣6.4百萬元)。概無任何已沒收供款可供減少本集團於未來年度應付的供款。

# DIRECTORS' REPORT

## 董事會報告

### CONNECTED TRANSACTION AND RELATED PARTY TRANSACTIONS

In relation to certain unauthorised guarantees that the Group entered into with certain creditors as security for loans granted to associates of Mr. Chen Weizhong during the years ended 31 December 2020 and 2019, please refer to note 30 to the consolidated financial statements in this annual report.

In relation to guarantees provided by certain connected persons/related parties for certain Group's bank loans, please refer to notes 29(g) and 38(d) to the consolidated financial statements in this annual report.

In relation to certain borrowings that were withdrawn on behalf of a connected person, please refer to notes 23 and 29(h) to the consolidated financial statements in this annual report.

In relation to the trilateral agreement entered into among the Group, 南太湖 and Zhejiang Zhongwei after the reporting period, please refer to note 43 (c) to the consolidated financial statement in this annual report.

Save as disclosed above, the Directors consider that other related party transactions disclosed in note 38 to the financial statements of this annual report did not fall or were fully exempted under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 14A of the Listing Rules, and hence are not required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

### CORPORATE GOVERNANCE

The Company places high value on its corporate governance practices and the Board firmly believes that a good corporate governance practices can improve accountability and transparency for the benefit of the Shareholders of the Company.

The Company has adopted the Governance Code as its own code to govern its corporate governance procedures. The Board also reviews and monitors the practices of the Company from time to time to maintain and improve a high standard of corporate governance practices.

Save as disclosed in the Corporate Governance Report on pages 34 to 56 of this annual report, the Company has complied with the Governance Code in the year ended 31 December 2020. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 34 to 56 of this annual report.

### 關連交易及與關聯方的交易

有關截至二零二零年及二零一九年十二月三十一日止年度本集團已與若干債權人訂立若干未經授權擔保作為授予陳衛忠先生聯繫人貸款的抵押，請參閱本年報綜合財務報表附註30。

有關若干關連人士／關聯方就若干本集團銀行貸款提供的擔保，請參閱本年報綜合財務報表附註29(g)及38(d)。

有關代表關連人士提取的若干借款，請參閱本年報綜合財務報表附註23及29(h)。

有關報告期後本集團、南太湖及浙江中味訂立的三方協議，請參閱本年報綜合財務報表附註43(c)。

除上文所披露者外，董事認為本年報財務報表附註38所披露的其他與關聯方的交易按照上市規則第14A章項下「關連交易」或「持續關連交易」（視乎情況而定）的定義不曾屬於有關交易或獲全面豁免，故此無須遵守上市規則項下任何申報、公告或獨立股東批准規定。

### 企業管治

本公司高度重視其企業管治常規，而董事會亦堅信良好之企業管治常規能提升問責水平及透明度，從而使本公司股東受惠。

本公司已採納管治守則為其自身的守則，以規管其企業管治程序。董事會亦會不時檢討並監察本公司之常規，以維持並改善高水平之企業管治常規。

除本年報第34至56頁企業管治報告所披露者外，本公司於截至二零二零年十二月三十一日止年度已遵守管治守則。本公司所採納之企業管治常規資料載列於本年報第34至56頁之企業管治報告。

# DIRECTORS' REPORT

## 董事會報告

### INDEPENDENCE OF EXTERNAL AUDITOR

The Audit Committee is mandated to monitor the independence of the external auditor to ensure true objectivity in the consolidated financial statements. All services provided by the external auditor are required to be approved by the Audit Committee. To ensure that the policy of restricting the non-audit work done by the external auditor is strictly adopted by all entities within the Group, appropriate policies and procedures have been established for approval of engagement of the Group's independent external auditor, Ernst Young (resigned with effect from 26 April 2021) and Grant Thornton Hong Kong Limited (appointed with effect from 12 May 2021), to provide services to the Group.

### RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group pursues a "diversity" strategy, aiming to provide customers with better quality, healthy and safe natural brewing condiments products on the basis of win-win cooperation with suppliers and employees. During the year ended 31 December 2020, the Group strictly complied with relevant laws and regulations, continued to improve our internal management system, and passed the OHSAS 18001 Occupational Health and Safety Management System Certification to fully protect employees' occupational health and safety. By increasing investment in team building and employee training, the Group provides employees with competitive remuneration packages and social security. The Group also continuously improves employee communication and transparent promotion mechanism to provide employees with a fair working environment while enhancing employees a sense of belonging.

The Group is well aware of the importance of partnership and customer relationship maintenance in the development and is determined to become the preferred brand for consumers. On one hand, the Group actively establishes a long-term cooperative relationship based on the principle of responsible procurement to ensure a stable supply of raw materials. On the other hand, the Group has enriched products' structure, launched more high-quality products that meet customers' needs, and cooperated with powerful distributors to actively increase the market share of our "Lao Heng He" brand, market influence and customer loyalty. The Group always pays close attention to and actively responds to the feedback and suggestions from suppliers and customers, during the year ended 31 December 2020, there were no significant or major disputes with our suppliers and/or customers.

### 外聘核數師的獨立性

審核委員會有責任監察外聘核數師的獨立性，以確保綜合財務報表能提供真正客觀的意見。外聘核數師提供的所有服務均須審核委員會批准。為確保本集團內所有實體嚴格執行限制外聘核數師提供非審核工作的政策，本集團就批准聘用其獨立外聘核數師安永會計師事務所(自二零二一年四月二十六日起辭任)及致同(香港)會計師事務所有限公司(自二零二一年五月十二日起獲委任)向其提供服務一事制定了適當的政策和程序。

### 與僱員、供貨商及客戶之關係

本集團奉行「多元化」策略，旨在與供貨商合作共贏、與僱員攜手共進的基礎上為客戶提供更為優質、健康、安全的天然釀造調味品。於截至二零二零年十二月三十一日止年度，本集團嚴格遵守相關法律法規，持續完善內部管理制度，並通過了OHSAS 18001職業健康安全體系認證，全面保障員工職業健康安全。本集團通過增加對團隊建設的投入和員工培訓，為僱員提供在同行中具備競爭力的薪酬福利和社會保障，亦不斷完善員工溝通和透明的晉升渠道，為員工提供公平工作環境的同時增強員工歸屬感。

本集團深知夥伴合作和客戶關係維護在企業發展中的重要性，矢志成為消費者的首選品牌。一方面，本集團以責任採購為原則積極建立長期互惠互信的合作關係，確保原料的穩定供應。另一方面，本集團豐富了產品結構，推出更多優質且符合大眾消費能力的產品，與實力強勁的經銷商合作，積極提升「老恒和」品牌在市場中的佔有率、影響力和客戶忠誠度。本集團時刻密切關注並積極應對供貨商及客戶的反饋及建議，於截至二零二零年十二月三十一日止年度與供貨商及/或客戶之間概無重要及重大糾紛事件發生。





# DIRECTORS' REPORT

## 董事會報告

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group continually reviews its environmental, social and governance (“ESG”) efforts, corporate governance and risk management practices with the aim of creating and delivering sustainable value to all key stakeholders. The Group has been exploring more efficient opportunities to reduce the consumption of resources in order to reduce its impact on the environment.

A separate ESG report is expected to be published on the respective websites of the Stock Exchange and the Company.

### SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this report, the Company has maintained the public float as required by the Listing Rules.

### COMPLIANCE WITH LAWS AND REGULATIONS

Save as disclosed in this report, during the year, so far as known to the Directors, there was no non-compliance with any relevant laws and regulations which would have a material impact on the Group.

### MATERIAL EVENTS AFTER THE REPORTING PERIOD

On 19 January 2021, the Company announced that it became aware that Mr. Chen Weizhong, a former executive Director and chief executive officer of the Company, had been held in criminal custody by the Public Safety Bureau of Wuxing District of Huzhou City\* (湖州市公安局吳興分局). For further details, please refer to the announcement of the Company dated 19 January 2021. Subsequently, Mr. Chen Weizhong has tendered his resignation as an executive Director, the chief executive officer and an authorised representative with effect from 2 February 2021. Mr. Chen has also tendered his resignation from all of his roles and duties as director, legal representative and/or general manager in several principal subsidiaries of the Company. For further details of his resignation, please refer to the announcement of the Company dated 2 February 2021.

Since 30 March 2021, the trading in the shares of the Company on the Stock Exchange has been suspended. For further details of the suspension, please refer to the announcement of the Company dated 30 March 2021.

### 環境、社會及管治

本集團持續檢討其環境、社會及管治(「環境、社會及管治」)工作、企業管治及風險管理常規，旨在為所有利益相關者增創可持續發展價值。本集團一直物色更有效減少資源消耗的機會，以降低其環境影響。

預期一份獨立環境、社會及管治報告於聯交所及本公司各自網站刊發。

### 足夠公眾持股量

根據本公司可獲得的公開資料及就董事會所知，於本報告日期，本公司已維持上市規則規定的公眾持股量。

### 遵守法律及法規

除本報告所披露者外，於本年度，據董事所知，並無不遵守任何相關法律及法規而對本集團有重大影響。

### 報告期後重大事項

於二零二一年一月十九日，本公司宣佈，其得悉本公司前任執行董事兼首席執行官陳衛忠先生已被湖州市公安局吳興分局刑事拘留。有關進一步詳情，請參閱本公司日期為二零二一年一月十九日的公佈。其後，陳衛忠先生辭任執行董事、首席執行官及授權代表，自二零二一年二月二日起生效。陳先生亦已辭任本公司若干主要附屬公司的董事、法人代表及／或總經理職務。有關其辭任的進一步詳情，請參閱本公司日期為二零二一年二月二日的公佈。

自二零二一年三月三十日起，本公司股份已暫停於聯交所買賣。有關暫停買賣的進一步詳情，請參閱本公司日期為二零二一年三月三十日的公佈。



# DIRECTORS' REPORT

## 董事會報告

After that, Ernst & Young resigned as the auditors of the Company with effect from 26 April 2021. The Company then appointed Grant Thornton Hong Kong Limited as the auditors of the Group with effect from 12 May 2021 to fill the casual vacancy following the resignation of Ernst & Young. For further details of the resignation of Ernst & Young and the appointment of Grant Thornton Hong Kong Limited, please refer to the announcements of the Company dated 26 April 2021 and 12 May 2021.

Subsequently, the Company has received letters from the Stock Exchange dated 18 June 2021, 20 July 2021 and 27 July 2022 respectively, setting out certain resumption guidance for the Company to satisfy before the trading of its securities would be allowed to resume. For further details of the resumption guidance set forth by the Stock Exchange, please refer to the announcements of the Company dated 22 June 2021, 23 July 2021 and 3 August 2022.

For further information in relation to (1) the resumption progress of the Company; (2) delay in publication of certain annual and interim financial results of the Company and delay in dispatch of certain annual and interim reports of the Company; (3) the establishment of Independent Investigation Committee (as defined in the Relevant Announcements); (4) the appointments of Independent Forensic Accountant (as defined in the Relevant Announcements), Internal Control Consultant (as defined in the Relevant Announcements) and financial adviser; (5) the update on the Independent Investigation (as defined in the Relevant Announcements) and the key findings of Independent Investigation; and (6) the key findings of the supplemental Independent Investigation and key findings of the Internal Control Consultants, please refer to the announcements of the Company dated 29 March 2021, 26 April 2021, 22 June 2021, 24 June 2021, 29 June 2021, 23 July 2021, 16 August 2021, 30 August 2021, 29 September 2021, 10 November 2021, 29 December 2021, 29 March 2022, 31 March 2022, 11 May 2022, 30 May 2022, 29 June 2022, 3 August 2022, 12 August 2022, 31 August 2022 and 27 September 2022 (the “**Relevant Announcements**”).

The details of other material events after the reporting period are set out in note 43 to the consolidated financial statements.

此後，安永會計師事務所辭任本公司核數師，自二零二一年四月二十六日起生效。本公司繼而委任致同(香港)會計師事務所有限公司為本集團的核數師，自二零二一年五月十二日起生效，以填補因安永會計師事務所辭任後的臨時空缺。有關安永會計師事務所辭任及委任致同(香港)會計師事務所有限公司的進一步詳情，請參閱本公司日期為二零二一年四月二十六日及二零二一年五月十二日的公佈。

其後，本公司接獲聯交所日期分別為二零二一年六月十八日、二零二一年七月二十日及二零二二年七月二十七日的函件，當中載有本公司在其證券獲准恢復買賣前須達成的若干復牌指引。有關聯交所所載復牌指引的進一步詳情，請參閱本公司日期為二零二一年六月二十二日、二零二一年七月二十三日及二零二二年八月三日的公佈。

有關(1)本公司復牌進展；(2)延遲刊發本公司若干全年及中期財務業績及延遲寄發本公司若干年度及中期報告；(3)成立獨立調查委員會(定義見相關公佈)；(4)委任獨立法務會計師(定義見相關公佈)、內部監控顧問(定義見相關公佈)及財務顧問；(5)獨立調查(定義見相關公佈)的最新消息及獨立調查的主要調查結果；及(6)補充獨立調查的主要調查結果及內部監控顧問的主要調查結果的進一步資料，請參閱本公司日期為二零二一年三月二十九日、二零二一年四月二十六日、二零二一年六月二十二日、二零二一年六月二十四日、二零二一年六月二十九日、二零二一年七月二十三日、二零二一年八月十六日、二零二一年八月三十日、二零二一年九月二十九日、二零二一年十一月十日、二零二一年十二月二十九日、二零二二年三月二十九日、二零二二年三月三十一日、二零二二年五月十一日、二零二二年五月三十日、二零二二年六月二十九日、二零二二年八月三日、二零二二年八月十二日、二零二二年八月三十一日及二零二二年九月二十七日的公佈(「**相關公佈**」)。

報告期後其他重大事項的詳情載於綜合財務報表附註43。



# DIRECTORS' REPORT

## 董事會報告

### AUDITORS

Ernst & Young, Hong Kong was appointed as the International and PRC auditors of the Company from 31 May 2019 to 26 April 2021.

Grant Thornton Hong Kong Limited has been appointed as the external auditors of the Company with effect from 12 May 2021 to fill the casual vacancy following the resignation of Ernst & Young.

The consolidated financial statements of the Group for the year ended 31 December 2020 have been audited by Grant Thornton Hong Kong Limited.

### MEMORANDUM AND ARTICLES OF ASSOCIATION

There was no change in the Company's memorandum and articles of association during the year.

On behalf of the Board

**Chen Wei**  
Chairman

Hong Kong, 28 September 2022

### 核數師

於二零一九年五月三十一日至二零二一年四月二十六日期間，香港安永會計師事務所獲委任為本公司之國際及中國核數師。

致同(香港)會計師事務所有限公司已自二零二一年五月十二日起獲委任為本公司的外部核數師，以填補安永會計師事務所辭任後的臨時空缺。

本集團截至二零二零年十二月三十一日止年度之綜合財務報表已由致同(香港)會計師事務所有限公司審核。

### 組織章程大綱及細則

本公司之組織章程大綱及細則於年內並無任何變動。

代表董事會

**陳偉**  
主席

香港，二零二二年九月二十八日



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



To the members of Honworld Group Limited  
(incorporated in the Cayman Islands with limited liability)

### DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Honworld Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 80 to 216, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the possible effects of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements and whether the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR DISCLAIMER OF OPINION

#### 1. Issues arising from the Investigation and scope limitation

As described in note 2.1(a) to the consolidated financial statements, the Company was informed in 2021 of certain issues in relation to the discrepancy of a bank account balance, unauthorised guarantees and outstanding issues of prepayments for fixed assets and tax matters of the Group (the “**Incident**”). In response to this, the Company has established an Independent Investigation Committee of the board of directors and the Independent Investigation Committee has engaged FTI Consulting (China) Limited (“**FTI Consulting**”), as an independent forensic accountant, to undertake an independent investigation (the “**Investigation**”) on the Incident. The impact of the Incident, together with the findings of the Investigation and follow up actions taken by the Company, are summarised in note 2.1(a) to the consolidated financial statements.

致老恒和釀造有限公司列位股東  
(於開曼群島註冊成立的有限公司)

### 不發表意見

我們獲委聘審計列載於第80至216頁老恒和釀造有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的綜合財務報表，當中包括於二零二零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們不會對 貴集團綜合財務報表發表意見。基於我們的報告中不發表意見的基準一節所述有關事宜可能造成影響的嚴重性，我們未能取得充分適當的審核證據作為就綜合財務報表以及綜合財務報表是否已按照香港公司條例的披露規定適當編製提供審計意見的基準。

### 不發表意見的基準

#### 1. 調查中發現的問題及範圍限制

如綜合財務報表附註2.1(a)所述，貴公司於二零二一年得悉有關 貴集團銀行賬戶結餘差異、未經授權擔保以及與固定資產預付款項及稅務事宜有關的未解決問題的若干問題(「**事件**」)。為此，貴公司已成立董事會獨立調查委員會且獨立調查委員會已委聘FTI Consulting (China) Limited(「**FTI Consulting**」)擔任獨立法務會計師，以就事件進行獨立調查(「**調查**」)。事件的影響連同調查結果及 貴公司採取的後續行動於綜合財務報表附註2.1(a)概述。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### BASIS FOR DISCLAIMER OF OPINION

(Continued)

#### 1. Issues arising from the Investigation and scope limitation (Continued)

The findings of the Investigation, together with other matters identified by the management during their process of quantifying the impact in the appropriate accounting periods by reconstructing the accounting records and examination of supporting documents as detailed in note 2.1(a) (“**Management Reassessment**”), led to the recognition of a loss arising from the Incident as detailed in note 2.1 to the consolidated financial statements, of approximately RMB600,575,000 and RMB2,061,934,000 (the “**Loss arising from the Incident**”) which were recognised in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2020 and 2019, respectively as the directors of the Company were of the opinion that these were the practicable periods to recognise the loss having taken into account the findings of the Investigation and Management Reassessment.

As described in the findings of the Investigation, Mr. Chen Weizhong and a number of former employees were likely involved in the Incident and have resigned, resulting in mishandling and loss of certain of the source documents of the Group of past years. Due to the above concern and irregular nature of the Incident; and there was no other satisfactory audit procedure that we could adopt, we were unable to obtain sufficient audit evidence to ascertain the nature and commercial substance of the underlying transactions leading to the Loss arising from the Incident; and as to whether the nature of these underlying transactions involved in the Incident was properly disclosed and recognised in the appropriate accounting periods in the consolidated financial statements for the years ended 31 December 2020 and 2019.

Any adjustments that might have been found necessary in respect of the Incident would affect the disclosure and recognition of the Loss arising from the Incident in the Group's consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2020 and 2019 and the accounting items in the consolidated statements of financial position as at 1 January 2020 and the categorisation of the related cash flows in the consolidated statements of cash flows for the years ended 31 December 2020 and 2019.

### 不發表意見的基準(續)

#### 1. 調查中發現的問題及範圍限制(續)

調查結果連同管理層於透過重建會計記錄及審查證明文件量化於適當會計期間的影響的過程中發現的其他事項(如附註2.1(a)所詳述) (「**管理層重估**」) 導致確認事件產生的虧損(如綜合財務報表附註2.1所詳述) 分別約人民幣600,575,000元及人民幣2,061,934,000元(「**事件產生的虧損**」), 該等虧損分別於截至二零二零年及二零一九年十二月三十一日止年度的綜合損益及其他全面收益表內確認, 乃由於 貴公司董事經考慮調查結果及管理層重估後認為該等期間為確認虧損的可行期間。

如調查結果所詳述, 陳衛忠先生及多名前僱員可能牽涉事件且彼等已辭職, 從而導致 貴集團過往數年的若干原始檔案處理不當及遺失。由於上述問題及事件的非常規性質; 以及我們並無其他滿意的審計程序可採用, 我們無法獲得足夠的審核證據, 以確定導致事件產生的虧損的相關交易的性質及商業實質, 以及事件所涉及的該等相關交易的性質是否妥為披露並於截至二零二零年及二零一九年十二月三十一日止年度的綜合財務報表的適當會計期間確認。

任何可能被認為與事件有關的必要調整均會影響 貴集團截至二零二零年及二零一九年十二月三十一日止年度的綜合損益及其他全面收益表中事件產生的虧損的披露及確認以及截至二零二零年一月一日綜合財務狀況表中的會計項目以及截至二零二零年及二零一九年十二月三十一日止年度的綜合現金流量表中相關現金流量的分類。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### BASIS FOR DISCLAIMER OF OPINION

(Continued)

#### 2. Existence, accuracy, valuation and completeness of inventories

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the existence, accuracy, valuation and completeness of the inventories of approximately RMB684,926,000 because we were appointed as auditors subsequent to 31 December 2020 and hence not able to observe the physical stock-counts at 31 December 2020 and the existence of inventories needs involvement of laboratory examination to validate its chemical contents from an independent third-party examination agency at 31 December 2020 because the majority of the inventories were base wine and base soy sauce which could not be easily substantiated via physical observation. Accordingly, we have been unable to determine the valuation, accuracy and completeness of inventories at 31 December 2020. There was no other satisfactory audit procedure that we could adopt to assess the condition of inventories and to validate the existence, accuracy, valuation and completeness of inventories were properly disclosed and recognised in the consolidated financial statements as at 31 December 2020 and 1 January 2020.

#### 3. Opening balances and corresponding figures

Based on the findings of the Investigation and the Management Reassessment as described in note 2.1(a) to the consolidated financial statements, the Group corrected the accounting errors in the current year's consolidated financial statements by adjusting the opening balances as at 1 January 2020 and restating the comparative amounts as at 31 December 2019 as described in note 2.1(b) (the "prior years' adjustments"). However, due to the loss of certain records and documents as described in matter mentioned in item 1 above, the Group was unable to accurately and completely determine the portion of the prior years' adjustments that should have been recorded in accounting periods prior to 31 December 2019. Hence, a third consolidated statement of financial position as at 1 January 2019 was not presented in the current year's consolidated financial statements.

### 不發表意見的基準(續)

#### 2. 存貨的存在、準確性、估值及完整性

由於我們於二零二零年十二月三十一日之後獲委任為核數師，因此我們無法獲得足夠適當的審核證據，令我們信納約人民幣684,926,000元的存貨的存在、準確性、估值及完整性，故無法觀察二零二零年十二月三十一日的實物存貨盤點，且於二零二零年十二月三十一日存貨的存在需要獨立第三方檢測機構進行實驗檢測以驗證其化學成分，乃由於多部分存貨為基酒及基醬油，其無法通過物理觀察輕易證實。因此，我們無法確定二零二零年十二月三十一日存貨的估值、準確性及完整性。於二零二零年十二月三十一日及二零二零年一月一日的綜合財務報表中並無妥為披露及確認其他令人信納的審核程序，以供我們採用以評估存貨的狀況及證實存貨的存在、準確性、估值及完整性。

#### 3. 期初結餘及相應數據

根據綜合財務報表附註2.1(a)所述的調查結果及管理層重估，貴集團已更正本年度綜合財務報表中的會計錯誤，方法是調整二零二零年一月一日的期初結餘，並按附註2.1(b)所述重列二零一九年十二月三十一日的可比較金額（「過往年度調整」）。然而，由於上文第1項所述事項中所述的若干記錄及文件丟失，貴集團無法準確及完整地確定本應於二零一九年十二月三十一日之前的會計期間記錄的部分過往年度調整。因此，截至二零一九年一月一日的第三份綜合財務狀況表並無於本年度綜合財務報表中呈列。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### BASIS FOR DISCLAIMER OF OPINION

(Continued)

#### 3. Opening balances and corresponding figures (Continued)

This is not in accordance with International Accounting Standards 1 *Presentation of Financial Statements*, which requires an entity to present a third statement of financial position as at the beginning of the preceding period if a retrospective application of an accounting policy, retrospective restatement or reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period. Accordingly, a third consolidated statement of financial position as at 1 January 2019 should have been presented in the current year's financial statements.

Due to the irregular nature of the Incident, we were unable to obtain sufficient and appropriate audit evidence to assess the appropriateness of the prior years' adjustments for the year ended 31 December 2019 and whether certain portion of the prior years' adjustments should have been recorded in accounting periods prior to 31 December 2019. Accordingly, the prior years' adjustments for the year ended 31 December 2019 may not be accurately recognised or disclosed and the restated corresponding amounts for the year ended 31 December 2019 may not be comparable to current year.

Had we been able to satisfy ourselves in respect of the matters mentioned in the items 1 to 3 above, adjustments might have been found to be necessary which would have had a consequential impact on the financial position of the Group as at 31 December 2020 and its financial performance for the year ended 31 December 2020 and/or the comparative information, and may have resulted in additional information being disclosed in the consolidated financial statements as to the nature of these transactions.

### 不發表意見的基準(續)

#### 3. 期初結餘及相應數據(續)

此情況不符合國際會計準則第1號呈列財務報表，該準則要求當追溯應用會計政策、追溯重列或重新分類對前期之期初的財務狀況表的資料有重大影響時，實體須於前期之期初呈列第三份財務狀況表。因此，於二零一九年一月一日的第三份綜合財務狀況表本應於本年度的財務報表中呈列。

由於事件的非常規性質，我們無法取得足夠且適當的審核證據，以評估截至二零一九年十二月三十一日止年度的過往年度調整是否適當，以及若干部分過往年度調整是否應於二零一九年十二月三十一日之前的會計期間入賬。因此，截至二零一九年十二月三十一日止年度的過往年度調整未必予以準確確認或披露，而截至二零一九年十二月三十一日止年度的經重列相應金額可能無法與本年度進行比較。

倘能夠令我們信納上述第1至3項所述的事項，則可能須作出調整，並會對貴集團於二零二零年十二月三十一日之財務狀況及於截至二零二零年十二月三十一日止年度的財務表現及／或可比較資料造成連帶影響，並可能導致於綜合財務報表中額外披露有關該等交易性質的資料。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.2 in the consolidated financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

### 有關持續經營的重大不確定因素

謹請留意綜合財務報表附註2.2，該附註當中載述對貴集團持續經營能力造成疑問之主要狀況。該等事件或狀況反映存在重大不確定因素可能導致對貴集團持續經營之能力產生重大疑慮。吾等之意見未有就此事項作出修訂。

### 董事就綜合財務報表須承擔的責任

董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例的披露規定編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助董事負責監督貴集團的財務報告過程。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and to issue an auditor's report. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

### 核數師就審計綜合財務報表須 承擔的責任

我們的責任為根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)審核 貴集團綜合財務報表並出具核數師報告。本報告僅向 閣下作為整體而發出，除此之外不作其他用途。我們概不就本報告內容向任何其他人士承擔任何責任或負上責任。然而，由於我們報告中不發表意見的基準一節所述事項，我們無法獲得充足適當的審核憑證就該等綜合財務報表提供審計意見的基準。

根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

#### Grant Thornton Hong Kong Limited

Certified Public Accountants  
11th Floor, Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong

28 September 2022

Ng Ka Kong  
Practising Certificate No.: P06919

#### 致同(香港)會計師事務所有限公司

執業會計師  
香港  
銅鑼灣  
恩平道28號  
利園二期11樓

二零二二年九月二十八日

吳嘉江  
執業證書號碼：P06919

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
<b>Revenue</b>	收入	6.1	226,331	235,456
Cost of sales	銷售成本		(180,731)	(166,438)
<b>Gross profit</b>	毛利		45,600	69,018
Other income and gains	其他收入及收益	6.2	14,639	18,721
Selling and distribution expenses	銷售及經銷開支		(55,701)	(96,086)
Administrative expenses	行政開支		(72,122)	(75,872)
Loss arising from the Incident	事件產生的虧損	7	(600,575)	(2,061,934)
Impairment losses	減值虧損	8	(9,945)	(1,512)
Other expenses	其他開支	9	(68,857)	(59,708)
Finance costs	融資成本	11	(96,241)	(70,950)
<b>Loss before income tax</b>	除所得稅前虧損	10	(843,202)	(2,278,323)
Income tax expense	所得稅開支	14	(2,091)	(7,042)
<b>Loss for the year</b>	年內虧損		(845,293)	(2,285,365)
<b>Loss per share attributable to ordinary equity holders of the company</b>	本公司普通權益持有人應佔每股虧損			
Basic and diluted (RMB)	基本及攤薄(人民幣)	16	(1.46)	(3.95)
<b>Loss for the year</b>	年內虧損		(845,293)	(2,285,365)
<b>Items that will be reclassified subsequently to profit or loss</b>	其後將重新分類至損益的項目			
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌收益		5,103	1,306
<b>Total comprehensive loss for the year</b>	年內全面虧損總額		(840,190)	(2,284,059)

The notes on pages 87 to 216 are an integral part of these consolidated financial statements. 第87至216頁附註為該等綜合財務報表的一部分。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	17	282,487	297,182
Right-of-use assets	使用權資產	18(a)	50,859	55,245
Other intangible assets	其他無形資產	19	1,367	1,045
Prepayments, other receivables and other assets	預付款項、其他應收款項 及其他資產	22	15,714	25,028
Deferred tax assets	遞延稅項資產	31	-	-
			<b>350,427</b>	<b>378,500</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	20	684,926	1,070,727
Trade receivables	應收貿易款項	21	20,414	28,441
Prepayments, other receivables and other assets	預付款項、其他應收款項 及其他資產	22	111,416	237,677
Amounts due from related companies	應收關聯公司款項	23	31,851	50,827
Pledged deposits	已抵押存款	24	230	67,039
Cash and cash equivalents	現金及現金等價物	24	8,443	172,107
			<b>857,280</b>	<b>1,626,818</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付貿易款項	25	42,739	67,006
Other payables and accruals	其他應付款項及應計項目	26	364,918	345,403
Amounts due to related companies	應付關聯公司款項	27	10,968	18,123
Amount due to ultimate holding company	應付最終控股公司款項	28	44,755	22,002
Interest-bearing bank and other borrowings	計息銀行及其他借款	29	1,408,963	1,313,972
Provision for loss on Unauthorised guarantees	未經授權擔保虧損撥備	30	27,500	27,500
Tax payable	應繳稅項		82,621	81,067
			<b>1,982,464</b>	<b>1,875,073</b>
<b>Net current liabilities</b>	<b>流動負債淨值</b>		<b>(1,125,184)</b>	<b>(248,255)</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>(774,757)</b>	<b>130,245</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Interest-bearing bank and other borrowings	計息銀行及其他借款	29	86,523	114,246
Other long term liabilities	其他長期負債	32	139,214	136,948
Deferred tax liabilities	遞延稅項負債	31	-	-
			225,737	251,194
<b>Net liabilities</b>	<b>負債淨值</b>		<b>(1,000,494)</b>	<b>(120,949)</b>
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	33	1,767	1,767
Reserves	儲備	34	(1,002,261)	(122,716)
<b>Total deficit</b>	<b>虧絀總額</b>		<b>(1,000,494)</b>	<b>(120,949)</b>

**Chen Wei**  
陳偉  
Director  
董事

**Liu Jianbin**  
劉建濱  
Director  
董事

The notes on pages 87 to 216 are an integral part of these consolidated financial statements. 第87至216頁附註為該等綜合財務報表的一部分。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital	Share premium	Merger reserve	Capital reserve	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits/ (Accumulated losses)	Total equity/(deficit)
		股本	股份溢價	合併儲備	資本儲備	法定 盈餘儲備	匯兌 波動儲備	保留利潤/ (累計虧損)	(虧絀)總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元 (note 34) (附註34)	人民幣千元 (note 34) (附註34)	人民幣千元 (note 34) (附註34)	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	1,767	897,069	(1,000)	7,003	24,262	16,616	1,257,906	2,203,623
Loss for the year	年內虧損	-	-	-	-	-	-	(2,285,365)	(2,285,365)
Other comprehensive income for the year:	年內其他全面收益：								
Exchange difference on translation of financial statements of foreign operations	換算海外業務財務報表的 匯兌差額	-	-	-	-	-	1,306	-	1,306
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	-	-	1,306	(2,285,365)	(2,284,059)
Final 2018 dividend declared	已宣派二零一八年期末股息	-	(40,513)	-	-	-	-	-	(40,513)
At 31 December 2019, as restated	於二零一九年十二月三十一日 (經重列)	1,767	856,556*	(1,000)*	7,003*	24,262*	17,922*	(1,027,459)*	(120,949)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital	Share premium	Merger reserve	Capital reserve	Statutory surplus reserve	Exchange fluctuation reserve	Accumulated losses	Total deficit
		股本	股份溢價	合併儲備	資本儲備	法定盈餘儲備	匯兌波動儲備	累計虧損	虧絀總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元 (note 34) (附註34)	人民幣千元 (note 34) (附註34)	人民幣千元 (note 34) (附註34)	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020, as restated	於二零二零年一月一日 (經重列)	1,767	856,556*	(1,000)*	7,003*	24,262*	17,922*	(1,027,459)*	(120,949)
Loss for the year	年內虧損	-	-	-	-	-	-	(845,293)	(845,293)
Other comprehensive income for the year:	年內其他全面收益：								
Exchange difference on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌差額	-	-	-	-	-	5,103	-	5,103
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	-	-	5,103	(845,293)	(840,190)
Final 2019 dividend declared	已宣派二零一九年期末股息	-	(39,355)	-	-	-	-	-	(39,355)
At 31 December 2020	於二零二零年十二月三十一日	1,767	817,201*	(1,000)*	7,003*	24,262*	23,025*	(1,872,752)*	(1,000,494)

\* As at 31 December 2020, these reserve accounts comprise the consolidated reserves of a debit amount of approximately RMB1,002,261,000 (2019: debit amount of approximately RMB122,716,000) in the consolidated statement of financial position.

\* 於二零二零年十二月三十一日，該等儲備賬包括綜合財務狀況表內的綜合儲備借記金額約人民幣1,002,261,000元(二零一九年：虧絀金額約人民幣122,716,000元)。

The notes on pages 87 to 216 are an integral part of these consolidated financial statements.

第87至216頁附註為該等綜合財務報表的一部分。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
		Notes 附註		
<b>Cash flows from operating activities</b>	<b>經營活動的現金流量</b>			
Loss before income tax	除所得稅前虧損		(843,202)	(2,278,323)
Adjustments for:	就下列各項調整：			
Depreciation of owned assets	自有資產折舊	17	26,253	28,550
Depreciation of right-of-use assets	使用權資產折舊	18(a)	1,938	1,895
Finance costs	融資成本	11	96,241	70,950
Interest income	利息收入	6.2	(964)	(5,148)
Amortisation of other intangible assets	其他無形資產攤銷	19	554	161
Loss on write off of items of property, plant and equipment	撤銷物業、廠房及設備項目虧損	17	15	764,696
Provision for loss on Unauthorised guarantees	未經授權擔保虧損撥備	9	-	27,500
Impairment loss on trade receivables	應收貿易款項的減值虧損	8	3,652	1,512
Impairment loss on prepayment and other receivables	預付款項及其他應收款項減值虧損	8	1,776	-
Impairment loss on amount due from related companies	應收關聯公司款項減值虧損	8	2,069	-
Impairment loss on right-of-use assets	使用權資產減值虧損	8	2,448	-
Provision of inventories, net	存貨撥備淨值	20	4,999	-
Operating cash flows before working capital changes	運營資金變動前經營現金流		(704,221)	(1,388,207)
Decrease in inventories	存貨減少		380,802	205,775
Decrease in trade receivables	應收貿易款項減少		4,375	164,706
Decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少		123,734	502,943
Decrease in trade payables	應付貿易款項減少		(24,267)	(46,320)
Increase in other payables and accruals	其他應付款項及應計項目增加		20,098	197,660
Increase/(Decrease) in other long term liabilities	其他長期負債增加/(減少)		2,266	(98)
Cash used in operations	經營所用現金		(197,213)	(363,541)
Interest received	已收利息		964	5,148
Income tax paid	已付所得稅		(537)	(772)
<b>Net cash used in operating activities</b>	<b>經營活動所用淨現金</b>		<b>(196,786)</b>	<b>(359,165)</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

	Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
<b>Cash flows from investing activities 投資活動產生現金流量</b>			
Purchase of property, plant and equipment 購買物業、廠房及設備	19	(1,508)	(79,912)
Additions to other intangible assets 添置其他無形資產		(876)	(962)
Decrease in pledged deposits 已抵押存款減少		66,809	2,620
Decrease/(Increase) in amounts due from related companies 應收關聯公司款項減少/(增加)		16,907	(50,827)
<i>Net cash generated from/(used in) investing activities 投資活動產生/(所用)淨現金</i>		<b>81,332</b>	<b>(129,081)</b>
<b>Cash flows from financing activities 融資活動的現金流量</b>			
Proceeds from interest-bearing bank and other borrowings 計息銀行及其他借款所得款項	35(b)	706,109	1,432,125
Repayment of interest-bearing bank and other borrowings 償還計息銀行及其他借款	35(b)	(639,840)	(997,128)
Dividends paid 已付股息	15	(39,355)	(40,513)
Interest paid 已付利息	35(b)	(48,694)	(58,441)
Principal portion of lease payments 租金付款本金部分	35(c)	(46,548)	(50,979)
Secured deposit placed for sale and leaseback transactions 就售後租回交易存入的有抵押存款		-	(11,500)
(Decrease)/Increase in amounts due to related companies 應付關聯公司款項(減少)/增加	35(b)	(7,155)	18,123
Net advances to a director 向一名董事墊款淨值		(583)	-
Net advances from ultimate holding company 來自最終控股公司的淨墊款	35(b)	22,753	22,002
<i>Net cash (used in)/generated from financing activities 融資活動(所用)/產生淨現金</i>		<b>(53,313)</b>	<b>313,689</b>
<b>Net decrease in cash and cash equivalents 現金及現金等價物減少淨值</b>			
Cash and cash equivalents at 1 January 於一月一日現金及現金等價物		172,107	345,188
Effect of foreign exchange rate changes 匯率變動的影響		5,103	1,476
<b>Cash and cash equivalents at 31 December 於十二月三十一日現金及現金等價物</b>		<b>8,443</b>	<b>172,107</b>

The notes on pages 87 to 216 are an integral part of these consolidated financial statements. 第87至216頁附註為該等綜合財務報表的一部分。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 4 December 2012 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively known as the “**Group**”) were principally engaged in the manufacture and sale of condiment products under the brand name of “Lao Heng He” in the People's Republic of China (the “**PRC**”).

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Key Shine Global Holdings Limited (“**Key Shine**”), which was incorporated in the British Virgin Islands (“**BVI**”).

### 1. 公司資料

本公司於二零一二年十二月四日根據開曼群島法例第22章《公司法》(一九六一年第三號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司為一間投資控股公司。年內，本公司及其附屬公司(統稱「**本集團**」)主要於中華人民共和國(「**中國**」)從事「老恒和」牌調味品的生產及銷售業務。

董事認為，本公司控股公司及最終控股公司乃於英屬處女群島(「**英屬處女群島**」)註冊成立的Key Shine Global Holdings Limited(「**Key Shine**」)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 1. CORPORATE INFORMATION (Continued)

As at 31 December 2020, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if registered outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong). The particulars of principal subsidiaries are set out below:

Name 名稱	Place of incorporation/ establishment and place of operations 註冊成立/ 成立地點及經營地點	Nominal value of issued/ registered share capital 已發行/註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Lao Heng He Group Limited 老恒和集團有限公司	Hong Kong 香港	Hong Kong Dollar (HK\$)1 1 港元	100	–	Investment holding 投資控股
Huzhou Chenshi Tianniang Industrial Co., Limited* (“Huzhou Chenshi”) 湖州陳氏天釀實業有限公司 (「湖州陳氏」)	PRC/Mainland China 中國/中國內地	HK\$14,250,000 14,250,000 港元	–	100	Wholesale of condiment products 調味品批發
Huzhou Chengde Trading Co., Limited* 湖州成德貿易有限公司	PRC/Mainland China 中國/中國內地	RMB1,200,000,000 人民幣 1,200,000,000 元	–	100	Wholesale of condiment products 調味品批發
Zhejiang Changxing Sanhetang Trading Co., Limited* 浙江長興三和堂貿易有限公司	PRC/Mainland China 中國/中國內地	RMB500,000,000 人民幣 500,000,000 元	–	100	Wholesale of condiment products 調味品批發
Zhejiang Changxing Hengze Trading Co., Limited* 浙江長興恆澤貿易有限公司	PRC/Mainland China 中國/中國內地	RMB150,000,000 人民幣 150,000,000 元	–	100	Wholesale of condiment products 調味品批發
Huzhou Laohenghe Brewery Co., Limited* (“Huzhou Laohenghe”) 湖州老恒和釀造有限公司 (「湖州老恒和」)	PRC/Mainland China 中國/中國內地	RMB11,000,000 人民幣 11,000,000 元	–	100	Manufacture and sale of condiment products 生產及銷售調味品
Huzhou Laohenghe Wine Co., Limited* 湖州老恒和酒業有限公司	PRC/Mainland China 中國/中國內地	RMB38,000,000 人民幣 38,000,000 元	–	100	Manufacture and sale of condiment products 生產及銷售調味品

Note:

\* The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

### 1. 公司資料(續)

於二零二零年十二月三十一日，本公司於其附屬公司中擁有直接及間接權益，該等附屬公司均為私營有限公司(或倘於香港境外登記，性質與於香港註冊成立之私營公司基本相同)。有關主要附屬公司詳情載列如下：

附註：

\* 於中國成立公司名稱的英文翻譯僅供參考。該等公司的正式名稱以中文為準。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended IFRSs and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 3.

## 2. 主要會計政策概要

### 2.1 編製基準

該等年度綜合財務報表乃根據國際會計準則委員會頒佈之國際財務報告準則（「國際財務報告準則」），包括全部適用個別國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋的統稱及香港公司條例的披露規定編製。

綜合財務報表亦遵照香港聯合交易所有限公司證券上市規則（「上市規則」）的適用披露規定。

編製該等綜合財務報表時採用的重大會計政策於下文概述。除非另有說明，否則該等政策已於所呈列的所有年度貫徹應用。採納新訂或經修訂國際財務報告準則及其對本集團綜合財務報表的影響（如有）於附註3披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

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

The measurement bases are fully described in the accounting policies below.

#### (a) *The Incident*

As described in details in the announcement of the Company dated 24 June 2021, the Company was informed in 2021 of certain issues in relation to the discrepancy of a bank account balance, unauthorised guarantees and outstanding issues of prepayments for fixed assets and tax matters of the Group. In response to these, the Company has established an independent investigation committee of the board of directors, consisting of four independent non-executive directors or non-executive directors of the Company (the “**Independent Investigation Committee**”) and the Independent Investigation Committee has engaged FTI Consulting (China) Limited (“**FTI Consulting**”), as an independent forensic accountant, to undertake an independent investigation (the “**Investigation**”) on the Incident. FTI Consulting issued a report in relation to its findings on the Investigation on 30 May 2022 and a supplemental report on 28 September 2022. Key findings of the Investigation of the report on 30 May 2022 have been published by the Company on 30 May 2022.

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

綜合財務報表按歷史成本基準編製。

計量基準於以下會計政策全面闡述。

#### (a) 事件

如本公司日期為二零二一年六月二十四日之公佈所詳述，本公司於二零二一年獲悉若干事宜，涉及本集團銀行賬戶結餘不符之處、未經授權擔保及固定資產預付款項及稅務事宜的未解決事宜。有鑒於此，本公司已於董事會轄下成立獨立調查委員會，其成員包括本公司四名獨立非執行董事或非執行董事（「**獨立調查委員會**」）且獨立調查委員會已委聘 FTI Consulting (China) Limited（「**FTI Consulting**」）為獨立法務會計師，對事件進行獨立調查（「**調查**」）。FTI Consulting於二零二二年五月三十日就其調查結果出具報告，並於二零二二年九月二十八日出具補充報告。本公司已於二零二二年五月三十日刊發有關二零二二年五月三十日調查的主要結果。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (a) *The Incident (Continued)*

According to the findings and the supplemental findings of the Investigation in relation to Audit Issues 1, 2 and 3 as described in the report dated on 30 May 2022 and the supplemental report dated on 28 September 2022 issued by the FTI Consulting (collectively referred to as the “**Incident**”), FTI Consulting has identified: (1) the discrepancy between the bank balance as recorded in management accounts and the bank confirmation as at 31 December 2020 received by the auditors of the Company of approximately RMB456,465,000 was arising from (i) fictitious sales collection and purchases payments of approximately RMB117,998,000 and RMB48,940,000 respectively; (ii) improper and/or questionable payments and receipts of approximately RMB42,961,000 and RMB29,790,000 respectively that did not have documented commercial substance and business rationale; and (iii) fictitious internal fund transfers of approximately RMB374,236,000; (2) the provision of five loan guarantees of approximately RMB104,000,000 since 2018 to the associates or affiliated companies of Mr. Chen Weizhong as defined in note 38 (the “**Associates of Mr. Chen Weizhong**”), former executive director and former chief executive officer of the Company, was suspected to be without permission or authorisation of the board of directors of the Company (“**Unauthorised**”), and the execution of two borrowing agreements of approximately RMB25,000,000 was suspected Unauthorised and not properly disclosed in internal books and accounting records (the “**Uncovered Borrowings**”) for the year ended 31 December 2019; (3) the possible misappropriation of funds in prepayments for fixed assets and purchases of materials of approximately RMB503,286,000 and tax exposure of approximately RMB471,807,000 as at 9 March 2022 and 10 March 2022; and (4) fictitious sales and purchase of approximately RMB277,548,000 and RMB299,163,000 respectively for the year ended 31 December 2020.

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (a) 事件(續)

根據FTI Consulting出具的日期為二零二二年五月三十日的報告及二零二二年九月二十八日的補充報告所述的有關審核議題一、二及三(「統稱為「事件」)的調查結果及補充調查結果，FTI Consulting已識別：(1)於二零二零年十二月三十一日管理層賬目所記錄的銀行結餘與本公司核數師所接獲的銀行確認書之間的差異約人民幣456,465,000元乃源自(i)虛構銷售收回款項及採購支付款項分別約人民幣117,998,000元及人民幣48,940,000元；(ii)不當及/或存疑付款及收款分別約人民幣42,961,000元及人民幣29,790,000元，有關款項並無商業實據及商業理由的文件記錄；及(iii)虛構內轉/往來款約人民幣374,236,000元；(2)自二零一八年以來向本公司的前執行董事兼前行政總裁陳衛忠先生的聯營或聯屬公司(定義見附註38)(「陳衛忠先生的聯繫人」)提供的五項約人民幣104,000,000元的貸款擔保疑似未經本公司董事會批准或授權(「未經授權」)，以及截至二零一九年十二月三十一日止年度簽署的兩份約人民幣25,000,000元的借款協議疑似未經授權且並未於內部賬冊及會計記錄內進行適當披露(「新發現借款」)；(3)可能挪用資金約人民幣503,286,000元用於固定資產及購買材料的預付款及於二零二二年三月九日及二零二二年三月十日的約人民幣471,807,000元的稅收風險；及(4)截至二零二零年十二月三十一日止年度，虛構銷售及購買分別約為人民幣277,548,000元及人民幣299,163,000元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (a) *The Incident (Continued)*

Further to the Investigation, management quantified the impact in the appropriate accounting periods by reconstructing the accounting records, examination of supporting documents, and identifying other accounting errors that were suspected to be the result of the intentional and premeditated actions of Mr. Chen Weizhong to bypass the Group's existing corporate governance and internal controls, through its influence over the Group, to ease his own fund requirements in prior years ("**Management Reassessment**").

In the preparation of the consolidated financial statements for the year ended 31 December 2020, the directors of the Company have taken into account all the findings of the Investigation and the Management Reassessment and are satisfied that appropriate adjustments have been made to the consolidated financial statements, including the prior years' adjustments described below, to correct and present the significant accounting errors in relation to the Incident. However, as described in the findings of the Investigation, Mr. Chen Weizhong and a number of former employees were likely involved in the Incident and have resigned, resulting in mishandling and loss of certain of the source documents of the Group of past years. In view of the above concern and the significance of and the potential interaction of the multiple uncertainties caused by the Incident and its possible cumulative effects on the consolidated financial statements, the management was unable to ascertain the nature, commercial substance and appropriateness of some adjustments made to correct and present the significant accounting errors in relation to the Incident in the corresponding accounting periods in the consolidated financial statements for the years ended 31 December 2020 and 2019.

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (a) 事件(續)

調查之後，管理層通過重新整理會計記錄、檢查證明文件及識別疑似因陳衛忠先生於過往年度通過其對本集團的影響力，方便其自身資金需求，繞過本集團現有企業管治及內部監控而有意及蓄謀的行動所造成的其他會計錯誤而量化適當會計期間的影響(「**管理層重估**」)。

於編製截至二零二零年十二月三十一日止年度的綜合財務報表時，本公司董事已計及調查的所有結果及管理層重估並信納已對綜合財務報表作出適當調整(包括下文所述的過往年度調整)，以糾正及呈列事件所涉及的重大會計錯誤。然而，如調查結果所述，陳衛忠先生及若干前僱員可能涉及事件並已辭任，導致本集團於過往年度存在不當操作及丟失若干原文件。鑒於上述擔憂，以及事件造成的多種不確定性的重要性及潛在的相互作用以及其對綜合財務報表可能產生的累積影響，管理層無法確定於截至二零二零年及二零一九年十二月三十一日止年度之綜合財務報表的相應會計期間為糾正及呈現與事件有關的重大會計錯誤而作出的若干調整的性質、商業實質及適當性。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (a) The Incident (Continued)

The findings of the Investigation and the Management Reassessment relating to the Incident led to the recognition of Loss arising from the Incident as a whole of approximately RMB600,575,000 and RMB2,061,934,000 which were recognised in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2020 and 2019 respectively, as the directors of the Company are of the opinion that these are the practicable periods to recognise the loss having taken into account the findings of the Investigation relating to the Incident and Management Reassessment.

As a consequence of the Incident, as at 31 December 2020, the Group recorded a Loss arising from the Incident and reflected the resulting net cumulative losses arising from the Incident based on the findings of the Investigation and the Management Reassessment as below:

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元
Decrease in inventories	存貨減少	20	315,411
Decrease in trade receivables	應收貿易款項減少	21	77,544
Decrease in amounts due from related companies	應收關聯公司款項減少	23	24,677
Decrease in cash and cash equivalents	現金及現金等價物減少	24	218,465
Decrease in trade payables	應付貿易款項減少	25	(59,459)
Decrease in other payables	其他應付款項減少	26	(31,063)
Increase in other borrowings	其他借款增加	29	55,000
			600,575

To prevent the recurrence of similar matters in the future, as published in the Company's announcement dated 16 August 2021, the Company has appointed an internal control consultant to review the Group's internal controls and procedures and provide recommendations and remedial measures to the Group to strengthen the existing corporate governance and internal controls, particularly for the measures to prevent deliberate overriding by Mr. Chen Weizhong in the future. The Group is in the process of implementing the recommended remedial measures.

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (a) 事件(續)

有關事件的調查結果及管理層重估導致截至二零二零年及二零一九年十二月三十一日止年度的綜合損益及其他全面收益表內分別確認事件產生的虧損(整體)約人民幣600,575,000元及人民幣2,061,934,000元，原因是本公司董事於計及與事件有關的調查結果及管理層重估後認為該等期間為確認虧損的可行期間。

由於事件，於二零二零年十二月三十一日，本集團根據調查結果及管理層重估錄得事件產生的虧損並反映事件產生的累計虧損淨值如下：

如本公司日期為二零二一年八月十六日的公佈所述，為防止日後再次發生類似事件，本公司已委任一名內部監控顧問，審閱本集團的內部監控及程序以及向本集團提供推薦建議及糾正措施，以加強現有企業管治及內部監控，尤其是防止陳衛忠先生日後越權的措施。本集團正落實建議的補救措施。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Correction of prior years' errors

The findings of the Investigation noted that there was a discrepancy in the bank balance of approximately RMB238,000,000 as at 31 December 2019 and fictitious sales of approximately RMB696,624,000 recognised for the year ended 31 December 2019. Further to the Investigation, management performed Management Reassessment to quantify the impact and considered the events leading to accounting errors might have happened in or prior to 2019. However, due to the missing of certain of the source documents, the Group was unable to accurately determine the portion of the prior years' adjustments that should have been recorded in or prior to 2019. Hence, a third consolidated statement of financial position as at 1 January 2019 was not presented in the current years' consolidated financial statements. The effects of the prior years' adjustments to reflect the findings of the Investigation in relation to the Incident and the accounting errors identified by the Management Reassessment are set out below:

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (b) 糾正過往年度錯誤

調查結果表明，於二零一九年十二月三十一日的銀行結餘差額為約人民幣238,000,000元及於截至二零一九年十二月三十一日止年度確認虛構銷售約人民幣696,624,000元。調查後，管理層執行管理層重估，以量化影響並認為導致會計錯誤的事件可能已於二零一九年或之前發生。然而，由於缺失若干原文件，本集團無法準確釐定原應於二零一九年或之前記錄的過往年度調整的部分。因此，本年度綜合財務報表並未呈列於二零一九年一月一日的第三份綜合財務狀況表。反映與事件有關的調查結果及管理層重估識別的會計錯誤的過往年度調整的影響載列如下：



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Correction of prior years' errors (Continued)

The effects of the prior years' adjustments on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019 are as follows:

		As previously reported 先前呈報 RMB'000 人民幣千元	Prior year adjustments 過往年度調整 RMB'000 人民幣千元	Notes 附註	As restated 經重列 RMB'000 人民幣千元
Revenue	收益	915,170	(679,714)	(i)	235,456
Cost of sales	銷售成本	(471,262)	304,824	(i)	(166,438)
Other income	其他收入	15,429	3,292	(ii)	18,721
Administrative expenses	行政開支	(76,670)	798	(iii)	(75,872)
Loss arising from the Incident	事件產生的虧損	-	(2,061,934)	(iv)	(2,061,934)
Other expenses	其他開支	(1,981)	(57,727)	(v)	(59,708)
Finance costs	融資成本	(54,701)	(16,249)	(vi)	(70,950)
Profit/(loss) before income tax	除所得稅前利潤/(虧損)	228,387	(2,506,710)		(2,278,323)
Income tax expense	所得稅開支	(33,093)	26,051	(vii)	(7,042)
Profit/(loss) for the year	年內利潤/(虧損)	195,294	(2,480,659)		(2,285,365)
Earnings/(loss) per share attributable to ordinary equity holders of the Company	本公司普通股權益持有人 應佔每股盈利/(虧損)				
— Basic and diluted (RMB)	— 基本及攤薄(人民幣)	0.34			(3.95)

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (b) 糾正過往年度錯誤(續)

過往年度調整對截至二零一九年十二月三十一日止年度綜合損益及其他全面收益表的影響如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Correction of prior years' errors (Continued)

The effects of the prior years' adjustments on the consolidated statement of financial position as at 31 December 2019 are as follows:

		As previously reported 先前呈報 RMB'000 人民幣千元	Prior year adjustments 過往年度調整 RMB'000 人民幣千元	Notes 附註	As restated 經重列 RMB'000 人民幣千元
<b>Assets</b>	<b>資產</b>				
Property, plant and equipment	物業、廠房及設備	1,061,878	(764,696)	(viii)	297,182
Inventories	存貨	1,403,731	(333,004)	(ix)	1,070,727
Trade receivables	應收貿易款項	254,811	(226,370)	(x)	28,441
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	724,523	(461,818)	(xi)	262,705
Amounts due from related companies	應收關聯公司款項	-	50,827	(xii)	50,827
Cash and cash equivalents	現金及現金等價物	410,107	(238,000)	(xiii)	172,107
Deferred tax assets	遞延稅項資產	4,741	(4,741)	(vii)	-
<b>Liabilities</b>	<b>負債</b>				
Trade payables	應付貿易款項	78,587	(11,581)	(xiv)	67,006
Other payables and accruals	其他應付款項及應計項目	247,936*	97,467	(xv)	345,403
Amounts due to related companies	應付關聯公司款項	-	18,123	(xv)	18,123
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,024,814	403,404	(xvi)	1,428,218
Provision for loss on Unauthorised guarantees	未經授權擔保虧損撥備	-	27,500	(xvii)	27,500
Deferred tax liabilities	遞延稅項負債	30,792	(30,792)	(vii)	-
<b>Equity</b>	<b>權益</b>				
Reserves	儲備	2,359,207	(2,481,923)	(xviii)	(122,716)

\* Exclude amount due to ultimate holding company of approximately RMB22,002,000.

\* 不包括應付最終控股公司款項約人民幣22,002,000元。

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (b) 糾正過往年度錯誤(續)

過往年度調整對二零一九年十二月三十一日的綜合財務狀況表的影響如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Correction of prior years' errors (Continued)

Notes:

- (i) Adjustments were made to reduce the fictitious sales of approximately RMB696,624,000, partly offset by the recognition of the business tax and surcharges of approximately RMB16,910,000 and the corresponding cost of sales of approximately RMB304,824,000 based on the findings of the Investigation.
- (ii) Adjustments were made to recognise the understated interest income due to cut off error of approximately RMB3,292,000.
- (iii) Adjustments were made to reduce the administrative expenses with no clear business purpose of approximately RMB798,000 that were partly the result of the concealment of the misappropriation of fund by Mr. Chen Weizhong.
- (iv) The following adjustments were made to reflect the resulting net cumulative losses arising from the Incident based on the findings of the Investigation and the Management Reassessment:

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (b) 糾正過往年度錯誤(續)

附註：

- (i) 根據調查結果作出調整，以減少虛假銷售約人民幣696,624,000元，由所確認營業稅及附加費約人民幣16,910,000元及相應銷售成本約人民幣304,824,000元部分抵銷。
- (ii) 調整以確認因截止錯誤而少呈報利息收入約人民幣3,292,000元。
- (iii) 調整以減少業務目的不明的行政開支約人民幣798,000元，部分乃因陳衛忠先生隱瞞挪用資金所致。
- (iv) 根據調查結果及管理層重估作出以下調整，以反映事件產生的相應累計虧損淨值：

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元
Decrease in property, plant and equipment	物業、廠房及設備減少	(viii)	764,696
Decrease in inventories	存貨減少	(ix)	333,768
Decrease in trade receivables	應收貿易款項減少	(x)	261,932
Decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少	(xi)	110,067
Decrease in cash and cash equivalents	現金及現金等價物減少	(xiii)	238,000
Decrease in trade payables	應付貿易款項減少	(xiv)	(11,529)
Increase in other borrowings	其他借款增加	(xvi)	365,000
			2,061,934

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Correction of prior years' errors (Continued)

Notes: (Continued)

- (v) Adjustments were made to recognise the understated surcharge for overdue tax payment, overdue interest expense and provision for loss on Unauthorised guarantees of approximately RMB24,125,000, RMB6,102,000 and RMB27,500,000 respectively.
- (vi) Adjustments were made to recognise the understated interest expense of approximately RMB16,249,000 on the Uncovered Borrowings.
- (vii) Adjustments were made to reverse the deferred tax assets and liabilities recognised in respect of temporary differences relating to the unrealised profit, accruals and unremitted profits of subsidiaries.
- (viii) Adjustments were made to reduce the fictitious property, plant and equipment recorded in prior years of approximately RMB764,696,000 based on the findings of the Investigation and the Management Reassessment which were recognised as Loss arising from the Incident on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019.
- (ix) Adjustments were made to adjust the cost of inventories of approximately RMB333,768,000 influenced by the fictitious sales and purchases incurred in prior years based on the findings of the Management Reassessment, partly offset by the adjustments of approximately RMB764,000 due to recognition of overhead from cost of sales.
- (x) Adjustments were made to reduce the trade receivable balance in respect of fictitious sales transactions in prior years of approximately RMB261,932,000, partly offset by the adjustments of approximately RMB35,562,000 due to reallocation of receipt in advance and amount due from related companies.

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (b) 糾正過往年度錯誤(續)

附註：(續)

- (v) 調整以確認逾期稅項付款少呈報附加費、逾期利息開支以及未經授權擔保虧損撥備分別約人民幣24,125,000元、人民幣6,102,000元及人民幣27,500,000元。
- (vi) 調整以確認新發現借款的少呈報利息開支約人民幣16,249,000元。
- (vii) 調整以撥回就與附屬公司的未變現利潤、應計款項及未匯入利潤有關的臨時差額已確認的遞延稅項資產及負債。
- (viii) 根據調查及管理層重估的結果作出調整，以減少過往年度呈報的虛假物業、廠房及設備約人民幣764,696,000元，該款項於截至二零一九年十二月三十一日止年度的綜合損益及其他全面收益表確認為事件產生的虧損。
- (ix) 根據管理層重估結果作出調整，以調整受過往年度產生虛假買賣影響的存貨成本約人民幣333,768,000元，由因確認銷售成本間接費用而作出調整約人民幣764,000元部分抵銷。
- (x) 調整以減少過往年度虛假銷售交易涉及的應收貿易款項結餘約人民幣261,932,000元，由因重新分配預收款項及應收關聯公司款項約人民幣35,562,000元部分抵銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Correction of prior years' errors (Continued)

Notes: (Continued)

- (xi) Adjustments were made to reduce the fictitious prepayment in prior years including the prepayments for fixed assets for the construction of Phase II plant premise, the production equipment for the premise, the procurements of condiment products and the reclassification to amount due from related companies in an aggregate amount of approximately RMB461,818,000 based on the findings of the Investigation and the Management Reassessment in which approximately RMB110,067,000 was recognised in Loss arising from Incident and the remaining amount of approximately RMB351,751,000 was in relation to the fictitious sales, cost of sales and the reclassification adjustments.
- (xii) Adjustments were made to reclassify amounts due from related companies from trade receivables, prepayments and other receivables.
- (xiii) Adjustments were made to adjust the discrepancy of cash and cash equivalents of approximately RMB238,000,000 as at 31 December 2019 in the China Construction Bank Huzhou Branch as a consequence of the payments to Suzhou Tailang Trading Co., Ltd.\* (蘇州台朗貿易有限公司), a third party, that were not recorded and without any business rationale based on the findings of the Investigation. The loss eventually uncovered from the transaction as described above was approximately RMB238,000,000.
- (xiv) Adjustments were made to reduce trade payable balance of approximately RMB11,529,000 based on the findings of the Investigation and the Management Reassessment and the remaining amount was in relation to reclassification adjustment.
- (xv) Adjustments were made to reclassify non trade-related payables and amounts due to related companies.
- (xvi) Adjustments were made to recognise the Uncovered Borrowings of approximately RMB125,000,000, RMB20,000,000, RMB5,000,000 and RMB235,000,000 respectively from 湖州市中小企業金融服務中心有限公司, 湖州機床廠有限公司, 浙江榮瑞實業投資有限公司 and 湖州吳興南太湖建設投資集團有限公司 (formerly known as 湖州吳興南太湖建設投資有限公司) ("南太湖"), respectively and the corresponding interest and overdue interest payable based on the findings of Investigation and the Management Reassessment, in which RMB365,000,000 of the Uncovered Borrowings was recognised in Loss arising from the Incident based on management assessment on its recoverability.

\* The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (b) 糾正過往年度錯誤(續)

附註：(續)

- (xi) 根據調查結果及管理層重估作出調整，以減少過往年度虛假預付款項，包括第二期廠房物業建設的固定資產預付款項、物業生產設備、調味品採購以及應收關聯公司款項的重新分類，合計金額約人民幣461,818,000元，其中約人民幣110,067,000元確認為事件產生的虧損，而餘下金額約人民幣351,751,000元與虛構銷售、銷售成本及重新分類調整有關。
- (xii) 調整以重新分類應收貿易款項、預付款項及其他應收款項為應收關聯公司款項。
- (xiii) 根據調查結果作出調整，以調整中國建設銀行湖州分行於二零一九年十二月三十一日現金及現金等價物差額約人民幣238,000,000元(與向第三方蘇州台朗貿易有限公司支付未有入賬且不具任何業務理由的款項有關)。前述交易最終新發現虧損約為人民幣238,000,000元。
- (xiv) 根據調查結果及管理層重估作出調整，以減少應付貿易款項結餘約人民幣11,529,000元，而餘下金額與重新分類調整有關。
- (xv) 調整以重新分類非貿易相關應付款項及應付關聯公司款項。
- (xvi) 根據調查結果及管理層重估作出調整，以確認來自湖州市中小企業金融服務中心有限公司、湖州機床廠有限公司、浙江榮瑞實業投資有限公司及湖州吳興南太湖建設投資集團有限公司(前稱湖州吳興南太湖建設投資有限公司) ("南太湖")的新發現借款分別約人民幣125,000,000元、人民幣20,000,000元、人民幣5,000,000元及人民幣235,000,000元以及應付相應利息及逾期利息，其中，根據有關其可收回性的管理層評估，新發現借款人民幣365,000,000元確認為事件產生的虧損。

\* 在中國所成立公司的名稱的英文翻譯僅供參考。該等公司的官方名稱為中文名稱。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Correction of prior years' errors (Continued)

Notes: (Continued)

- (xvii) Adjustments were made to recognise the provision for loss on Unauthorised guarantees.
- (xviii) Adjustments were made to the reserves reflecting the effects of the prior year adjustments as a result of the Incident on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019.

### 2.2 Going concern assumption

In preparing the consolidated financial statements, the directors of the Company have given consideration to the future liquidity of the Group in light of its net cash used in operating activities of approximately RMB196,786,000 and net loss of approximately RMB845,293,000 incurred for the year ended 31 December 2020 and, as of that date, the Group had net current liabilities of approximately RMB1,125,184,000, capital deficiency of approximately RMB1,000,494,000 and accumulated losses of approximately RMB1,872,752,000, respectively.

As at 31 December 2020, the Group's total borrowings comprising interest-bearing bank and other borrowings amounting to approximately RMB1,495,486,000, of which current borrowings amounted to approximately RMB1,408,963,000 and approximately RMB462,528,000 were not in compliance with certain financial loan covenants and approximately RMB430,000,000 were overdue as disclosed in note 29 to the consolidated financial statements, while its cash and cash equivalents amounted to approximately RMB8,443,000.

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (b) 糾正過往年度錯誤(續)

附註：(續)

- (xvii) 調整以確認未經授權擔保虧損撥備。
- (xviii) 就儲備作出調整，以反映因事件產生針對截至二零一九年十二月三十一日止年度的綜合損益及其他全面收益表的過往年度調整影響。

### 2.2 持續經營假設

在編製綜合財務報表時，鑒於本集團於截至二零二零年十二月三十一日止年度經營活動所用淨現金約為人民幣196,786,000元及虧損淨值約為人民幣845,293,000元，而截至該日，本集團之流動負債淨值約為人民幣1,125,184,000元、資本虧絀約為人民幣1,000,494,000元及累計虧損約為人民幣1,872,752,000元，本公司董事已慮及其日後之流動資金。

於二零二零年十二月三十一日，本集團的借款總額包括計息銀行及其他借款約人民幣1,495,486,000元，其中即期借款約為人民幣1,408,963,000元以及約人民幣462,528,000元未有符合若干金融貸款契諾，而約人民幣430,000,000元已逾期(如綜合財務報表附註29披露)，而其現金及現金等價物則約為人民幣8,443,000元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Going concern assumption (Continued)

Despite of these circumstances, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. In the opinion of the directors of the Company, the Group can meet its financial obligations as and when they fall due within the next year from the end of the reporting period, after taking into consideration of the measures and arrangements that the Group has implemented or is in the process of implementing as detailed below:

- The chargor, Wuxing City Investment HK Company Limited\*, has undertaken to provide continuing financial support to the Group for a period of fourteen months from the date of approval of the consolidated financial statements by the directors of the Company in order to maintain the Group as a going concern;
- The Group is in negotiation with banks and financial institutions for the renewals of the Group's short term borrowings upon expiry, new borrowings and applying for future credit facilities. Up to the date of approval of these consolidated financial statements, the Group's major lenders, 南太湖\*, 湖州湖盛融資租賃有限公司 (“湖盛融資”)\* and Huzhou Wuxing Chengshi Tousi Fazhan Jituan Youxian Gongsi 湖州吳興城市投資發展集團有限公司 (“湖州吳興城市”) have shown the positive support on the Group and confirmed that they do not intend to demand payment from the Group for the amount due to them of approximately RMB594,547,000, RMB60,738,000 and RMBNil respectively and has undertaken to provide new financing facilities of approximately RMB300,000,000 for a period of fourteen months from the date of approval of these consolidated financial statements. In addition, the Group have repaid the aforesaid bank loans of approximately RMB462,528,000 that were not in compliance with certain financial loan covenants in 2021. Therefore, the directors of the Company are confident that the entire borrowings can be renewed upon expiration and future credit facilities can be applied based on the Group's past experience and credit history; and
- The directors of the Company have evaluated all the relevant facts available to them and made a business plan to improve its liquidity by (i) monitoring the production activities in order to fulfill the forecast production volume and meet sales forecast, (ii) taking measures to tighten cost controls over various production costs and expenses, and (iii) any feasible financial arrangement.

## 2. 主要會計政策概要(續)

### 2.2 持續經營假設(續)

儘管存在該等情況，綜合財務報表仍按持續經營基準編製，當中假設本集團能夠於可見將來按持續基準經營。本公司董事認為，經考慮下文所詳述本集團已經或正在實施之措施及安排後，本集團可於由報告期末起翌年內財務責任到期時應付該等責任：

- 押記人吳興城投(香港)有限公司已承諾自本公司董事批准綜合財務報表之日起十四個月期間內向本集團提供持續財務支持，以維持集團的持續經營；
- 本集團現正與銀行及金融機構磋商於本集團之短期借款到期時為借款續期、申請新借款及未來信貸融資。截至該等綜合財務報表獲批准之日，本集團的主要貸款人南太湖\*、湖州湖盛融資租賃有限公司(「湖盛融資」)\*及湖州吳興城市投資發展集團有限公司(「湖州吳興城市」)表示就應收該等公司的款項分別約人民幣594,547,000元、人民幣60,738,000元及人民幣零元支持本集團，並確認彼等無意要求本集團支付有關款項，以及已承諾於批准該等綜合財務報表之日起十四個月期間內提供新融資貸款約人民幣300,000,000元。另外，本集團已於二零二一年償還前述未符合若干金融貸款契諾的銀行貸款約人民幣462,528,000元。因此，本公司董事相信，全部借款可於到期時續期，並可按照本集團之過往經驗及信貸記錄使用未來信貸融資；及
- 本公司董事已評估所有可得相關事實，並制定業務計劃透過以下方式改善流動性：(i) 監察生產活動以履行預測產量及達至銷售預測；(ii) 採取措施收緊各項生產成本及開支之成本控制；及(iii) 任何可行之財務安排。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Going concern assumption (Continued)

The directors of the Company have reviewed the Group's cash flows forecast, prepared by management which covers a period of three years from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient cash resources to satisfy its working capital and other financial obligations for the next twelve months from the end of the reporting period after having taken into account of the Group's current financial resources and capital expenditure requirements with respect to the production facilities and development of its business. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2020 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future and obtain the continuous financial support from its chargor and major lenders.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

\* Pursuant to a share mortgage deed dated 2 April 2019, Key Shine charged 229,424,000 shares of the Company to Wuxing City Investment HK Company Limited, which is wholly owned by 湖州吳興城市·南太湖 and 湖盛融資 were also the subsidiaries of 湖州吳興城市.

## 2. 主要會計政策概要(續)

### 2.2 持續經營假設(續)

本公司董事已審閱管理層所編製本集團的現金流量預測，該預測涵蓋自報告期末起計三年。彼等認為，經考慮上述計劃及措施後，並計及本集團目前之財務資源以及有關生產設施及業務發展之資本開支需要，本集團將擁有足夠現金資源應付由報告期末起計未來十二個月之營運資金及其他財務責任。故此，本公司董事認為按持續經營基準編製本集團截至二零二零年十二月三十一日止年度之綜合財務報表誠屬恰當。

儘管如此，管理層能否落實上述計劃及措施仍存在重大不確定性。本集團能否繼續持續經營將取決於本集團能否於不久將來產生足夠融資及經營現金流，以及能否取得押記人及主要貸款人之持續財務支持。

倘持續經營假設不適用，則可能須作出調整以撇減資產賬面值至其可收回金額，就可能產生之任何進一步負債計提撥備，以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。此等調整之影響並無於綜合財務報表內反映。

\* 根據日期為二零一九年四月二日的股份抵押契據，Key Shine向吳興城投(香港)有限公司抵押229,424,000股本公司股份，而後者由湖州吳興城市全資擁有。南太湖及湖盛融資亦為湖州吳興城市的附屬公司。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Basis of consolidation

The consolidated financial statements include the financial statements of Group for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

## 2. 主要會計政策概要(續)

### 2.3 綜合基準

綜合財務報表包括本集團截至二零二零年十二月三十一日止年度的財務報表。附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團承受或享有參與投資對象業務所得的可變回報，且能透過對投資對象的權力(即賦予本集團現有權力來主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象的其他投票權持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司採用與本公司相同報告期間的相同會計政策編製其財務報表。附屬公司之業績由本集團取得控制權之日起綜合入賬，並繼續綜合入賬至該等控制終止之時為止。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2. 主要會計政策概要(續)

### 2.3 綜合基準(續)

損益及其他全面收益之各個組成部分歸屬於本集團之本公司擁有人及非控股權益，即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間交易之所有集團內公司間資產及負債、權益、收入、開支及現金流量會於綜合入賬時全數抵銷。

倘有事實及情況顯示上述三項控制因素中有一項或以上出現變化，本集團會重新評估其是否對投資對象擁有控制權。並無喪失控制權的附屬公司之所有權益變動會按權益交易入賬。

倘本集團失去對附屬公司的控制權，則其終止確認(i)附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)於權益中記錄之累計匯兌差額；並確認(i)已收取代價之公平值；(ii)任何保留投資之公平值；及(iii)於損益中任何因此產生之盈餘或虧絀。本集團先前於其他全面收益中確認之應佔部分按本集團直接出售有關資產或負債所需的相同基準重新分類至損益或保留利潤(如適用)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Foreign currency translation

These consolidated financial statements are presented in RMB, which is the Group's presentation currency. The functional currency of the Company is the Hong Kong dollar while RMB is used as the presentation currency of the consolidated financial statements of the Company for the purpose of aligning with the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the Company and the entity in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in consolidated statement of profit or loss and other comprehensive income, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

## 2. 主要會計政策概要(續)

### 2.4 外幣換算

該等綜合財務報表乃以人民幣進行呈報，即本集團的呈報貨幣。本公司的功能貨幣為港元，但本公司綜合財務報表以人民幣為呈報貨幣，以與本集團呈報貨幣一致。本集團各實體自行釐定其功能貨幣，而計入各實體綜合財務報表的項目均使用該功能貨幣計量。本公司及本集團實體所記錄的外幣交易最初使用交易日期各自現行功能貨幣匯率記錄。以外幣計值的貨幣資產及負債按報告期末的現行功能貨幣匯率重新換算。結算或換算貨幣項目產生的差額於綜合損益及其他全面收益表確認。

以歷史成本計量的外幣非貨幣性項目採用初始交易日期匯率進行換算。按公平值計量的外幣非貨幣性項目採用公平值計量當日的匯率進行換算。以公平值計量的非貨幣性項目換算產生的損益，按照該項目公平值變動損益的確認（即公平值損益於其他全面收益或損益中確認的項目匯兌差額亦分別於綜合損益及其他全面收益表中確認）進行會計處理。

於終止確認與預付代價相關的非貨幣性資產或非貨幣性負債時，為釐定初始確認相關資產、開支或收入採用的匯率，初始交易日期為本集團初始確認預付代價產生的非貨幣性資產或非貨幣性負債當日。倘存在多筆付款或預收款項，則本集團就每筆預付代價的付款或收款釐定交易日期。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Foreign currency translation (Continued)

The functional currencies of certain Hong Kong subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their consolidated statement of profit or loss and other comprehensive income are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in consolidated statement of profit or loss and other comprehensive income and accumulated in the exchange fluctuation reserve.

For the purpose of the consolidated statement of cash flows, the cash flows of Hong Kong subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of Hong Kong subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

### 2.5 Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

## 2. 主要會計政策概要(續)

### 2.4 外幣換算(續)

若干香港附屬公司之功能貨幣為人民幣以外之貨幣。於報告期末，該等實體之資產及負債按報告期末現行之匯率換算為本公司呈報貨幣，而其綜合損益及其他全面收益表按年內加權平均匯率換算為人民幣。就此產生之匯兌差額於綜合損益及其他全面收益表確認並於匯兌波動儲備內累計。

就綜合現金流量表而言，香港附屬公司之現金流量按現金流量日期通行之匯率換算為人民幣。香港附屬公司於整個年度內經常產生之現金流量按年內加權平均匯率換算為人民幣。

### 2.5 物業、廠房及設備以及折舊

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

物業、廠房及設備項目投產後產生的維修及保養等開支，一般於產生期間在綜合損益及其他全面收益表中扣除。於符合確認標準的情況下，大型檢測開支於資產的賬面值資本化為重置資產。倘物業、廠房及設備之重要部分須定期更換，則本集團確認該等部分為具特定可使用年期之個別資產並相應計提折舊。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Machinery and equipment	5% to 20%
Furniture and fixtures	20% to 33 $\frac{1}{3}$ %
Motor vehicles	20%
Leasehold improvements	Over the lease terms

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss and other comprehensive income in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents property, plant and equipment under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

## 2. 主要會計政策概要(續)

### 2.5 物業、廠房及設備以及折舊(續)

折舊乃以直線法在估計可使用年期內將各物業、廠房及設備項目的成本撇銷至其剩餘價值。就此使用的主要年利率如下：

樓宇	5%
機械及設備	5%至20%
傢俬及裝置	20%至33 $\frac{1}{3}$ %
汽車	20%
租賃物業裝修	按租賃期限

倘物業、廠房及設備項目的各部分的可使用年期不同，該項目的成本將在各部分之間作合理分配，而每部分將個別計提折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度末檢討，並於適當時調整。

物業、廠房及設備項目(包括任何初始確認的重要部分)於出售或預期使用或出售不會產生未來經濟利益時終止確認。於資產終止確認年度在綜合損益及其他全面收益表確認的任何出售或報廢的收益或虧損，乃有關資產出售所得款項淨值與賬面值之差額。

在建工程指正在建設的物業、廠房及設備，按成本減任何減值虧損入賬而不計提折舊。成本包括建設期間建設的直接成本。在建工程於落成可用時重新分類至適當類別之物業、廠房及設備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.6 Intangible assets (other than goodwill) and research and development activities

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Computer software	5 years
-------------------	---------

Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

#### **Research and development costs**

All research costs are charged to the consolidated statement of profit or loss and other comprehensive income as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

## 2. 主要會計政策概要(續)

### 2.6 無形資產(商譽除外)及研發活動

個別收購的無形資產於初始確認時按成本計量。於業務合併所收購無形資產的成本即於收購日期的公平值。無形資產的可使用年期乃評估為有限或無限。具有限年期的無形資產其後於可使用經濟年期攤銷，並於有跡象顯示該無形資產可能出現減值時作減值評估。無形資產可供使用時開始攤銷。下列可使用年期予以採用：

電腦軟件	5年
------	----

無限可使用年期的無形資產按成本減任何其他累計減值虧損入賬。

有限可使用年期的無形資產的攤銷期限及攤銷方法至少每個財政年度末進行檢討。

#### **研發成本**

所有研究成本均於產生時在綜合損益及其他全面收益表中扣除。

新產品開發項目產生的開支僅於本集團證明在技術上能夠完成無形資產以使其可供使用或出售、有意完成及有能力使用或出售該資產、該資產將如何帶來未來經濟利益、具有完成項目所需的資源且能夠可靠地計量開發期間的開支時，方會撥充資本並以遞延方式入賬。未符合該等標準的產品開發開支於產生時支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.6 Intangible assets (other than goodwill) and research and development activities (Continued)

#### *Research and development costs (Continued)*

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets.

### 2.7 Financial instruments

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss. The Group's financial assets included trade receivables, financial assets included in prepayments, other receivables and other assets, amounts due from related companies, pledged deposits and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

## 2. 主要會計政策概要(續)

### 2.6 無形資產(商譽除外)及研發活動(續)

#### *研發成本(續)*

直接成本包括進行開發活動時產生之僱員成本及適當部份之相關間接開支。內部自行開發並符合以上確認準則之軟件產品或知識之開支成本確認為無形資產。

### 2.7 金融工具

#### *初始確認及計量*

金融資產於初始確認時分類為其後按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。本集團的金融資產包括應收貿易款項、計入預付款項、其他應收款項及其他資產的金融資產、應收關聯公司款項、已抵押存款以及現金及現金等價物。

金融資產於初始確認時的分類，取決於金融資產的合約現金流量特徵以及本集團管理其之業務模式。除不包含重大融資成分的應收貿易款項或本集團就此運用可行權宜方法不對重大融資成分的影響作出調整的應收貿易款項外，本集團初步以公平值計量金融資產，加上交易成本(金融資產並非按公平值計入損益的情況下)。不包含重大融資成分的應收貿易款項或本集團就此運用可行權宜方法的應收貿易款項，按根據國際財務報告準則第15號所釐定的交易價格，遵照下文「收入確認」所載政策計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Financial instruments (Continued)

#### *Initial recognition and measurement (Continued)*

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at amortised cost*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

## 2. 主要會計政策概要(續)

### 2.7 金融工具(續)

#### *初始確認及計量(續)*

按攤銷成本或按公平值計入其他全面收益分類或計量之金融資產，其產生的現金流量應純粹為支付本金及未償還的本金產生的利息(「純粹為支付本金及利息」)。現金流量不只是純粹為支付本金及利息之金融資產，其以公平值計入損益進行分類及計量，不論其業務模式如何。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量的金融資產乃於旨在持有金融資產收取合約現金流量之業務模式內持有，而按公平值計入其他全面收益分類及計量的金融資產則於旨在持有金融資產以收取合約現金流量及出售金融資產的業務模式中持有。並非以上述業務模式持有的金融資產按公平值計入損益分類及計量。

所有以正常方式買賣的金融資產概於交易日(即本集團承諾購買或出售該資產的日期)確認。以正常方式買賣指於市場規定或慣例一般規定的期間內交付資產的金融資產買賣。

#### *後續計量*

金融資產的後續計量根據其分類進行，該等金融資產分類如下：

##### *按攤銷成本計量的金融資產*

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能出現減值。當資產終止確認、修訂或減值時，收益及虧損在綜合損益及其他全面收益表中確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.8 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## 2. 主要會計政策概要(續)

### 2.8 金融資產終止確認

出現以下情況時，金融資產(或(倘適用)部分金融資產或一組同類金融資產的一部分)會被初始終止確認(即自本集團綜合財務狀況表移除)：

- 從資產收取現金流量的權利已逾期；或
- 本集團已根據「轉付」安排轉讓從資產收取現金流量的權利，或已承擔向第三方無重大延誤全額支付所收現金流量的責任；及(a)本集團已轉讓資產的絕大部分風險及回報，或(b)本集團雖未轉讓或保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

當本集團已轉讓從資產收取現金流量的權利或訂立轉付安排，則評估有否保留資產所有權的風險及回報及保留程度。當本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產控制權，本集團將以本集團持續參與程度為限繼續確認所轉讓資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債根據反映本集團所保留權利及責任的基準計量。

以經轉讓資產擔保方式的持續參與按資產原值與本集團可能被要求償還的代價的最高金額之間的較低者計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.9 Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *General approach*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECLs).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 2. 主要會計政策概要(續)

### 2.9 金融資產減值

本集團對並非按公平值計入損益而持有的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額，按原有實際利率相近值貼現。預期現金流量將包括同為合約條款組成部分的自銷售所持有抵押品所得的現金流量或其他信貸提升物品。

#### *一般方法*

預期信貸虧損於兩個階段獲確認。就自初始確認起信貸風險並無顯著增加的信貸風險而言，對因未來12個月內可能發生的違約事件而導致的信貸虧損計提預期信貸虧損(12個月預期信貸虧損)。就自初始確認起已經顯著增加的信貸風險而言，不論何時發生違約事件，均須在風險餘下年期內就信貸虧損計提虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團評估自初始確認後金融工具的信貸風險是否顯著增加。當作出評估時，本集團比較於報告日期發生在金融工具上的違約風險與於初始確認日期發生在金融工具上的違約風險，並考慮於沒有過度成本或努力的情況下可得的合理及可支持資料，包括過往及前瞻性資料。

當合約付款已逾期90天，本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料顯示，在沒有計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收到未結之合約款項，則本集團亦可認為金融資產違約。金融資產於無合理預期可收回合約現金流量時撇銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.9 Impairment of financial assets (Continued)

#### General approach (Continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

#### Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Detailed analysis of the ECLs assessment are set out in note 41.2.

## 2. 主要會計政策概要(續)

### 2.9 金融資產減值(續)

#### 一般方法(續)

透過其他全面收益按公平值計量的債項投資以及按攤銷成本計量的金融資產，在一般模式下可能會發生減值，並且在以下階段分類用於預期信貸虧損計量，惟採用下文詳述的簡化模式的應收貿易款項除外。

- 第一階段 – 金融工具自初始確認以來並無顯著增加信貸風險，且其虧損撥備按相等於12個月預期信貸虧損的金額計量
- 第二階段 – 金融工具自初始確認以來顯著增加信貸風險，但並不屬信貸減值金融資產，且其虧損撥備按相等於全期預期信貸虧損的金額計量
- 第三階段 – 於報告日期信貸減值的金融資產(惟並非購買或原始信貸減值)，其虧損撥備按相等於全期預期信貸虧損的金額計量

#### 簡化方法

對於不包含重大融資成分之應收貿易款項，或本集團採用可行權宜方式，不會就重大融資成分之影響調整時，本集團採用簡化方法進行預期信貸虧損計量。根據簡化方法，本集團不會追蹤信貸風險之變化，而是於各報告日期進行全期預期信貸虧損確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並就債務人之特定前瞻性因素及經濟環境作出調整。

預期信貸虧損評估的詳細分析載於附註41.2。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.10 Financial liabilities

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or loans and other borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and other borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amounts due to related companies, amount due to ultimate holding company, interest-bearing bank and other borrowings and other long term liabilities.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification as follows:

#### *Financial liabilities at amortised cost*

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

## 2. 主要會計政策概要(續)

### 2.10 金融負債

#### *初步確認及計量*

金融負債於初步確認時分類為以公平值計量並計入損益的金融負債、或貸款及其他借款、應付款項(如適用)。

所有金融負債按公平值初步確認，而就貸款、其他借款及應付款項而言，扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、應付關聯公司款項、應付最終控股公司款項、計息銀行及其他借款以及其他長期負債。

#### *後續計量*

金融負債視乎其分類按下文所述計量：

#### *按攤銷成本計量的金融負債*

於初步確認後，計息銀行及其他借款其後使用實際利率法按攤銷成本計量，惟倘貼現影響不大，則按成本列賬。收益及虧損於終止確認負債時透過實際利率攤銷過程在綜合損益及其他全面收益表中確認。

攤銷成本乃經考慮任何收購折讓或溢價及屬於實際利率組成部分的費用或成本後計算得出。實際利率攤銷計入綜合損益及其他全面收益表中的融資成本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.11 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

### 2.12 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

## 2. 主要會計政策概要(續)

### 2.11 金融負債終止確認

當負債項下責任獲解除、取消或期滿時，即終止確認金融負債。

倘一項現有金融負債被來自同一貸款方而大部分條款不同的另一項金融負債所取代，或現有負債的條款被大幅修改，則該項置換或修改被視作終止確認原有負債及確認新負債處理，而有關賬面值之間的差額則於綜合損益及其他全面收益表中確認。

### 2.12 抵銷金融工具

倘目前擁有可合法執行權利以抵銷已確認的款項，且有意償付該款項的淨值，或同時變現資產及償付負債，則可抵銷金融資產及金融負債，並於財務狀況表內呈列淨值。

### 2.13 存貨

存貨乃按成本值及可變現淨值之較低者列賬。成本按加權平均基準釐定，在製品及製成品則包含直接材料、直接勞工及適當比例之間接成本。可變現淨值按估計售價減完工及出售時所產生任何估計成本計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.14 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, which are not restricted as to use.

### 2.15 Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

## 2. 主要會計政策概要(續)

### 2.14 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括現存現金及活期存款以及可隨時轉換為已知數額現金的短期高度流通性投資，有關投資承受低價值風險，一般於購入後三個月內到期，另扣除須按要求償還及構成本集團現金管理其中部分之銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括無使用限制用途之手頭及銀行現金。

### 2.15 合約負債

於本集團將相關貨品或服務轉移前收到客戶的付款或付款到期(以較早者為準)時確認合約負債。合約負債於本集團履行合約(即將相關貨品或服務的控制權轉移予客戶)時確認為收益。倘本集團在確認相關收入前擁有收取代價的無條件權利，則亦會確認合約負債。在上述情況下，亦將確認相應應收款項。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.16 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within “trade and other payables”. The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instruments and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assessing the obligations. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

Subsequently, financial guarantees are measured at the higher of the amount determined in accordance with ECLs under IFRS 9 as set out in note 2.9 and the amount initially recognised less, where appropriate, the cumulative amount of income recognised over the guarantee period.

## 2. 主要會計政策概要(續)

### 2.16 已發出財務擔保

財務擔保合約乃要求發行人(即擔保人)就持有人因特定債務人未能根據債務工具的條款於到期時付款而蒙受的損失，而向持有人支付特定款項的合約。

當本集團發出財務擔保，該擔保的公平值最初確認為「貿易及其他應付款項」內的遞延收入。財務擔保的公平值乃根據債務工具要求的合約付款及在並無擔保的情況下須作出付款之間的現金流量差額或就評估責任而須向第三方支付估計款額釐定。倘在發行該擔保時收取或可收取代價，該代價則根據適用於該類資產的本集團政策而予確認。倘並無有關尚未收取或應收取代價，則於最初確認任何遞延收入時，即時於損益內確認開支。

其後，財務擔保按附註2.9所載國際財務報告準則第9號項下預期信貸虧損所釐定金額及初步確認金額減(如適用)於擔保期內確認的累計收益金額計量(以較高者為準)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.17 Leases

#### *Definition of a lease and the Group as a lessee*

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

#### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land use right	33 to 46 years
Plant and machinery	2 to 15 years

## 2. 主要會計政策概要(續)

### 2.17 租賃

#### *租賃的定義及本集團作為承租人*

本集團於合約訂立時評估合約是否為或包含租賃。倘合約為交換代價而讓渡於一段期間使用已識別資產的控制權，則合約為或包含租賃。

#### *本集團作為承租人*

本集團就所有租賃應用單一的確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認作出租賃付款的租賃負債及代表使用相關資產權利的使用權資產。

#### (a) *使用權資產*

使用權資產於租賃開始日期(即相關資產可供使用的日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量的租賃負債進行調整。使用權資產的成本包括已確認租賃負債金額、已產生的初始直接成本及於開始日期或之前作出的租賃付款減任何已收租賃優惠。使用權資產於資產租期及估計可使用年期兩者的較短期間內以直線法折舊如下：

土地使用權	33至46年
廠房及機器	2至15年



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.17 Leases (Continued)

#### Group as a lessee (Continued)

##### (a) Right-of-use assets (Continued)

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

##### (b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in interest-bearing bank and other borrowings.

## 2. 主要會計政策概要(續)

### 2.17 租賃(續)

#### 本集團作為承租人(續)

##### (a) 使用權資產(續)

倘已租賃資產的所有權在租賃期結束時轉移至本集團或成本反映了購買選擇權的行使，則利用資產的估計可使用年期計算折舊。

##### (b) 租賃負債

租賃負債於租賃開始日期按租期內將作出的租賃付款現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、以指數或利率為基準的可變租賃付款，及預期將根據剩餘價值擔保支付的金額。租賃付款亦包括可合理確認由本集團行使的購買選擇權的行使價及終止租賃的罰款(倘租期反映本集團行使終止權)。並非基於指數或利率而定的可變租賃付款於引發付款的事件或條件出現期間確認為開支。

在計算租賃付款現值時，由於租賃隱含的利率無法立即確定，本集團使用租賃開始日期的遞增借貸利率。開始日期後，增加租賃負債金額以反映利息的累計及減少租賃負債金額以反映已作出租賃付款。此外，倘進行修改、租期變動、租賃付款變動(如因指數或利率變化而導致的未來租賃付款變更)或購買相關資產的選擇權評估變動，則重新計量租賃負債賬面值。本集團的租賃負債計入計息銀行及其他借款內。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.17 Leases (Continued)

#### *Group as a lessee (Continued)*

##### (c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

#### *Sales and leaseback transactions*

##### *The Group as a seller-lessee*

For a transfer that does not satisfy requirements as a sale in accordance with IFRS 15, the transaction are in substance a financing arrangement under IFRS 9. Therefore, the Group as a seller-lessee accounts for the proceeds received as “other borrowings — secured” within the scope of IFRS 9.

## 2. 主要會計政策概要(續)

### 2.17 租賃(續)

#### *本集團作為承租人(續)*

##### (c) *短期租賃及低價值資產租賃*

本集團將短期租賃確認豁免應用於機器及設備的短期租賃(即有關租賃的租賃期為開始日起十二個月或以下並且不包括購買選擇權)。

短期租賃及低價值資產租賃的租賃付款在租賃期內按直線法確認為支出。

#### *售後租回交易*

##### *本集團作為賣方承租人*

對於不符合國際財務報告準則第15號的出售規定的轉讓，該交易實質上為國際財務報告準則第9號下的融資安排。因此，本集團作為賣方承租人，將收取的所得款項入賬列作國際財務報告準則第9號範圍內的「其他借款 — 已抵押」。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.18 Provisions and contingent liabilities

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### 2.19 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

## 2. 主要會計政策概要(續)

### 2.18 撥備及或然負債

倘因過往事項而產生之現時責任(法律或推定)，且將來極可能需有資源流出以應付有關責任時，則予以確認為撥備，惟責任所涉及之數額必須能可靠地估計。

倘貼現之影響屬重大時，所確認撥備之數額乃為預期須支付有關責任之未來開支於報告期末之現值。因時間流逝而導致所貼現之現值增加之數額，乃計入綜合損益及其他全面收益表之融資成本中。

所有撥備會於各報告日期審閱，並作出調整以反映現時之最佳估計。

如需要經濟利益外流之可能性較低，或是無法對有關金額作出可靠估計，便會將有關義務披露為或然負債，但經濟利益外流之可能性極低則除外。如本集團之潛在義務須視乎某宗或多宗本集團並非全部控制之未來不確定事件是否發生方能確定是否存在，亦會披露為或然負債，惟經濟效益外流之可能性極低則除外。

### 2.19 股本

普通股分類為股本。股本乃按已發行股份代價之金額確認，並扣除與股份發行相關之任何交易成本(扣除任何相關所得稅利益)，惟以股本交易直接應佔之增加成本為限。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.20 Revenue recognition

#### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

#### Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Some contracts for the sale of products provide customers with rights of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

## 2. 主要會計政策概要(續)

### 2.20 收入確認

#### 客戶合約收入

當商品或服務的控制權轉移至客戶時，則按可反映本集團預期將就該等商品或服務交換可收取的代價金額確認客戶合約收入。

倘合約代價包含可變金額，則按本集團將就轉移商品或服務予客戶交換所得金額估計代價金額。可變代價於合約開始時估計及受限制，直至與可變代價相關的不確定因素其後解除時累計已確認的收入很可能不會發生重大撥回。

當合約包含融資部分，在將貨品或服務轉移至客戶方面為客戶提供重大融資利益超過一年時，收益會按以本集團與客戶於合約開始時進行的個別融資交易中所反映貼現率貼現的應收款項現值計量。當合約包含融資部分，為本集團提供重大財務利益超過一年時，根據合約確認的收益包括按實際利率法計算合約責任產生的利息開支。就客戶付款與承諾貨品或服務轉移之間的時間期限為一年或以內之合約而言，交易價格不會根據國際財務報告準則第15號所提供之切實可行權宜方法就重大融資部分之影響作出調整。

#### 銷售貨品

銷售貨品之收益乃於資產控制權轉移至客戶之時間點(通常為交付產品時)確認。

部分銷售產品的合約向客戶提供退貨權及批量回扣。退貨權及批量回扣引起可變代價。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.20 Revenue recognition (Continued)

#### Sale of goods (Continued)

##### (a) *Rights of return*

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

##### (b) *Volume rebates*

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

#### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

## 2. 主要會計政策概要(續)

### 2.20 收入確認(續)

#### 銷售貨品(續)

##### (a) *退貨權*

當合約向客戶提供可於特定期間的退貨權時，本集團採用預期價值法估計將不會退回的產品，因為此方法最能預計本集團將收取的可變代價金額。本集團應用國際財務報告準則第15號的規定，限制可變代價的估計，以釐定可包含於交易價格的可變代價金額。就預期退回的貨品，則確認退款責任，而非收入。本集團亦就向客戶收回產品的權利確認退回資產之權利(及銷售成本的相應調整)。

##### (b) *批量回扣*

當若干客戶於期內購買的產品數目超過合約規定的限額時，本集團向該等客戶提供可追溯批量回扣。回扣抵銷客戶應付的金額。為估計預期未來回扣的可變代價，就單一數量限額的合約採用最可能的金額方法，而就超過一個數量限額的合約採用預期價值法。最能預測可變代價金額的所選方法主要由合同所載數量限額所影響。本集團應用限制可變代價估計的規定，並就預期未來回扣確認退款責任。

#### 其他收入

利息收入乃透過採用精確折現於金融工具預期年期(或較短期間，倘適用)的估計未來現金收入至金融資產賬面淨值的利率，以實際利率法按累計基準確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.21 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under “other income and gains” in the consolidated statement of profit or loss and other comprehensive income.

### 2.22 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of profit or loss and other comprehensive income in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made as at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years.

A reversal of such an impairment loss is credited to the consolidated statement of profit or loss and other comprehensive income in the period in which it arises.

## 2. 主要會計政策概要(續)

### 2.21 政府補助

當能夠合理保證政府補助將可收取且本集團符合所有附帶條件時，政府提供的補助將按其公平值確認。政府補助遞延入賬，並於相應期間在損益中確認以使其與補助擬補償的成本相匹配。

與收入有關的政府補助合計列示於綜合損益及其他全面收益表內「其他收入及收益」項下。

### 2.22 非金融資產減值

當出現減值跡象或需要對資產進行年度減值檢測(存貨及金融資產除外)時，則會估計該資產的可收回金額。資產的可收回金額為資產或現金產生單位的使用價值及其公允價值減出售成本兩者的較高者，並按個別資產計算，除非資產產生的現金流入並非大致上獨立於其他資產或多組資產的現金流入，在該情況下，可收回金額則以該資產所屬的現金產生單位計算。

減值虧損僅於資產賬面值超過可收回金額時方會確認。評估使用價值時是以除稅前的折現率折現預計未來的現金流量至其現值，而該折現率反映當時市場對金錢的時間價值的評估及該項資產的特有風險。減值虧損於產生當期計入綜合損益及其他全面收益表內與已減值資產功能一致的開支類別。

於各報告期末，本集團會評估是否有跡象顯示之前確認的減值虧損可能不復存在或已減少。倘有任何此等跡象存在，則會估計資產的可收回金額。原已確認的減值虧損僅於用作釐定資產(商譽除外)可收回金額的估計出現變動時撥回，惟有關金額不得超過假設過往年度並無確認資產減值虧損下應有的賬面值(已扣除任何折舊/攤銷)。

撥回減值虧損的數額，乃於其產生的期間計入綜合損益及其他全面收益表。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.23 Employee benefits

According to the rules and regulations of the PRC, the Company's subsidiaries registered in the PRC are required to contribute to a state-sponsored retirement plan for all its PRC employees at certain percentages of the basic salaries predetermined by the local governments. The state-sponsored retirement plan is responsible for the entire retirement benefit obligations payable to retired employees and the Group has no further obligations for the actual retirement benefit payments or other post-retirement benefits beyond the annual contributions.

The contributions are recognised as expenses when the Company consumes the economic benefit arising from the service provided by an employee in exchange for employee benefits.

#### *Early retirement and retirement benefits*

During the fiscal 2005 restructuring, the Group undertook the expense related to both the retirement and the early retirement schemes for the medical and social welfare of those early retired and retired employees as of 30 June 2005. The Group recognised the relevant estimated liabilities as well as charges in the consolidated statement of profit or loss and other comprehensive income once the Group undertook the obligations. These benefits are unfunded.

Where these schemes fall due more than 12 months after the date of the consolidated financial statements, they shall be discounted using the appropriate discount rate, and carried at discounted amounts as liabilities. The discount rate is determined using the yield rate of government bonds with similar terms at the date of the consolidated financial statements.

## 2. 主要會計政策概要(續)

### 2.23 僱員福利

根據中國之規則及法規，本公司在中國註冊之附屬公司須按當地政府預定之基本薪金若干百分比為所有中國僱員向國家管理之退休計劃供款。國家管理之退休計劃負責向退休僱員支付退休福利之一切責任，除每年供款外，本集團在實際退休福利付款或其他退休後福利方面並無進一步責任。

當本公司動用因僱員為獲得僱員福利而提供服務所產生之經濟利益時，供款會確認為開支。

#### *提早退休及退休福利*

於二零零五年財政重組期間，本集團承擔截至二零零五年六月三十日之提早退休及退休僱員之退休計劃及提早退休計劃中有關醫療及社會福利之開支。本集團於承擔該等責任時確認相關估計負債，並從綜合損益及其他全面收益表扣除。該等福利均未獲撥款。

倘該等計劃自綜合財務報表日期後12個月以後到期，則應採用適用之貼現率對金額進行貼現，並按貼現金額列賬為負債。貼現率乃採用綜合財務報表日期條款相似之政府債券之收益率釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.23 Employee benefits (Continued)

#### *Early retirement and retirement benefits (Continued)*

Actuarial gains or losses include the experience adjustment (the impact of difference between the previous actuarial assumption and actual results) and the impact of changes on actuarial assumption. The actuarial gains or losses are recognised in other comprehensive income when incurred and will not be reclassified to profit or loss in a subsequent period.

Interest expense is charged to the consolidated statement of profit or loss and other comprehensive income and is derived from the discount rate determined at the commencement of the retirement scheme within an accounting period and the early retirement scheme multiplying with the average present value over the entire terms.

### 2.24 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 2. 主要會計政策概要(續)

### 2.23 僱員福利(續)

#### *提早退休及退休福利(續)*

精確損益包括經驗調整(原有精算假設與實際結果之間之差額影響)及精算假設變動之影響。精算損益於產生時在其他全面收益確認，且於其後期間不會重新分類至損益。

利息開支根據貼現率結果(在會計期間內退休計劃開始時釐定，提早退休計劃乘以整個期間之平均現值)從綜合損益及其他全面收益表扣除。

### 2.24 借款成本

收購、興建或生產須經過長時間方可作擬定用途或銷售之合資格資產的直接應佔借款成本資本化為該等資產之成本的一部分。在該等資產基本可作擬定用途或銷售時，停止將借款成本予以資本化。有關借款等待用於合資格資產的期間作短期投資之投資收入所得可用於扣減已資本化之借款成本。所有其他借款成本均須於產生期間列作開支。

借款成本包括利息以及實體借入資金所產生的其他相關成本。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.25 Income taxes

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## 2. 主要會計政策概要(續)

### 2.25 所得稅

所得稅包括當期稅項及遞延稅項。涉及於損益以外確認之項目之所得稅於損益以外確認，即於其他全面收益或直接於權益中確認。

當期及過往期間之流動稅項資產及負債以預期由稅務機關退稅或付給稅務機關之金額計量，乃基於截至報告期末已頒佈或實質上已頒佈之稅率(及稅法)，並顧及本集團經營業務所在國家當前之詮釋及慣例。

遞延稅項乃使用負債法，就於報告期末資產及負債之稅基與其就財務報告而言之賬面值之間之所有暫時性差異作出撥備。

所有應課稅暫時性差異均被確認為遞延稅項負債，惟：

- 倘若遞延稅項負債是由非業務合併交易中初步確認商譽或資產或負債而產生，及於交易時，遞延稅項負債對會計利潤或應課稅利潤或虧損均無影響；及
- 就與附屬公司之投資有關之應課稅暫時性差異而言，倘暫時性差異之回撥時間為可以控制，而暫時性差異於可見將來相當可能不會回撥。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.25 Income taxes (Continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## 2. 主要會計政策概要(續)

### 2.25 所得稅(續)

遞延稅項資產會就所有可扣減之暫時差異、結轉未運用稅項抵免及未運用稅務虧損確認入賬。確認遞延稅項資產的前提是有可能有應課稅利潤可用於抵銷可扣減之暫時差異，結轉未運用稅項抵免及未運用稅務虧損可予動用，惟：

- 遞延稅項資產與初步確認一項交易(並非業務合併)之資產或負債所產生之應扣減暫時性差額有關，及於交易時，遞延稅項資產對會計利潤或應課稅利潤或虧損均無影響；及
- 就與附屬公司之投資有關之可扣減暫時性差額而言，遞延稅項資產僅會於暫時性差額相當可能於可見將來將會回撥及應課稅利潤可用於抵銷暫時性差額時確認。

遞延稅項資產之賬面值會於各報告期末檢討，並減至不再可能有足夠應課稅利潤令全部或部分遞延稅項資產得以動用為止；未確認之遞延稅項資產會於各報告期末重新評估，並於可能有足夠應課稅利潤令全部或部分遞延稅項資產得以收回時確認。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈之稅率(及稅法)，按預期於資產獲變現或負債償還期間適用之稅率計算。

遞延稅項資產及遞延稅項負債僅限於本集團擁有可依法執行的權利抵銷即期稅項資產及即期稅項負債，且遞延稅項資產及遞延稅項負債與由同一稅務機關對同一納稅實體或不同納稅實體(其有意以淨值結算即期稅項負債及資產或同時變現資產以及結算負債)於未來各期間(其間遞延稅項負債或資產的大部份款項預計將結算或回收)徵收有關所得稅時可抵銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.26 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or Board, where appropriate.

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Proposed final dividends are disclosed in note 15 to the consolidated financial statements.

### 2.27 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group; or
- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

## 2. 主要會計政策概要(續)

### 2.26 股息

向本公司股東作出的股息分派，在股息獲本公司股東或董事會(倘適用)批准的期間，於本集團及本公司財務報表中確認為一項負債。

期末股息在股東大會上獲得股東批准時確認為負債。

擬派期末股息於綜合財務報表附註15披露。

### 2.27 關聯方

就綜合財務報表而言，任何人士如符合以下各項視作本集團的關聯方：

- (a) 如屬以下人士，即該方為該人士或該人士之近親與本集團有關連：
  - (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響力；或
  - (iii) 為本集團或本集團母公司的主要管理層成員；或
- (b) 如符合下列任何條件，即該方為一間實體：
  - (i) 該實體與本集團屬同一集團之成員公司；
  - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體的母公司、附屬公司或同系附屬公司)；
  - (iii) 實體與本集團均為同一第三方的合營企業；
  - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.27 Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies: (Continued)
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 2.28 Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

### 2.29 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components.

## 2. 主要會計政策概要(續)

### 2.27 關聯方(續)

- (b) 如符合下列任何條件，即該方為一間實體：(續)
  - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職後福利計劃；
  - (vi) 實體受(a)所識別人士控制或受共同控制；
  - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員；及
  - (viii) 該實體，或其所屬集團之任何成員，向本集團或本集團之母公司提供主要管理層服務。

相關人士的近親乃指彼等與實體間交易時預期可影響該名相關人士或受該名相關人士影響的家庭成員。

### 2.28 退回資產之權利

退回資產之權利指本集團收回預期客戶退回貨品的權利。資產按將予退回貨品的先前賬面值減任何收回貨品的預期成本及已退回貨品價值可能減少而計量。本集團就其預期退貨水平的任何修改及任何已退回貨品價值額外減少，更新資產的計量。

### 2.29 分部報告

本集團根據定期向執行董事報告以供其就本集團業務組成部分的資源分配作出決定的內部財務資料確定經營分部並編製分部資料。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.30 Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

## 3. ADOPTION OF NEW AND AMENDED IFRSs

### Amended IFRSs that are effective for annual periods beginning on 1 January 2020

In the current year, the Group has applied for the first time the following amended IFRSs, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2020:

Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Amendments to IAS 1 and IAS 8	Definition of Material

In addition, on 1 January 2020, the Group has early applied the Amendments to IFRS 16 "Covid-19-Related Rent Concessions" which will be effective for the Group for financial year beginning on or after 1 June 2020.

The impact of the adoption of the amended IFRSs are discussed below. Other than as noted below, the adoption of the amended IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

## 2. 主要會計政策概要(續)

### 2.30 退款責任

退款責任為就退還部分或全部已收(或應收)客戶代價的責任而確認,按本集團最終預期其須向客戶退還的金額計量。本集團於各報告期末更新其退款責任(及交易價格的相應變動)的估計。

## 3. 採納新訂及經修訂國際財務報告準則

### 於二零二零年一月一日開始之年度期間生效之經修訂國際財務報告準則

於本年度,本集團已首次應用與本集團營運相關,且對本集團於二零二零年一月一日開始之年度期間之綜合財務報表有效之經修訂國際財務報告準則如下:

國際財務報告準則第3號(修訂本)	業務之定義
國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號(修訂本)	利率基準改革
國際會計準則第1號及國際會計準則第8號(修訂本)	重大之定義

另外,於二零二零年一月一日,本集團提前應用國際財務報告準則第16號(修訂本)「Covid-19相關之租金優惠」,且將於二零二零年六月一日或之後開始之本集團財政年度生效。

採納經修訂國際財務報告準則之影響討論如下。除下述附註者外,採納經修訂國際財務報告準則並無對編製及呈列當前及過往期間之業績及財務狀況之方式造成重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Amended IFRSs that are effective for annual periods beginning on 1 January 2020 (Continued)

##### Amendments to IFRS 16 “Covid-19-Related Rent Concessions”

Amendments to IFRS 16 only apply to lessee accounting and have no effect on lessor accounting. The amendments provide a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 (“**COVID-19-Related Rent Concessions**”) are lease modification and, instead, account for those rent concessions as if they were not lease modifications.

The practical expedient is only applicable to COVID-19-Related Rent Concessions and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-Related Rent Concessions granted to the Company during the year. The application of these amendments had no impact on the Group’s consolidated financial statements.

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 於二零二零年一月一日開始之年度期間生效之經修訂國際財務報告準則(續)

##### 國際財務報告準則第16號(修訂本) [COVID-19相關之租金優惠]

國際財務報告準則第16號(修訂本)僅應用於承租人的會計處理，並對出租人的會計處理概無影響。該修訂本提供實用權宜方法，讓承租人可迴避評估因COVID-19直接導致的若干合資格租金優惠(「**COVID-19相關之租金優惠**」)是否屬於租賃修訂，並反而需就該等租金優惠入賬(猶如其並非租賃修訂)一般處理的需要。

該實用權宜方法僅應用於COVID-19相關之租金優惠，且亦僅可在下列全部條件均達成下方可應用：

- (a) 租賃付款的變動導致對租賃代價有所修訂，而經修訂之代價與緊接變動前之租賃代價大致相同，或少於緊接變動前之租賃代價；
- (b) 租賃付款的任何扣減僅影響原定於二零二一年六月三十日或之前到期的付款(例如，倘一項租金優惠導致於二零二一年六月三十日或之前的租賃付款有所扣減，且已增加的租賃付款可延伸至二零二一年六月三十日之後，則此項優惠符合此條件)；及
- (c) 租賃的其他條款及條件並無實質變動。

本集團已選擇提早採納該等修訂本，並將該實用權宜方法應用至於年內授予本公司的所有合資格COVID-19相關之租金優惠。應用該等修訂本並無對本集團綜合財務報表造成影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Amended IFRSs that are effective for annual periods beginning on 1 January 2020 (Continued)

##### Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”

The amendments provide certain temporary reliefs from applying specific hedge accounting requirements in order to deal with the potential effects of uncertainties caused by interbank offered rates (“IBOR”) reform (“Reform”).

In addition, the amendments require entities to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

The application of these amendments had no impact on the Group’s consolidated financial statements.

##### Amendments to IFRS 3 “Definition of a business”

The amendments narrowed and clarified the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments:

- clarify that a business is considered as an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Guidance and illustrative examples are provided to help entities assess whether a substantive process has been acquired;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add an optional concentration test that permits simplified assessment of whether an acquired set of activities and assets is not a business; and
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

The application of these amendments had no impact on the Group’s consolidated financial statements.

### 3. 採納新訂及經修訂國際財務報告準則(續)

於二零二零年一月一日開始之年度期間生效之經修訂國際財務報告準則(續)

##### 國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號(修訂本)「利率基準改革」

該等修訂本提供若干暫時性補救措施，以應對銀行間同業借貸利率(「銀行間同業借貸利率」)改革(「改革」)所帶來不確定性的潛在影響。

此外，該等修訂本要求實體向投資者提供受不確定性直接影響的對沖關係的其他資料。

應用該等修訂本對本集團的綜合財務報表並無影響。

##### 國際財務報告準則第3號(修訂本)「業務之定義」

該修訂本收窄及釐清業務之定義，旨在協助實體釐定交易是否作為業務合併或資產收購入賬。

該修訂本：

- 釐清業務被視為所收購的一系列活動及資產，則必須包括至少一項投入及一個實質性過程，且兩者共同對創造產出的能力有重大貢獻。該修訂本提供指引並舉例說明，以幫助實體評估是否已獲得一個實質性過程；
- 集中說明向客戶提供的貨品及服務以及移除對降低成本能力的引述，以收緊業務及產出的定義；
- 增加一項可選擇的集中測試，容許以簡化方式評估所收購的一系列活動及資產是否並非一項業務；及
- 移除對市場參與者是否有能力替換任何缺失的投入或過程並繼續產生產出的評估。

應用該等修訂本對本集團的綜合財務報表並無影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Amended IFRSs that are effective for annual periods beginning on 1 January 2020 (Continued)

##### Amendments to IAS 1 and IAS 8 “Definition of Material”

The amendments clarify the definition of material and state that “information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”. Materiality depends on nature or magnitude of information or both.

The amendments also:

- introduce the concept of obscuring information when considering materiality and provide some examples of circumstances that may result in material information being obscured;
- clarify that materiality assessment will need to take into account how primary users could reasonably be expected to be influenced in making economic decisions by replacing the threshold “could influence” with “could reasonably be expected to influence” in the definition of material; and
- clarify that materiality assessment will need to take into account of information provided to primary users of general purpose financial statements (i.e. existing and potential investors, lenders and other creditors that rely on general purpose financial statements for much of the financial information they need).

The application of these amendments had no impact on the Group's consolidated financial statements.

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 於二零二零年一月一日開始之年度期間生效之經修訂國際財務報告準則(續)

##### 國際會計準則第1號及國際會計準則第8號(修訂本)「重大之定義」

有關修訂本釐清重大的定義，說明「倘遺漏、錯誤陳述或模糊某資料，可合理地預期影響對提供某一特定申報實體財務資料的通用財務報表主要使用者基於該等財務報表所作的決定，該等資料即屬重大」。重大程度取決於資料的性質或程度，或兩者均為取決因素。

該等修訂本亦：

- 在考慮重大程度時引進模糊資料概念，並提供若干可能導致重大資料模糊的情況的例子；
- 在重大的定義中以「可合理地預期影響」取代「可影響」的閾值，以釐清重大性評估須考慮何謂可合理地預期影響主要使用者所作出的經濟決定；及
- 釐清重大性評估將須考慮向通用財務報表主要使用者(即依賴通用財務報表取得大部分所需財務資料的現有及潛在投資者、貸款人及其他債權人)提供的資料。

應用該等修訂本對本集團的綜合財務報表並無影響。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Issued but not yet effective IFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended IFRSs have been published but are not yet effective, and have not been adopted early by the Group.

IFRS 17	Insurance Contracts and related amendments <sup>3</sup>
Amendments to IFRS 3	Reference to the Conceptual Framework <sup>5</sup>
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2 <sup>1</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to IFRS 16	Covid-19-Related Rent Concession beyond 30 June 2021 <sup>6</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current <sup>3</sup>
Amendment to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendment to IAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendment to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transactions <sup>3</sup>
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>2</sup>
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018-2020 <sup>2</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2022
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2023
- <sup>4</sup> Effective date not yet determined
- <sup>5</sup> Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022
- <sup>6</sup> Effective for annual periods beginning on or after 1 April 2021

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 已頒佈但尚未生效的國際財務報告準則

於此等綜合財務報表獲授權日期若干新訂及經修訂國際財務報告準則已頒佈但尚未生效且本集團並無提早採納。

國際財務報告準則第17號	保險合約及相關修訂 <sup>3</sup>
國際財務報告準則第3號(修訂本)	引述概念框架 <sup>5</sup>
國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)	利率基準改革 — 第二階段 <sup>1</sup>
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>4</sup>
國際財務報告準則第16號(修訂本)	二零二一年六月三十日後Covid-19相關之租金優惠 <sup>6</sup>
國際會計準則第1號(修訂本)	負債分類為流動或非流動 <sup>3</sup>
國際會計準則第1號及國際財務報告準則實務聲明第2號(修訂本)	會計政策披露 <sup>3</sup>
國際會計準則第8號(修訂本)	會計估計界定 <sup>3</sup>
國際會計準則第12號(修訂本)	與單一交易產生的資產及負債相關的遞延稅項 <sup>3</sup>
國際會計準則第16號(修訂本)	物業、廠房及設備 — 達至擬定用途前之所得款項 <sup>2</sup>
國際會計準則第37號(修訂本)	虧損性合約 — 履約成本 <sup>2</sup>
國際財務報告準則修訂本	二零一八年至二零二零年度國際財務報告準則之年度改進 <sup>2</sup>

- <sup>1</sup> 於二零二一年一月一日或之後開始之年度期間生效
- <sup>2</sup> 於二零二二年一月一日或之後開始之年度期間生效
- <sup>3</sup> 於二零二三年一月一日或之後開始之年度期間生效
- <sup>4</sup> 尚待釐定生效日期
- <sup>5</sup> 於收購/合併日期為二零二二年一月一日或之後開始之首個年度期間開始當日或之後進行之業務合併/共同控制合併生效
- <sup>6</sup> 於二零二一年四月一日或之後開始之年度期間生效

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Issued but not yet effective IFRSs (Continued)

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended IFRSs are not expected to have a material impact on the Group's consolidated financial statements.

#### Amendments to IFRS 3 "Reference to the Conceptual Framework"

The amendments update the reference in IFRS 3 to the latest version of "Conceptual Framework for Financial Reporting" issued in March 2018, and add an exception to the requirement for an entity to refer to "Conceptual Framework for Financial Reporting" to determine what constitutes an asset or liability.

Besides, the exception also specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" or IFRIC – Int 21 "Levies" if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should apply the criteria in IAS 37 or IFRIC – Int 21 respectively (instead of the "Conceptual Framework for Financial Reporting") to determine whether a present obligation exists at the acquisition date.

Furthermore, the amendments also explicitly state that contingent assets do not qualify for recognition at the acquisition date.

Amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2022 and apply prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards. The directors expect that the amendments have no material impact on the consolidated financial statements.

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 已頒佈但尚未生效的國際財務報告準則(續)

董事預期，所有頒佈之準則將於頒佈生效日期或之後開始的首個期間於本集團之會計政策中採納。預期有關新訂及經修訂國際財務報告準則之資料不會對本集團綜合財務報表產生重大影響。

#### 國際財務報告準則第3號(修訂本)「引述概念框架」

該等修訂本更新國際財務報告準則第3號內對於二零一八年三月頒佈之「財務報告概念框架」最新版本之引述，並對實體於釐定資產或負債的構成時參考「財務報告概念框架」之規定加入例外情況。

此外，該例外情況亦指明，就將屬於國際會計準則第37號「撥備、或然負債及或然資產」或國際財務報告詮釋委員會－詮釋第21號「徵費」範圍內之負債及或然負債而言，倘該等負債乃分開產生而非於業務合併中承擔，則應用國際財務報告準則第3號之實體應分別應用國際會計準則第37號或國際財務報告詮釋委員會－詮釋第21號之標準(而非「財務報告概念框架」)釐定於收購日期是否存在當前責任。

再者，該等修訂本亦明確列明或然資產於收購日期不符合確認條件。

國際財務報告準則第3號(修訂本)對於收購日期在二零二二年一月一日或之後開始的首個年度期間開始時或之後的業務合併生效，按未來適用法應用。倘實體在同一時間或更早亦應用所有國際財務報告準則標準中參考概念框架(修訂本)所包含之修訂，則允許提前應用。董事預期該等修訂本對綜合財務報表並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Issued but not yet effective IFRSs (Continued)

##### Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform – Phase 2”

These amendments address the accounting issues that arise when existing IBORs included in financial instruments are replaced with alternative benchmark risk-free rates.

The amendments mainly affect the following areas:

- Financial instruments (measured at amortised costs) where the basis for determining the contractual cash flows changes as a result of the Reform — providing a practical expedient that an entity will not have to derecognise the carrying amount of financial instruments and recognise an immediate gain or loss for changes solely arising from the Reform, but will instead revise the effective interest rate of the financial instruments;
- Modifications of lease liabilities as a result of the Reform — providing a similar practical expedient that lessee will remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate, instead of applying the original lease modification guidance in IFRS 16;
- Hedge accounting requirements — permitting changes required by the Reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. In addition, it also provides a temporary relief to entities from having to meet the separately identifiable requirement when an alternative benchmark risk-free rate is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expect the alternative benchmark risk-free rate risk component to become separately identifiable within the next 24 months.
- Additional disclosures — an entity will be required to disclose information about new risks arising from the Reform and how it manages those risks as well as additional disclosure requirements for transitioning from IBORs to alternative benchmark risk-free rates.

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 已頒佈但尚未生效的國際財務報告準則(續)

##### 國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)「利率基準改革 – 第二階段」

該等修訂解決因計入金融工具之現有銀行間同業借貸利率被其他可選基準無風險利率替代而產生之會計問題。

該等修訂主要影響以下方面：

- 因改革導致金融工具(按攤銷成本計量)之合約現金流量的釐定基準變動 — 提供可行權宜方法，實體毋須就僅因改革導致之變動而終止確認金融工具之賬面值並確認即時盈虧，而是修訂金融工具之實際利率；
- 因改革導致租賃負債修改 — 提供類似可行權宜方法，承租人將使用反映利率變動之貼現率對經修訂租賃付款進行貼現，以重新計量租賃負債，而不是採用國際財務報告準則第16號之原始租賃變更指引；
- 對沖會計規定 — 允許就對沖指定項目及對沖文件作出改革所要求的變動，而不會終止對沖關係。過渡期間可能產生的任何收益或虧損均通過國際財務報告準則第9號的正常規定進行處理，以衡量及確認對沖無效性。此外，該等修訂亦為實體提供暫時寬免，於其他基準無風險利率被指定為風險成分時毋須滿足可單獨識別之規定。該寬免允許實體於指定對沖後假定已滿足可單獨識別之規定，惟實體須合理預期其他基準無風險利率風險成分於未來24個月內將可單獨識別。
- 額外披露 — 實體將被要求披露有關改革產生之新風險及其如何管理該等風險之資料，以及有關自國際銀行同業拆息利率過渡至其他可選基準無風險利率之額外披露規定之資料。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Issued but not yet effective IFRSs (Continued)

#### Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform – Phase 2” (Continued)

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 are effective for the annual period beginning on or after 1 January 2021 and apply retrospectively. Earlier application is permitted. The directors expect that the amendments have no material impact on the consolidated financial statements.

#### Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments remove an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture and require that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The amendments are originally effective prospectively to transactions occurring in annual period beginning on or after 1 January 2016. However, such effective date has been postponed indefinitely with earlier adoption permitted. The directors expect that the amendments have no material impact on the consolidated financial statements.

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 已頒佈但尚未生效的國際財務報告準則(續)

#### 國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)「利率基準改革 – 第二階段」(續)

國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)於二零二一年一月一日或之後開始之年度期間生效，並追溯應用及允許提早應用。董事預期該等修訂本對綜合財務報表並無重大影響。

#### 國際財務報告準則第10號及國際會計準則第28號(修訂本)「投資者與其聯營或合營企業之資產出售或注資」

該等修訂本移除國際財務報告準則第10號及國際會計準則第28號(二零一一年)之規定間處理投資者與其聯營公司或合營企業之資產出售或注資時所獲悉之不一致情況，並要求在交易涉及業務(不論是否由附屬公司管有)時確認全部收益或虧損。當交易涉及不構成業務之資產時，即使該等資產由一間附屬公司管有，仍會確認部分收益或虧損。

該等修訂本原預期對二零一六年一月一日或之後開始之年度期間發生之交易生效。然而，該生效日期已無限期押後，並獲准提前採納。董事預期該等修訂本對綜合財務報表並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Issued but not yet effective IFRSs (Continued)

##### Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments provide further guidance to clarify how to classify debt and other liabilities as current or non-current which are summarised as follows:

- It clarifies that a liability is non-current if an entity have a right (instead of unconditional right as stated before the amendments) to defer settlement of the liability for at least twelve months from the end of the reporting period. This right has to be existed at the end of the reporting period, regardless of whether the lender tests for compliance at that date or at a later date;
- Any expectations about events after the reporting period do not impact the assessment made at the end of the reporting period as to the classification of the liability; and
- “Settlements” are newly defined as a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash, other economic resources (e.g. goods or services), or entity’s own equity instruments. Thus, if the counterparty conversion option is classified as liability under IAS 32, the transfer of equity instruments by exercising the conversion option constitute settlement of liability for the purpose current or non-current classification of liabilities. One exception to the definition is that if the counterparty conversion option is classified as equity in accordance with IAS 32, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liabilities is current or non-current.

Amendments to IAS 1 is effective for annual reporting period beginning on or after 1 January 2023 and apply retrospectively. Earlier application is permitted. The directors expect that the amendments have no material impact on these consolidated financial statements.

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 已頒佈但尚未生效的國際財務報告準則(續)

##### 國際會計準則第1號(修訂本)「分類為流動或非流動負債」

該等修訂本為澄清如何分類債務及其他負債為流動或非流動提供進一步指引，概述如下：

- 其澄清倘實體有權(而非修訂本前所訂明之無條件權利)延遲結清負債至報告期結束後至少十二個月，負債即為非流動。此權利須於報告期結束時經已存在(無論貸款人有否於該日或較後日期進行合規測試)；
- 任何關於報告期後事件之例外情況並不影響報告期結束時對債務分類所作之評估；及
- 「結清」重新定義為將導致負債消失之向交易對手的轉讓。轉讓可為現金、其他經濟資源(如貨品或服務)，或實體之自身權益工具。因此，倘交易對手之轉換權根據國際會計準則第32號分類為負債，透過行使轉換權轉讓權益工具以負債之流動或非流動分類而言構成債務結清。定義的例外情況為，倘交易對手之轉換權根據國際會計準則第32號分類為權益，透過行使轉換權轉讓權益工具則並不構成債務結清，且於釐定負債屬流動或非流動負債時將忽略不計。

國際會計準則第1號(修訂本)於二零二三年一月一日或之後開始的年度報告期間生效，並追溯應用。允許提前應用。董事預期該等修訂本對綜合財務報表並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Issued but not yet effective IFRSs (Continued)

##### Amendments to IAS 1 and IFRS Practice Statement 2 “Disclosure of Accounting Policies”

The amendments to IAS 1 require entities to disclose material accounting policy information instead of significant accounting policies in its financial statements. The amendments also provide some guidance on how material policy information are being identified and provide some examples of when accounting policy information is likely to be material.

The amendments to IAS 1 are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. Except for the disclosures of accounting policies in note 2 to consolidated financial statements may need to be revised to cope with the above changes, the directors expect that the amendments have no other material impact on the consolidated financial statements.

##### Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates by introducing a definition for accounting estimates, which is now defined as “monetary amounts in the financial statements that are subject to measurement uncertainty”.

Besides, the amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates typically involve the use of judgements or assumptions based on latest available reliable information. A change in accounting estimate that results from new information or new development is not correction of an error. Therefore, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. The directors expect that the amendments have no material impact on the consolidated financial statements.

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 已頒佈但尚未生效的國際財務報告準則(續)

##### 國際會計準則第1號及國際財務報告準則實務報告第2號修訂本「會計政策之披露」

國際會計準則第1號修訂本規定實體須於其財務報表中披露重要會計政策資料而非其主要會計政策。該等修訂本亦就如何識別重要政策資料提供若干指引並舉例說明會計政策資料何時可能為重要。

國際會計準則第1號修訂本於二零二三年一月一日或之後開始的年度報告期間生效並作前瞻性應用，且允許提前應用。除綜合財務報表附註2所載會計政策之披露可能需予修訂以順應上述變動之外，董事預期該等修訂本對綜合財務報表概無產生其他重大影響。

##### 國際會計準則第8號修訂本「會計估計之定義」

該等修訂本藉引入會計估計之新定義，即「財務報表中受計量不確定性所影響之貨幣金額」，以釐清實體應如何區分會計政策之變動與會計估計變動。

此外，該等修訂本亦透過指明實體制定會計估計以達致會計政策所載目標，釐清會計政策與會計估計之間之關係。會計估計通常涉及按最新可得之可靠資料採用判斷或假設。新資料或新發展而導致會計估計出現變動，並非錯誤之糾正。因此，如非出於前期錯誤之糾正，用於制定會計估計之輸入數據或計量技術之變動影響為會計估計之變動。

該等修訂本於二零二三年一月一日或之後開始的年度報告期間生效並作前瞻性應用，且允許提前應用。董事預期該等修訂本不會對綜合財務報表造成重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Issued but not yet effective IFRSs (Continued)

#### Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption of deferred tax in IAS 12 “Income Taxes” does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as lease contracts that give rise to the recognition of a lease liability and the corresponding right-of-use assets and contracts that give rise to the recognition of decommissioning obligations and corresponding amounts recognised as assets. Instead, entities are required to recognise the related deferred tax asset and liability on initial recognition, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12 “Income Taxes”.

The amendments are effective for annual reporting period beginning on or after 1 January 2023. Earlier application is permitted. The Group is still in the process of assessing the full impact of the application of the amendments. The cumulative effect of initially applying the amendments will be recognised as an adjustment to the opening balance of accumulated losses at the beginning of the earliest comparative period presented.

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 已頒佈但尚未生效的國際財務報告準則(續)

#### 國際會計準則第12號修訂本「與單一交易產生的資產及負債相關的遞延稅項」

該等修訂本澄清國際會計準則第12號「所得稅」之遞延稅項初步確認豁免不適用於會產生等額應課稅及可扣稅暫時差額的交易，例如會導致確認租賃負債及相應使用權資產的租賃合約以及導致確認退役責任及確認為資產的相應金額的合約。相反，實體須在初步確認時確認相關遞延稅項資產及負債，且確認任何遞延稅項資產須受國際會計準則第12號「所得稅」之可收回性標準規限。

該等修訂本於二零二三年一月一日或之後開始的年度報告期間生效，並允許提前應用。本集團仍在評估應用該等修訂本的全面影響。初步應用該等修訂本的累計影響將於最早呈列的比較期初確認為對累計虧損期初結餘作出的調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Issued but not yet effective IFRSs (Continued)

##### Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”

The amendments clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g. direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to IAS 37 are effective for annual period beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual period in which the amendments are first applied (i.e. date of initial application). Earlier application is permitted. The directors expect that the amendments have no material impact on the consolidated financial statements.

##### Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements to IFRS Standards 2018-2020 include a number of amendments to various IFRSs, which are summarised below.

Amendments to IFRS 1 provide an option for a subsidiary to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of its parent company (based on the parent company’s date of transitions to IFRSs) if a subsidiary adopts IFRSs later than its parent company and applies paragraph D16(a) of IFRS 1.

Amendments to IFRS 9 clarify that, for the purpose of applying the “10 per cent” test for derecognition of financial liability, the borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 已頒佈但尚未生效的國際財務報告準則(續)

##### 國際會計準則第37號(修訂本)「虧損合約 – 合約履行的成本」

該等修訂就根據國際會計準則第37號評估合約是否屬虧損性而言，闡明履行合約的成本包括與合約直接有關的成本。與合約直接有關的成本包括履行該合約的增量成本(如直接勞工及材料)及與履行合約直接有關的其他成本的分配(如履行合約所使用的物業、廠房及設備項目的折舊費用的分配)。

國際會計準則第37號(修訂本)自二零二零年一月一日或之後開始的年度期間生效，並將應用於實體於修訂本首度應用年度(即初步應用日期)期初尚未履行其全部責任的合約，且可提前應用。董事預期該等修訂本對綜合財務報表並無重大影響。

##### 二零一八年至二零二零年度國際財務報告準則之年度改進

二零一八年至二零二零年度國際財務報告準則之年度改進包括各項國際財務報告準則的若干修訂，概述如下。

國際財務報告準則第1號(修訂本)規定，倘附屬公司相比其母公司較遲採用國際財務報告準則，並應用國際財務報告準則第1號第D16(a)段，則該附屬公司可選擇按其母公司綜合財務報表中包含的金額計量所有海外業務的累計換算差額(基於母公司向國際財務報告準則過渡的日期)。

國際財務報告準則第9號(修訂本)釐清，就應用「10%」測試以終止確認金融負債而言，借款人僅包括借款人與貸款人之間已付或已收的費用，包括實體或貸款人代表對方已付或已收的費用。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Issued but not yet effective IFRSs (Continued)

##### Annual Improvements to IFRS Standards 2018–2020 (Continued)

Amendments to illustrative example 13 accompanying IFRS 16 remove the illustration of the reimbursement of leasehold improvements by the lessor from the example as the example is not clear as to why such payments are not a lease incentive, which in turn remove any potential confusion regarding the treatment of lease incentives that might arise.

Amendments to IAS 41 remove a requirement to exclude cash flows from taxation when measuring fair value of a biological asset, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13.

Amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual period beginning on or after 1 January 2022. Earlier application is permitted. The amendments to IFRS 16 only regard an illustrative example, so no effective date is stated. The directors expect that the annual improvements have no material impact on the consolidated financial statements.

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### 4.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 已頒佈但尚未生效的國際財務報告準則(續)

##### 二零一八年至二零二零年度國際財務報告準則之年度改進(續)

國際財務報告準則第16號所隨附之說明實例13號之修訂本從該實例中剔除出租人償付租賃物業裝修的說明，原因為該實例並無明確說明為何有關付款不屬租賃獎勵，從而消除於處理租賃獎勵方面可能出現的任何潛在混亂。

國際會計準則第41號(修訂本)剔除於計量生物資產的公允價值時將現金流量排除於稅項之外的要求，從而使國際會計準則第41號的公平值計量要求與國際財務報告準則第13號的要求一致。

國際財務報告準則第1號、國際財務報告準則第9號及國際會計準則第41號(修訂本)自二零二二年一月一日或之後開始的年度期間生效，並允許提早應用。國際財務報告準則第16號(修訂本)僅提供一個實例，因此並無說明生效日期。董事預期年度改進對綜合財務報表並無產生重大影響。

### 4. 重要會計判斷及估計

編製本集團之綜合財務報表時，管理層須作出會影響所呈報收入、開支、資產及負債之報告金額、其隨附披露及或有負債披露之判斷、估計及假設。有關假設及估計之不確定性或會導致須就日後受影響之資產或負債賬面值作出重大調整。

#### 4.1 判斷

於採納本集團之會計政策之過程中，除涉及估計之會計政策外，管理層已作出對綜合財務報表已確認金額構成最重大影響之判斷如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### 4.1 Judgements (Continued)

##### (a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcomes of the Group's plans and measures to strengthen its capital base and liquidity. Details are explained in note 2.2 to the consolidated financial statements.

##### (b) *Tax provision*

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates the tax implications of transactions and tax provisions are made accordingly. The tax treatment of such transactions is assessed periodically to take into account all the changes in tax legislation and practices.

#### 4.2 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

##### (a) *Useful lives and residual values of property, plant and equipment*

In determining the useful life and residual value of an item of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the repair and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances. The carrying amounts of the property, plant and equipment are disclosed in note 17 to the consolidated financial statements.

### 4. 重要會計判斷及估計 (續)

#### 4.1 判斷 (續)

##### (a) *持續經營基準*

該等綜合財務報表乃按持續經營基準編製，其有效性取決於本集團旨在鞏固其資本基礎及流動性的計劃及措施是否得到成功結果。詳情於綜合財務報表附註2.2闡釋。

##### (b) *稅項撥備*

釐定所得稅撥備涉及對若干交易未來稅務處理之判斷。本集團審慎評估交易之稅務影響並計提相應之稅項撥備。該等交易之稅務處理定期評估，以計及稅務法規及慣例之所有變動。

#### 4.2 估計不確定因素

於報告期末有關未來之主要假設及其他估計之不確定性之主要來源，會使下一個財政年度內的資產及負債賬面值引致有重大調整的風險，並於下文描述。

##### (a) *物業、廠房及設備的可使用年限及剩餘價值*

為釐定物業、廠房及設備項目的可使用年限及剩餘價值，本集團須考慮多項因素，如因生產改變或改進引致技術或商業過時、或因市場對該資產的產品或服務輸出的需求改變、該資產的預期使用情況、預期實際損耗及損毀、該資產的維修保養及對使用該資產的法律或類似限制。該資產的可使用年限的估計乃基於本集團以類似方式使用類似資產的經驗。倘物業、廠房及設備項目的估計可使用年限及／或剩餘價值有別於先前的估計，則會作出額外折舊。可使用年限及剩餘價值會於各財政年度結束日期根據情況變動進行覆核。物業、廠房及設備之賬面值披露於綜合財務報表附註17。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### 4.2 Estimation uncertainty (Continued)

##### (b) Impairment of property, plant and equipment and right-of-use assets

The Group assesses whether there are any indicators of impairment for property, plant and equipment and right-of-use assets at the end of each reporting period. Property, plant and equipment and right-of-use assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on the valuation report from an independent qualified professional valuer (the "Valuer") determining appropriate valuation techniques and key inputs for fair value measurements of the Group's property, plant and equipment. When value in use calculations are undertaken, management make assumptions about future revenue, gross profit, operating expense and capital expenditure. These assumptions relate to future events and circumstances and the actual results may vary. Determining the appropriate discount rate involves estimating the appropriate adjustment for market. The carrying amount of the property, plant and equipment and right-of-use assets are set out in notes 17 and 18 to the consolidated financial statements respectively.

As at 31 December 2020, based on management's best estimates, the Group has incurred an impairment loss of approximately RMB2,448,000 (2019: Nil) on right-of-use assets.

##### (c) Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made for those identified obsolete and slow-moving inventories and inventories with a carrying amount higher than net realisable value. The assessment of the provision required involves management's judgement and estimates on which are influenced by assumptions concerning future sales and usage and judgements in determining the appropriate level of inventory provisions against identified surplus or obsolete items. Where the actual outcome or expectation in future is different from the original estimate, such differences will have impact on the carrying amounts of inventories and the write-down/write-back of inventories in the period in which such estimate has been changed. The carrying amount of the inventories and the provision on inventories are set out in note 20.

### 4. 重要會計判斷及估計 (續)

#### 4.2 估計不確定因素 (續)

##### (b) 物業、廠房及設備及使用權資產減值

本集團於各報告期末評估物業、廠房及設備及使用權資產是否有任何減值跡象。物業、廠房及設備及使用權資產在有跡象顯示賬面值未必可收回時進行減值測試。當一項資產或現金產生單位之賬面值超過其可收回金額(公平值減出售成本及使用價值中之較高者)時,即出現減值。計量公平值減出售成本時,基於獨立合資格專業估值師(「估值師」)的估值報告,為本集團物業、廠房及設備公平值計量釐定適當估值技術及輸入值。於進行使用價值計算時,管理層作出有關未來收益、毛利、經營開支及資本支出的假設。該等假設與未來事件及情況有關,且實際結果可能不同。釐定適當折扣率涉及估計適當市場調整。物業、廠房及設備以及使用權資產之賬面值分別載於綜合財務報表附註17及18。

於二零二零年十二月三十一日,基於管理層的最佳估計,本集團招致使用權資產減值虧損約人民幣2,448,000元(二零一九年:無)。

##### (c) 撇減存貨至可變現淨值

本集團將被識別為過時及滯銷的存貨及賬面值高於可變現淨值的存貨撇減至可變現淨值。評估所需撥備涉及管理層的判斷和估計,而關於未來銷售及使用情況的假設以及釐定相對於已識別過剩品或過時品的適當存貨撥備水平時的判斷將影響該等判斷和估計。倘日後的實際結果或預期有別於最初的估計,有關差異將會對存貨的賬面值造成影響,並須於估計有變的期間內作出存貨的撇減/撤回。存貨的賬面值及存貨撥備載於附註20。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### 4.2 Estimation uncertainty (Continued)

(d) *Provision for ECLs on trade receivables, other receivables and amounts due from related companies and subsidiaries*

The Group estimates the amount of ECLs of trade receivables, other receivables and amount due from related companies based on the valuations performed by the Valuer. The Group uses a provision matrix to calculate ECLs for trade receivables and individual assessment for other receivables and amounts due from related companies and subsidiaries.

The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type and customer type). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The individual assessment is by reference to the credit rating, including the Group's historical credit loss experiences, adjusted for factors that are specific to the debtors.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables, other receivables and amounts due from related companies and subsidiaries is disclosed in notes 21, 22, 23 and 45 to the consolidated financial statements, respectively.

### 4. 重要會計判斷及估計 (續)

#### 4.2 估計不確定因素 (續)

(d) *應收貿易款項、其他應收款項以及應收關聯公司及附屬公司款項預期信貸虧損撥備*

本集團根據估值師進行的估值估計應收貿易款項、其他應收款項及應收關聯公司款項的預期信貸虧損。本集團使用撥備矩陣計算應收貿易款項之預期信貸虧損，以及對其他應收款項及應收關聯公司及附屬公司款項作出獨立評估。

撥備率乃根據具有類似虧損模式（如按地區、產品類別及客戶類別劃分）之不同客戶分部組別之逾期天數計算。撥備矩陣最初基於本集團之歷史觀察違約率。本集團將以前瞻性資料調整矩陣以調整歷史信貸虧損經驗。例如，倘預測經濟狀況（如國內生產總額）將在未來一年內惡化，可能導致製造分部之違約數量增加，歷史違約率將予以調整。於各報告日期，歷史觀察違約率會獲更新，並分析前瞻性估計之變化。

個別評估乃參照信貸評級，包括本集團的過往信貸虧損經驗，並就應收賬款特定因素作出調整。

對歷史觀察違約率、預測經濟狀況及預期信貸虧損之間之相關性評估屬一項重要估計。預期信貸虧損之金額對環境變化及預測經濟狀況較為敏感。本集團之歷史信貸虧損經驗及對經濟狀況之預測亦可能無法代表未來客戶之實際違約。有關本集團應收貿易款項、其他應收款項以及應收關聯公司及附屬公司款項之預期信貸虧損之資料分別披露於綜合財務報表附註21、22、23及45內。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### 4.2 Estimation uncertainty (Continued)

##### (e) Provision for loss on Unauthorised guarantees

In respect of findings of the Investigation, seven Unauthorised guarantees were entered with several financial institutions and creditors as security for several loans granted to the Associates of Mr. Chen Weizhong, as set out in note 30. Due to the failure of repayment by the Associates of Mr. Chen Weizhong, these creditors have commenced legal proceedings against the Associates of Mr. Chen Weizhong as the borrower and the Group as the guarantor. The court hearings against the Group as the guarantor to five creditors have completed and court hearings to two creditors are suspended. The court judgements for the completed court hearings has released the Group's liabilities on these Unauthorised guarantees. In 2021, the Group has fully repaid the Company G of RMB10,000,000 on behalf of Zhejiang Zhongwei Brewery Co., Limited\* 浙江中味釀造有限公司 ("Zhejiang Zhongwei").

It is still uncertain as to how much the borrowers will be able to repay these creditors for the suspended court hearings. Based on the legal advice, the Group had recognised a provision of RMB27,500,000 (2019: RMB27,500,000) which was the best estimate of the Group on the probable cash outflow of the obligations under the financial guarantee contracts of the suspended court hearings for the year ended 31 December 2020. Details are set out in note 30.

\* The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

### 4. 重要會計判斷及估計(續)

#### 4.2 估計不確定因素(續)

##### (e) 未經授權擔保虧損撥備

關於調查的結果，如附註30所述，多家金融機構及債權人訂立七項未經授權擔保以作為陳衛忠先生的聯繫人獲授多項貸款的抵押。由於陳衛忠先生的聯繫人未能還款，該等債權人已對陳衛忠先生的聯繫人(作為借款人)及本集團(作為擔保人)展開法律訴訟。五名債權人針對本集團(作為擔保人)的法院聆訊已完結，兩名債權人的法院聆訊暫停。已完成法院聆訊的法院判決已解除本集團就有關未經授權擔保的責任。於二零二一年，本集團代表浙江中味釀造有限公司(「浙江中味」)悉數償還公司G人民幣10,000,000元。

就暫停之法院聆訊而言，借款人將能夠償還該等債權人的金額仍不確定。根據法律意見，本集團已確認撥備人民幣27,500,000元(二零一九年：人民幣27,500,000元)，該撥備乃本集團於截至二零二零年十二月三十一日止年度就暫停之法院聆訊的財務擔保合約項下責任的可能現金流出作出的最佳估計。有關詳情請參閱附註30。

\* 在中國所成立公司的名稱的英文翻譯僅供參考。該等公司的官方名稱為中文名稱。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### 4.2 Estimation uncertainty (Continued)

##### (f) Loss arising from the Incident

As described in note 2.1 to the consolidated financial statements, the Investigation and Management Reassessment uncovered that Mr. Chen Weizhong attempted to obscure his own fund requirements in prior years by the creation of multiple fictitious transactions, fictitious agreements and documents, false accounting journal entries and involvement of multiple third parties and fund remittance agents through its influence over the Group. In view of the complexity of his actions described above, the Group believed that it is not practicable to accurately determine the nature, commercial substance and appropriateness if the loss that materialised in each of the accounting period in the consolidated financial statements and separate the prior years' adjustments in each of the prior financial years before 2019. This is mainly due to the fact that the receipts and payments under Mr. Chen Weizhong's acts were interrelated and were made over these years. Taking into account the specific facts and circumstances surrounding the Incident, the Group is considered that it is appropriate to recognise the amount of the Loss arising from the Incident of approximately RMB600,575,000 and RMB2,061,934,000 in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2020 and 2019 which are the earliest practicable periods.

### 4. 重要會計判斷及估計 (續)

#### 4.2 估計不確定因素 (續)

##### (f) 事件產生的虧損

如綜合財務報表附註2.1所述，調查及管理層重估發現，陳衛忠先生試圖憑藉其對本集團的影響，透過製造多項虛構交易、虛構協議及文件、虛假會計分錄並涉及多名第三方及資金匯兌代理，掩蓋其於過往年度自身的資金需求。鑒於其上述行為的複雜性，本集團認為，在綜合財務報表中準確釐定各會計期間作實的虧損的性質、商業實質及適當性，並將二零一九年以前過往財政年度各年的往年調整分離並不可行。這主要是由於陳衛忠先生行為中收付款相互關聯，且於該等年度進行。考慮到圍繞事件的具體事實及情況，本集團認為，於截至二零二零年及二零一九年十二月三十一日止年度(最早實際可行期間)綜合損益及其他全面收益表分別確認事件產生的虧損金額約人民幣600,575,000元及人民幣2,061,934,000元屬合適。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 5. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of condiment products. For management purposes, the Group operates in one business unit and has one reportable operating segment as follows:

- The food segment that manufactures and sells condiment products.

As all of the Group's revenue is derived from the sale of its products to the customers in the PRC and all of the Group's identifiable non-current assets are located in the PRC, no geographical information as required by IFRS 8 Operating Segments is presented.

#### Information about major customers

Revenue derived from sales to individual customers amounting to 10 percent or more of the Group's revenue for the reporting period is set out in the following table:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Customer A	客戶 A	25,930	27,961

### 5. 經營分部資料

本集團主要從事調味品的生產及銷售業務。就管理而言，本集團以單一業務單位運營，且有一個可呈報經營分部如下：

- 食品分部生產及銷售調味品。

由於本集團全部收入均來自向中國的客戶銷售其產品，且本集團全部可識別非流動資產均位於中國，故並無根據國際財務報告準則第8號「經營分部」呈列地域資料。

#### 有關主要客戶之資料

下表載列報告期內，佔本集團收入百分之10或以上向個別客戶銷售所產生的收入：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 6. REVENUE, OTHER INCOME AND GAINS

#### 6.1 Revenue from contracts with customers

An analysis of revenue is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Revenue from contracts with customers	客戶合約收益		
Sale of goods	銷售貨品	226,331	235,456

#### (i) Disaggregation revenue information

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
<b>Type of goods</b>	<b>貨品種類</b>		
Condiment products	調味品	226,331	235,456
<b>Timing of revenue recognition</b>	<b>收益確認時間</b>		
Goods transferred at a point in time	於某一時點轉讓的產品	226,331	235,456

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	已確認計入報告期初合約負債中的收益：		
Sale of goods	銷售貨品	62,530	21,465

### 6. 收入、其他收入及收益

#### 6.1 客戶合約收益

收入分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Revenue from contracts with customers	客戶合約收益		
Sale of goods	銷售貨品	226,331	235,456

#### (i) 分列收益資料

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
<b>Type of goods</b>	<b>貨品種類</b>		
Condiment products	調味品	226,331	235,456
<b>Timing of revenue recognition</b>	<b>收益確認時間</b>		
Goods transferred at a point in time	於某一時點轉讓的產品	226,331	235,456

下表顯示本報告期內確認計入報告期初合約負債中的收益金額：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	已確認計入報告期初合約負債中的收益：		
Sale of goods	銷售貨品	62,530	21,465



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 6. REVENUE, OTHER INCOME AND GAINS (Continued)

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

#### (ii) Performance obligations

Information about the Group's performance obligation is summarised below:

#### Sale of products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

### 6.2 Other income and gains

## 6. 收入、其他收入及收益(續)

### 6.1 客戶合約收益(續)

#### (ii) 履約責任

有關本集團履約責任的資料概述如下：

#### 銷售產品

履約責任於交付產品後達成，付款一般在交付後30至90天內到期，而新客戶則通常需要提前付款。

### 6.2 其他收入及收益

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Subsidies received (note)	已收補貼(附註)	6,448	12,104
Bank interest income	銀行利息收入	964	5,148
Foreign exchange gain, net	匯兌收益淨值	1,949	-
Written off of amounts due to directors	撇銷多名應付董事款項	754	-
Others	其他	4,524	1,469
		<b>14,639</b>	<b>18,721</b>

Note:

The amount represented subsidies received from the relevant authorities in the PRC without any unfulfilled conditions.

附註：

有關金額指來自中國有關當局的補貼，惟有關補貼並無附帶任何未達成條件。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 7. LOSS ARISING FROM THE INCIDENT

During the course of the preparation of the consolidated financial statements for the year ended 31 December 2020, Management has put through the necessary prior years' adjustments, in accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, to correct the errors and restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable (see details in note 2.1), except the directors found it is impracticable to recognise the cumulative effects of the losses on the Incident until the end of 2020 when the Incident was ended. Hence, the resulting net losses of the Incident of approximately RMB600,575,000 (2019: RMB2,061,934,000) was recognised during the year.

### 7. 事件產生的虧損

編製截至二零二零年十二月三十一日止年度綜合財務報表過程中，管理層已根據國際會計準則第8號會計政策、會計估計變更及錯誤的規定，對過往年度作出必要調整，以糾正錯誤並重列可切實作出追溯重列的最早期間的資產、負債及權益的年初結餘（詳見附註2.1），惟董事發現未能切實於二零二零年年底（即事件結束之時）前確認事件的虧損累計影響。因此，年內已確認事件所產生虧損淨值約人民幣600,575,000元（二零一九年：人民幣2,061,934,000元）。

### 8. IMPAIRMENT LOSSES

### 8. 減值虧損

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Impairment loss on trade receivables (note 21)	應收貿易款項減值虧損(附註21)	3,652	1,512
Impairment loss on prepayment and other receivables (note 22)	預付款項及其他應收款項減值虧損(附註22)	1,776	-
Impairment loss on amounts due from related companies (note 23)	應收關聯公司款項減值虧損(附註23)	2,069	-
Impairment loss on right-of-use assets (note 18(a))	使用權資產減值虧損(附註18(a))	2,448	-
		<b>9,945</b>	<b>1,512</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 9. OTHER EXPENSES

### 9. 其他開支

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Donations	捐贈	66	-
Foreign exchange loss, net	外匯虧損·淨值	-	1,857
Surcharge for overdue tax payment (note)	逾期附加稅(附註)	46,192	24,125
Overdue interest expense (note 29(e))	逾期利息開支(附註29(e))	22,160	6,102
Provision for loss on Unauthorised guarantees (note 30)	未經授權擔保虧損撥備(附註30)	-	27,500
Others	其他	439	124
		<b>68,857</b>	<b>59,708</b>

Note:

The amount represented the provision of surcharge for overdue tax payment to be imposed by the State Administration of Taxation in PRC.

附註：

金額指中國國家稅務總局將徵收的逾期附加稅撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 10. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging/ (crediting):

### 10. 除所得稅前虧損

本集團除所得稅前虧損已扣除／(計入)以下項目：

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Costs of inventories sold	售出存貨成本		180,731	166,438
Provision for inventories, net	存貨撥備淨值	20	4,999	-
Depreciation of owned assets	自有資產折舊	17	26,253	28,550
Depreciation of right-of-use assets	使用權資產折舊	18(a)	1,938	1,895
Amortisation of other intangible assets	其他無形資產攤銷	19	554	161
Lease payments not included in the measurement of lease liabilities	並無計入租賃負債計量的租賃款項	18(d)	118	1,319
Auditor's remuneration	核數師酬金		3,200	2,280
Impairment losses on:	以下各項之減值虧損：			
— trade receivables	— 應收貿易款項	8	3,652	1,512
— prepayment and other receivables	— 預付款項及其他應收款項	8	1,776	-
— amounts due from related companies	— 應收關聯公司款項	8	2,069	-
— right-of-use assets	— 使用權資產	8	2,448	-
			9,945	1,512
Employee benefit expenses (excluding directors' remuneration):	僱員福利開支(不包括董事酬金)：			
— wages and salaries	— 工資及薪金		30,128	45,215
— pension scheme contributions (note)	— 退休金計劃供款(附註)		3,455	6,435
			33,583	51,650
Research and development costs	研發成本		27,878	40,975
Donations	捐贈	9	66	-
Foreign exchange (gain)/loss, net	匯兌(收益)／虧損淨值		(1,949)	1,857

Note:

As at 31 December 2020, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2019: Nil).

附註：

於二零二零年十二月三十一日，本集團並無可用沒收供款，用作削減未來年度退休金計劃的供款(二零一九年：無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 11. FINANCE COSTS

An analysis of finance costs is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Interest on bank loans	銀行貸款利息	42,117	51,087
Interest on other borrowings	其他借款利息	48,058	16,249
Less: interest capitalised	減：資本化利息	-	(2,938)
		90,175	64,398
Interest on lease liabilities	租賃負債利息	6,066	6,552
		96,241	70,950

### 11. 融資成本

融資成本分析如下：

### 12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

### 12. 董事及最高行政人員之酬金

根據上市規則、香港公司條例第383(1)條及公司(披露董事利益資料)規例第二部披露的年度董事及最高行政人員薪酬如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Fees	袍金	430	533
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	455	396
Performance related bonuses	表現相關的花紅	619	730
Pension scheme contributions	退休金計劃供款	69	48
		1,143	1,174
		1,573	1,707

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

#### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Mr. Shen Zhenchang	沈振昌先生	60	60
Mr. Sun Jiong	孫頴先生	168	175
Mr. Ng Wing Fai	吳榮輝先生	202	210
		430	445

There were no other emoluments payable to the independent non-executive directors during the years ended 31 December 2020 and 2019.

### 12. 董事及最高行政人員之酬金

(續)

#### (a) 獨立非執行董事

年內已付獨立非執行董事的袍金如下：

There were no other emoluments payable to the independent non-executive directors during the years ended 31 December 2020 and 2019.

於截至二零二零年及二零一九年十二月三十一日止年度概無應付獨立非執行董事的其他酬金。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

(b) Executive directors, non-executive directors and the chief executive

### 12. 董事及最高行政人員之酬金 (續)

(b) 執行董事、非執行董事及最高行政人員

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>2020</b>	<b>二零二零年</b>					
<b>Chief executive and executive director:</b>	<b>最高行政人員及執行董事：</b>					
Mr. Chen Weizhong (note (a))	陳衛忠先生(附註(a))	-	180	-	25	205
Mr. Liu Jianbin (note (b))	劉建鑽先生(附註(b))	-	-	-	-	-
		-	180	-	25	205
<b>Executive directors:</b>	<b>執行董事：</b>					
Mr. Chen Wei (note (c))	陳偉先生(附註(c))	-	-	-	-	-
Mr. Sheng Mingjian (note (d))	盛明健先生(附註(d))	-	120	380	25	525
Mr. Wang Chao (note (e))	王超先生(附註(e))	-	96	239	19	354
		-	216	619	44	879
<b>Non-executive directors:</b>	<b>非執行董事：</b>					
Mr. He Yuanchuan (note (g))	何源川先生(附註(g))	-	59	-	-	59
Mr. Gu Wei (note (h))	顧偉先生(附註(h))	-	-	-	-	-
		-	59	-	-	59
		-	455	619	69	1,143

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

#### (b) Executive directors, non-executive directors and the chief executive (Continued)

		Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration	
	Fees	薪金、津貼 及實物利益	表現相關 的花紅	退休金 計劃供款	酬金總額	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
2019	二零一九年					
<b>Chief executive and executive director:</b>	<b>最高行政人員及執行董事：</b>					
Mr. Chen Weizhong (note (a))	陳衛忠先生(附註(a))	-	180	-	16	196
<b>Executive directors:</b>	<b>執行董事：</b>					
Mr. Sheng Mingjian (note (d))	盛明健先生(附註(d))	-	120	380	16	516
Mr. Wang Chao (note (e))	王超先生(附註(e))	-	96	350	16	462
		-	216	730	32	978
<b>Non-executive directors:</b>	<b>非執行董事：</b>					
Ms. Qian Yinglan (note (f))	錢英嵐女士(附註(f))	22	-	-	-	22
Mr. He Yuanchuan (note (g))	何源川先生(附註(g))	66	-	-	-	66
		88	-	-	-	88
		88	396	730	48	1,262

### 12. 董事及最高行政人員之酬金 (續)

#### (b) 執行董事、非執行董事及最高行政人員(續)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

#### (b) Executive directors, non-executive directors and the chief executive (Continued)

Notes:

- (a) Mr. Chen Weizhong resigned as a chief executive and executive director of the Group on 2 February 2021.
- (b) Mr. Liu Jianbin was appointed as a chief executive and executive director of the Group on 2 February 2021.
- (c) Mr. Chen Wei was appointed as an executive director of the Group on 11 September 2020.
- (d) Mr. Sheng Mingjian resigned as an executive director of the Group on 28 June 2022.
- (e) Mr. Wang Chao resigned as an executive director of the Group on 11 September 2020.
- (f) Ms. Qian Yinglan resigned as a non-executive director of the Group on 12 April 2019.
- (g) Mr. He Yuanchuan was appointed as a non-executive director of the Group on 12 April 2019 and resigned on 28 August 2020.
- (h) Mr. Gu Wei was appointed as a non-executive director of the Group on 2 September 2020.

There was no arrangement under which executive directors waived or agreed to waive any remuneration during the years ended 31 December 2020 and 2019.

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 December 2020 (2019: Nil).

### 12. 董事及最高行政人員之酬金 (續)

#### (b) 執行董事、非執行董事及最高行政人員 (續)

附註：

- (a) 陳衛忠先生於二零二一年二月二日辭任本集團最高行政人員及執行董事。
- (b) 劉建鑽先生於二零二一年二月二日獲委任為本集團最高行政人員兼執行董事。
- (c) 陳偉先生於二零二零年九月十一日獲委任為本集團執行董事。
- (d) 盛明健先生於二零二二年六月二十八日辭任本集團執行董事。
- (e) 王超先生於二零二零年九月十一日辭任本集團執行董事。
- (f) 錢英嵐女士於二零一九年四月十二日辭任本集團非執行董事。
- (g) 何源川先生於二零一九年四月十二日獲委任為本集團非執行董事，並於二零二零年八月二十八日辭任。
- (h) 顧偉先生於二零二零年九月二日獲委任為本集團非執行董事。

截至二零二零年及二零一九年十二月三十一日止年度概無訂立執行董事據此放棄或同意放棄任何酬金的安排。

截至二零二零年十二月三十一日止年度，本集團並無向任何董事支付酬金，作為鼓勵加入本集團或加入本集團時之獎勵或離職補償（二零一九年：無）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals during the year included three (2019: two) directors, details of whose remuneration are set out in note 12 above. Details of the remuneration of the remaining two (2019: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	763	432
Performance related bonuses	表現相關的花紅	1,280	900
Pension scheme contributions	退休金計劃供款	41	47
		<b>2,084</b>	<b>1,379</b>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

		2020 二零二零年	2019 二零一九年
Nil to HK\$1,000,000	零至1,000,000港元	2	3

### 13. 五名最高薪僱員

年內，五名最高薪僱員包括三名(二零一九年：兩名)董事，其酬金詳情載於上文附註12。本公司既非董事亦非最高行政人員之其餘兩名(二零一九年：三名)最高薪僱員的酬金詳情如下：

酬金介乎以下範圍的非董事及非最高行政人員的最高薪僱員人數如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 14. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Group was not subject to any income tax in the Cayman Islands.

The corporate income tax of the Group in respect of its operations in Mainland China has been provided at the rate of 25% (2019: 25%) on the taxable profits, based on the existing legislation, interpretations and practices in respect thereof.

Pursuant to the approval from the National office of Leading Group for Administration of Hi-tech Enterprise Recognition, Huzhou Laohenghe and Huzhou Laohenghe Wine Co., Limited, both being wholly-owned subsidiaries of the Company, were granted the “New and Advanced Technology Enterprise” status and are entitled to the preferential tax rate of 15% for the three consecutive years commencing from 2019.

### 14. 所得稅開支

本集團須就本集團成員公司所處及經營業務的司法權區所產生或賺取的利潤，按實體基準繳納所得稅。根據開曼群島的規則及法規，本集團毋須繳納開曼群島所得稅。

本集團中國內地業務的企業所得稅根據相關現行法律、詮釋及慣例按稅率25%（二零一九年：25%）對應課稅利潤作出撥備。

根據全國高新技術企業認定管理工作領導小組辦公室發出的批文，湖州老恒和及湖州老恒和酒業有限公司（兩者均為本公司的全資附屬公司）獲得「高新技術企業」資格，並可自二零一九年起連續三個年度享受15%的優惠稅率。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current — PRC	即期 — 中國		
Charge for the year	年內支出	—	29,862
Under-provision in respect of the prior year	過往年度撥備不足	2,091	—
		2,091	29,862
Deferred (note 31)	遞延(附註31)	—	(22,820)
Total tax charge for the year	年內稅務支出總額	2,091	7,042

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 14. INCOME TAX EXPENSE (Continued)

A reconciliation of the income tax expense applicable to loss before income tax at the statutory rate for the jurisdiction where most of the Company's subsidiaries are located to the tax expense at the effective tax rate is as follows:

### 14. 所得稅開支(續)

採用本公司大部分附屬公司所在司法權區的法定稅率計算的除稅前利潤適用的除所得稅前虧損與按實際稅率計算的稅務開支對賬如下：

		2020 二零二零年		2019 二零一九年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
				(Restated) (經重列)	
Loss before income tax	除所得稅前虧損	(843,202)		(2,278,323)	
Tax at the statutory tax rate	按法定稅率計算的稅項	(210,801)	25.0	(569,581)	25.0
Lower tax rate enacted by the local authority	地方政府頒佈的較低稅率	84,114	(10.0)	227,833	(10.0)
Tax effect of unrecognised temporary differences	未確認臨時差異的稅務影響	1,667	(0.2)	(22,820)	1.0
Tax losses not recognised	未確認稅項虧損	26,490	(3.1)	35,847	(1.6)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	100,972	(12.0)	338,571	(14.9)
Tax effect of income not taxable for tax purpose	不可課稅收入之稅務影響	(2,442)	0.3	(2,808)	0.1
Under-provision in respect of prior years	過往年度撥備不足	2,091	(0.3)	-	-
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅務支出	2,091	(0.3)	7,042	(0.3)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 15. DIVIDENDS

Dividends attributable to the previous financial year, approved and paid during the year:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Final dividend in respect of the previous financial year of RMB6.8 cents (2019: RMB7.0 cents) per ordinary share 與上一財政年度有關的期末股息 每股普通股人民幣6.8分 (二零一九年：人民幣7.0分)	39,355	40,513

The Board did not recommend the payment of any dividend for the year ended 31 December 2020.

The 2019 final dividend of RMB39,355,000 was approved by the Company's shareholders at the annual general meeting on 29 June 2020 and was distributed in August 2020.

### 15. 股息

該年度批准並支付的上一個財政年度的股息：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
--	-----------------------------------	-----------------------------------

董事會不建議就截至二零二零年十二月三十一日止年度派付任何股息。

二零一九年期末股息人民幣39,355,000元已獲本公司股東於二零二零年六月二十九日召開的股東週年大會上批准，並於二零二零年八月派發。

### 16. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 578,750,000 (2019: 578,750,000) in issue during the year.

### 16. 本公司普通權益持有人應佔每股虧損

每股基本虧損金額的計算乃基於本公司普通權益持有人應佔年內虧損及年內已發行普通股加權平均數578,750,000股(二零一九年：578,750,000股)。

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Loss attributable to ordinary equity holders of the Company 本公司普通權益持有人應佔虧損	(845,293)	(2,285,365)
Weighted average number of ordinary shares in issue (in thousands) 已發行普通股加權平均數(千股)	578,750	578,750
Loss per share attributable to ordinary equity holders of the Company — Basic and diluted (RMB) 本公司普通權益持有人應佔每股虧損 — 基本及攤薄(人民幣)	(1.46)	(3.95)

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2020 and 2019 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

由於截至二零二零年及二零一九年十二月三十一日止年度並無具潛在攤薄效應的已發行普通股，故本集團並無就攤薄而對有關年度呈列的每股基本虧損金額作出調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT 17. 物業、廠房及設備

		Buildings	Machinery and equipment	Furniture and fixtures	Motor vehicles	Leasehold improvements	Construction in progress	Total
		樓宇	機器及設備	傢俬及裝置	汽車	租賃物業裝修	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>31 December 2020</b>	<b>二零二零年十二月三十一日</b>							
At 1 January 2020, as restated:	於二零二零年一月一日 (經重列):							
Cost	成本	217,328	177,789	7,231	4,039	15,990	3,464	425,841
Accumulated depreciation	累計折舊	(47,587)	(67,205)	(4,226)	(2,333)	(7,308)	-	(128,659)
Net carrying amount	賬面淨值	169,741	110,584	3,005	1,706	8,682	3,464	297,182
At 1 January 2020, net of accumulated depreciation, as restated	於二零二零年一月一日， 扣除累計折舊(經重列)	169,741	110,584	3,005	1,706	8,682	3,464	297,182
Additions	添置	144	1,079	-	-	-	10,350	11,573
Write off	撇銷	-	(15)	-	-	-	-	(15)
Depreciation provided during the year	年內折舊撥備	(10,153)	(13,137)	(684)	(595)	(1,684)	-	(26,253)
Transfers	轉撥	-	46	-	-	-	(46)	-
At 31 December 2020, net of accumulated depreciation	於二零二零年十二月三十一日， 扣除累計折舊	159,732	98,557	2,321	1,111	6,998	13,768	282,487
At 31 December 2020:	於二零二零年十二月三十一日:							
Cost	成本	217,472	178,899	7,231	4,039	15,990	13,768	437,399
Accumulated depreciation	累計折舊	(57,740)	(80,342)	(4,910)	(2,928)	(8,992)	-	(154,912)
Net carrying amount	賬面淨值	159,732	98,557	2,321	1,111	6,998	13,768	282,487*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT 17. 物業、廠房及設備(續) (Continued)

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢私及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2019, as restated</b>	二零一九年十二月三十一日 (經重列)							
At 1 January 2019, as restated:	於二零一九年一月一日 (經重列):							
Cost	成本	736,673	253,405	5,440	4,039	15,990	160,625	1,176,172
Accumulated depreciation	累計折舊	(91,734)	(63,455)	(2,901)	(1,683)	(5,883)	-	(165,656)
Net carrying amount	賬面淨值	644,939	189,950	2,539	2,356	10,107	160,625	1,010,516
At 1 January 2019, net of accumulated depreciation, as restated	於二零一九年一月一日， 扣除累計折舊(經重列)	644,939	189,950	2,539	2,356	10,107	160,625	1,010,516
Additions	添置	-	-	1,791	-	-	78,121	79,912
Write off (note(a))	撇銷(附註(a))	(565,527)	(64,852)	(332)	-	-	(133,985)	(764,696)
Depreciation provided during the year	年內折舊撥備	(10,968)	(14,514)	(993)	(650)	(1,425)	-	(28,550)
Transfers	轉撥	101,297	-	-	-	-	(101,297)	-
At 31 December 2019, net of accumulated depreciation, as restated	於二零一九年 十二月三十一日， 扣除累計折舊(經重列)	169,741	110,584	3,005	1,706	8,682	3,464	297,182
At 31 December 2019, as restated:	於二零一九年 十二月三十一日(經重列):							
Cost	成本	217,328	177,789	7,231	4,039	15,990	3,464	425,841
Accumulated depreciation	累計折舊	(47,587)	(67,205)	(4,226)	(2,333)	(7,308)	-	(128,659)
Net carrying amount	賬面淨值	169,741	110,584	3,005	1,706	8,682	3,464	297,182*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT 17. 物業、廠房及設備(續)

(Continued)

Notes:

- (a) As a result of the Incident, the Group has reassessed the existence and recoverable amount of the property, plant and equipment that has been existed for a long time through performing due diligence on several constructors. After the Management Reassessment, the Group has written off the amount of property, plant and equipment of approximately RMB764,696,000 during the year ended 31 December 2019 as Loss arising from the Incident due to the fictitious property, plant and equipment.
- (b) As at 31 December 2020, certain of the Group's buildings and machinery and equipment with an aggregate net carrying amount of approximately RMB251,511,000 (2019: RMB273,860,000) were pledged to secure bank loans and other borrowings granted to the Group (note 29(f)).
- (c) The Group has engaged the Valuer to perform impairment assessment on the property, plant and equipment for the year ended 31 December 2020 and the Valuer determined that the recoverable amounts of property, plant and equipment exceeded their carrying amounts. As a result, no impairment loss has been recognised for the years ended 31 December 2020 and 2019.
- \* Included in property, plant and equipment as at 31 December 2020 of approximately RMB37,509,000 (2019: RMB83,125,000) was right-of-use assets which related to the purchase of machinery and equipment under sales-leaseback arrangement entered before 1 January 2019 which in substance classified as finance leases, are included within lease liabilities under IFRS16 Leases. During the year ended 31 December 2020, depreciation on the related underlying assets was approximately RMB1,875,000 (2019: RMB4,156,000).

附註：

- (a) 由於該事件，本集團已通過對數家建造商進行盡職調查，重新評估長期存在的物業、廠房及設備的存在情況及可收回金額。管理層重新評估後，本集團已於截至二零一九年十二月三十一日止年度將物業、廠房及設備金額約人民幣764,696,000元撇銷為虛構物業、廠房及設備所產生事件導致的虧損。
- (b) 於二零二零年十二月三十一日，本集團抵押賬面淨值合共約人民幣251,511,000元(二零一九年：人民幣273,860,000元)的若干樓宇和機器及設備，作為本集團所獲授銀行貸款及其他借款的擔保(附註29(f))。
- (c) 本集團已於截至二零二零年十二月三十一日止年度委聘估值師對物業、廠房及設備進行減值評估，且估值師釐定物業、廠房及設備的可收回金額超過其賬面值。因此，截至二零二零年及二零一九年十二月三十一日止年度並無確認減值虧損。
- \* 於二零二零年十二月三十一日的物業、廠房及設備中計入使用權資產約人民幣37,509,000元(二零一九年：人民幣83,125,000元)，與根據於二零一九年一月一日之前訂立的售後租回安排購買機器及設備有關，有關安排實質上分類為融資租賃，根據國際財務報告準則第16號租賃計入租賃負債。截至二零二零年十二月三十一日止年度，與之有關的相關資產折舊為約人民幣1,875,000元(二零一九年：人民幣4,156,000元)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 18. LEASES

#### The Group as a lessee

The Group has lease contracts for various items of plant and machinery and leasehold land used in its operations. Lump sum payments were made upfront to acquire certain parcels of leased land with a term of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of warehouse, plant and machinery generally have lease terms between 2 and 13 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the years are as follows:

		Prepaid land lease payments 預付土地 租賃款項 RMB'000 人民幣千元	Warehouse, plant and machinery 倉庫、 廠房及機器 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2020	於二零二零年一月一日	51,967	3,278	55,245
Depreciation charge	折舊開支	(1,108)	(830)	(1,938)
Impairment loss	減值虧損	–	(2,448)	(2,448)
As at 31 December 2020	於二零二零年 十二月三十一日	50,859	–	50,859
As at 1 January 2019	於二零一九年一月一日	53,243	2,930	56,173
Additions	添置	–	967	967
Depreciation charge	折舊開支	(1,276)	(619)	(1,895)
As at 31 December 2019	於二零一九年 十二月三十一日	51,967	3,278	55,245

Leasehold land of the Group with an aggregate carrying amount of approximately RMB50,859,000 (2019: RMB51,967,000) at 31 December 2020 has been pledged to secure bank loans and other borrowings granted to the Group (note 29(f)).

本集團於二零二零年十二月三十一日之總賬面值約人民幣50,859,000元(二零一九年：人民幣51,967,000元)的租賃土地已作抵押，以擔保本集團獲授的銀行貸款及其他借款(附註29(f))。

### 18. 租賃

#### 本集團作為承租人

本集團擁有各種廠房及機器項目的租賃合約以及租賃土地作營運用途。本集團已預先一次性支付一筆款項，以獲取若干租賃土地，為期50年，而將不會根據按土地租賃的條款持續付款。倉庫、廠房及機器租賃的租期則通常介乎2至13年。一般而言，本集團不得向本集團以外轉讓及轉租租賃資產。

#### (a) 使用權資產

本集團使用權資產的賬面值及年內變動如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 18. LEASES (Continued)

#### The Group as a lessee (Continued)

##### (b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Carrying amount at 1 January	於一月一日的賬面值	86,965	136,771
New leases	新租賃	—	967
Accretion of interest recognised during the year	年內已確認利息增加	6,066	6,552
Payments	付款	(52,468)	(57,325)
Carrying amount at 31 December	於十二月三十一日的賬面值	40,563	86,965
Analysed into:	分析為：		
Current portion	流動部分	25,696	44,719
Non-current portion	非流動部分	14,867	42,246

The following table shows the remaining contractual maturities of the Group's lease liabilities:

下表列示本集團租賃負債餘下合約年期：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Total minimum lease payments:	最低租賃付款總額：		
Due within one year	一年內到期	28,104	54,749
Due in the second to fifth years	第二至第五年到期	14,603	43,641
Due after the fifth year	第五年後到期	645	811
Less: Future finance charges on lease liabilities	減：未來租賃負債融資支出	(2,789)	(12,236)
Present value of lease liabilities	租賃負債的現值	40,563	86,965

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 18. LEASES (Continued)

#### The Group as a lessee (Continued)

##### (b) Lease liabilities (Continued)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Present value of minimum lease payments:	最低租賃付款現值：		
Due within one year	一年內到期	25,696	44,719
Due in the second to fifth years	第二至第五年到期	14,283	41,132
Due after the fifth year	第五年後到期	584	1,114
Less: Portion due within one year included under current liabilities	減：流動負債項下一年內 到期的部分	(25,696)	(44,719)
Portion due after one year included under non-current liabilities	非流動負債項下一年後 到期的部分	14,867	42,246

The maturity analysis of lease liabilities is disclosed in note 41.3 to the consolidated financial statements.

As at 31 December 2020, lease liabilities amounting to approximately RMB40,563,000 (2019: RMB86,965,000) are effectively secured by the related underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

### 18. 租賃(續)

#### 本集團作為承租人(續)

##### (b) 租賃負債(續)

租賃負債的到期日分析在綜合財務報表附註41.3中披露。

於二零二零年十二月三十一日，租賃負債約人民幣40,563,000元(二零一九年：人民幣86,965,000元)實際上由與之有關的相關資產擔保，原因為租賃資產之權利可能會於本集團無力還款之情況下撥歸出租人所有。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 18. LEASES (Continued)

#### The Group as a lessee (Continued)

##### (c) Details of the lease activities

As at 31 December 2020, the Group has entered into leases for warehouse, plant and machinery.

Types of right-of-use assets	Financial statements items of right-of-use assets included in	Number of leases	Range of remaining lease term	Particulars
使用權資產類型	計入以下項目的使用權資產的財務報表項目	租賃數目	剩餘租期範圍	詳情
Warehouse, plant and machinery	Warehouse, plant and machinery in "right-of-use assets"	9 (2019: 10)	1 to 9 years (2019: 1 to 10 years)	No extension option or termination option would be exercised at the lease commencement date.
倉庫、廠房及機器	「使用權資產」項下的倉庫、廠房及機器	9 (二零一九年：10)	1至9年 (二零一九年：1至10年)	在租賃開始日不會行使任何續租權或終止權。

(d) The amounts recognised in profit or loss in relation to leases are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	6,066	6,552
Depreciation charge of right-of-use assets	使用權資產折舊開支	3,813	6,051
Expense relating to short-term leases (included in cost of sales)	有關短期租賃的開支 (計入銷售成本)	118	1,319
Total amount recognised in profit or loss	於損益確認的總額	9,997	13,922

(e) The total cash outflow for leases is disclosed in note 35(c) to the consolidated financial statements.

### 18. 租賃 (續)

#### 本集團作為承租人 (續)

##### (c) 租賃業務詳情

於二零二零年十二月三十一日，本集團已就倉庫、廠房及機器訂立租約。

(d) 與租賃有關於損益中確認的金額如下：

(e) 租賃的現金流出總額在綜合財務報表附註35(c)中披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 19. OTHER INTANGIBLE ASSETS

### 19. 其他無形資產

		Patent and licences 專利及許可 RMB'000 人民幣千元	Computer software 電腦軟件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2020</b>		<b>二零二零年十二月三十一日</b>		
Cost at 1 January 2020, net of accumulated amortisation	二零二零年一月一日之成本， 已扣除累計攤銷	244	801	1,045
Addition	添置	-	876	876
Amortisation provided during the year	年內已計提攤銷	-	(554)	(554)
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>244</b>	<b>1,123</b>	<b>1,367</b>
<b>At 31 December 2020</b>		<b>於二零二零年十二月三十一日</b>		
Cost	成本	244	1,660	1,904
Accumulated amortisation	累計攤銷	-	(537)	(537)
Net carrying amount	賬面淨值	244	1,123	1,367
<b>31 December 2019</b>		<b>二零一九年十二月三十一日</b>		
Cost at 1 January 2019, net of accumulated amortisation	二零一九年一月一日之成本， 已扣除累計攤銷	244	-	244
Addition	添置	-	962	962
Amortisation provided during the year	年內已計提攤銷	-	(161)	(161)
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	<b>244</b>	<b>801</b>	<b>1,045</b>
<b>At 31 December 2019</b>		<b>於二零一九年十二月三十一日</b>		
Cost	成本	244	962	1,206
Accumulated amortisation	累計攤銷	-	(161)	(161)
Net carrying amount	賬面淨值	244	801	1,045

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 20. INVENTORIES

### 20. 存貨

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Raw materials	原材料	9,425	26,019
Work in progress	在製品	663,236	1,019,297
Finished goods	成品	12,265	25,411
		<b>684,926</b>	<b>1,070,727</b>

The Group has a significant balance of inventories and needs to maintain the majority of its base wine at an appropriate level for a period over one year to meet the future production needs. The determination of the value of inventories, which are stated at the lower of cost and net realisable value, involved significant estimation, which were influenced by the assumptions concerning future sales and usage and judgements in determining the appropriate level of inventory provisions against identified surplus or obsolete items.

As a result of the Incident, the Group has recalculated the cost taken into account of the influence of fictitious sales and purchase identified in the Investigation and the Management Reassessment. Accordingly, Loss arising from the Incident of approximately RMB315,411,000 (2019: RMB333,768,000) was recognised in respect of inventories as at 31 December 2020.

At 31 December 2020, the carrying amount of inventories of approximately RMB684,926,000 (2019: RMB1,070,727,000) included additional provision of approximately RMB4,999,000 (2019: Nil), which is determined with reference to the net realisable value of the inventory items.

As at 31 December 2020, the Group's inventories with a carrying amount of approximately RMB549,212,000 (2019: RMB682,279,000) were pledged to secure bank loans and other borrowings granted to the Group, as further detailed in note 29(f) to the consolidated financial statements.

本集團有大額存貨結餘，需要在一年以上的期間內將大部分基酒維持在適當水平，以滿足日後生產需求。以成本與可變現淨值之較低者列賬的存貨價值釐定涉及重大估計，該估計因日後銷售及使用的假設以及釐定已確認剩餘或陳舊項目的庫存撥備適當水平時作出的判斷而受到影響。

由於事件，本集團已重新計算成本，當中計及調查及管理層重新評估中確定的虛構銷售及購買的影響。因此，就於二零二零年十二月三十一日的存貨而言，事件產生的虧損約人民幣315,411,000元(二零一九年：人民幣333,768,000元)已確認。

於二零二零年十二月三十一日，存貨的賬面值約人民幣684,926,000元(二零一九年：人民幣1,070,727,000元)包括額外撥備約為人民幣4,999,000元(二零一九年：無)，其乃參考存貨項目的可變現淨值而釐定。

於二零二零年十二月三十一日，本集團抵押賬面值約人民幣549,212,000元(二零一九年：人民幣682,279,000元)的存貨作為本集團所獲授銀行貸款及其他借款的擔保，進一步詳情載於綜合財務報表附註29(f)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 21. TRADE RECEIVABLES

### 21. 應收貿易款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Trade receivables, gross	應收貿易款項總額	24,066	30,635
Less: allowance for credit losses	減：信貸虧損撥備	(3,652)	(2,194)
Trade receivables, net	應收貿易款項	20,414	28,441

The Group's trading terms with its customers are mainly on credit. The credit period is generally one to three months.

本集團與客戶間的貿易條款以信貸交易為主。信貸期通常為一至三個月。

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團致力對尚未收回的應收款項維持嚴格監管，而逾期結餘亦由高級管理層定期檢討。本集團並無就其應收貿易款項結餘持有任何抵押品或採取其他改善信貸條件的措施。應收貿易款項並不計息。

An ageing analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

本集團於報告期末應收貿易款項(扣除虧損撥備)按發票日期的賬齡分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Within 3 months	3個月以內	18,532	18,011
3 to 6 months	3至6個月	1,169	8,162
6 months to 1 year	6個月至1年	713	2,110
Over 1 year	1年以上	-	158
		20,414	28,441

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 21. TRADE RECEIVABLES (Continued)

As a result of the Incident, Loss arising from the Incident of approximately RMB77,544,000 (2019: RMB261,932,000) was recognised to write off the trade receivable balance in respect of fictitious sales transaction incurred for the year ended 31 December 2020.

The movements in the loss allowance for impairment of trade receivables are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
At the beginning of the year	年初	2,194	682
ECL allowance recognised	確認預期信貸虧損撥備	3,652	1,512
Amount written off (note)	撇銷金額(附註)	(2,194)	-
At the end of the year	年末	3,652	2,194

Note:

As at 31 December 2020, approximately RMB2,194,000 (2019: Nil) of trade receivables was fully written off because the Group considered these receivables are unrecoverable due to the liquidity condition of the debtors. The increase in the loss allowance of approximately RMB3,652,000 (2019: RMB1,512,000) was mainly due to the increase in the past due balance of trade receivables.

### 21. 應收貿易款項(續)

由於事件，確認事件產生的虧損約人民幣77,544,000元(二零一九年：人民幣261,932,000元)以撇銷截至二零二零年十二月三十一日止年度發生的虛構銷售交易的應收貿易款項結餘。

應收貿易款項減值虧損撥備變動如下：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
At the beginning of the year	2,194	682
ECL allowance recognised	3,652	1,512
Amount written off (note)	(2,194)	-
At the end of the year	3,652	2,194

附註：

於二零二零年十二月三十一日，應收貿易款項約人民幣2,194,000元(二零一九年：無)已悉數撇銷，原因為本集團認為該等應收款項因債務人的流動資金狀況而無法收回。虧損撥備增加約人民幣3,652,000元(二零一九年：人民幣1,512,000元)，乃主要由於應收貿易款項逾期結餘增加所致。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 21. TRADE RECEIVABLES (Continued)

The Group engaged the Valuer to assess the impairment of trade receivables for the year ended 31 December 2020. The impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The Group classifies its customers into categories A (the highest), B, C and D based on their business scale and capabilities. The provision rates are based on days past due of the Group's customers with similar loss patterns, among which the customers classified as categories A, B and C were merged into the same group for impairment assessment as their credit terms and loss patterns were similar. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020

#### Customers classified as categories A, B and C

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
ECL rate	預期信貸虧損率	0.0%	2.7%– 52.8%	100%	0.0%	13.3%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	8,507	3,163	124	–	11,794
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	–	1,448	124	–	1,572

#### Customers classified as category D

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
ECL rate	預期信貸虧損率	0.0%	15.5%	100%	0.0%	16.9%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	7,796	2,835	1,641	–	12,272
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	–	439	1,641	–	2,080

### 21. 應收貿易款項(續)

本集團委聘估值師評估截至二零二零年十二月三十一日止年度的應收貿易款項減值。本集團會於各報告日期使用撥備矩陣進行減值分析，以計量預期信貸虧損。本集團根據客戶的業務規模及能力將客戶分類為A(最高)、B、C及D類。撥備率乃根據本集團具有類似虧損模式的客戶的逾期天數計算，當中獲分類為A、B及C類的客戶已獲合併為同一組別以作減值評估，原因在於有關客戶的信貸期及虧損模式相若。有關計算反映概率加權結果、貨幣時間價值以及報告日期可獲得關於過往事件、當前狀況及未來經濟狀況預測的合理及有依據的資料。

以下載列使用撥備矩陣有關本集團應收貿易款項的信貸風險的資料：

於二零二零年十二月三十一日

#### 獲分類為A、B及C類的客戶

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
ECL rate	預期信貸虧損率	0.0%	2.7%– 52.8%	100%	0.0%	13.3%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	8,507	3,163	124	–	11,794
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	–	1,448	124	–	1,572

#### 獲分類為D類的客戶

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
ECL rate	預期信貸虧損率	0.0%	15.5%	100%	0.0%	16.9%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	7,796	2,835	1,641	–	12,272
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	–	439	1,641	–	2,080

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 21. TRADE RECEIVABLES (Continued)

As at 31 December 2020 (Continued)

Total

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	16,303	5,998	1,765	-	24,066
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	-	1,887	1,765	-	3,652

As at 31 December 2019, as restated

Customers classified as categories A, B and C

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
ECL rate	預期信貸虧損率	0.0%	2.7%– 23.8%	0.0%	0.0%	0.0%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	17,284	7,636	-	-	24,920
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	-	1,821	-	-	1,821

Customers classified as category D

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
ECL rate	預期信貸虧損率	0.0%	3.7%– 90.2%	39.7%– 100%	100%	22.3%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	97	5,248	317	53	5,715
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	-	194	126	53	373

Total

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	17,381	12,884	317	53	30,635
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	-	1,982	159	53	2,194

### 21. 應收貿易款項(續)

於二零二零年十二月三十一日(續)

總計

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	16,303	5,998	1,765	-	24,066
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	-	1,887	1,765	-	3,652

於二零一九年十二月三十一日(經重列)

獲分類為A、B及C類的客戶

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
ECL rate	預期信貸虧損率	0.0%	2.7%– 23.8%	0.0%	0.0%	0.0%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	17,284	7,636	-	-	24,920
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	-	1,821	-	-	1,821

獲分類為D類的客戶

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
ECL rate	預期信貸虧損率	0.0%	3.7%– 90.2%	39.7%– 100%	100%	22.3%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	97	5,248	317	53	5,715
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	-	194	126	53	373

總計

		Current 當期	Past due 逾期時間			Total 總計
			Less than 1 year 一年以內	1 to 2 years 一至兩年	Over 2 years 兩年以上	
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	17,381	12,884	317	53	30,635
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	-	1,982	159	53	2,194

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

### 22. 預付款項、其他應收款項及其他資產

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Prepayments (note)	預付款項(附註)	7,952	52,232
Less: Impairment	減：減值	(1,230)	-
Value-added tax recoverable	可收回增值稅	97,645	165,288
Deposits and other receivables (note)	按金及其他應收款項(附註)	23,309	45,185
Less: Allowance for credit losses	減：信貸虧損撥備	(546)	-
		<b>127,130</b>	<b>262,705</b>
Less: Portion classified as non-current assets	減：獲分類為非流動資產部份	(15,714)	(25,028)
Current portion included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的流動部分	<b>111,416</b>	<b>237,677</b>

Note:

Details of prepayments, deposits and other receivables as at 31 December 2020 and 2019 are as follows:

附註：

二零二零年及二零一九年十二月三十一日的預付款項、按金及其他應收款項詳情如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Prepayments for fixed assets	固定資產的預付款項	3,463	13,528
Prepayments for procurements of condiment products	採購調味品的預付款項	2,837	18,696
Other prepayments	其他預付款項	1,652	20,008
Deposits and other receivables	按金及其他應收款項	23,309	45,185
		<b>31,261</b>	<b>97,417</b>
Less:	減：		
Portion classified as non-current assets	分類為非流動資產部分	(15,714)	(25,028)
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的流動部分	<b>15,547</b>	<b>72,389</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

(Continued)

As a result of the Incident, Loss arising from the Incident of approximately RMB110,067,000 was recognised to reduce the fictitious prepayments incurred in the past in relation to the fixed assets and production of condiment products based on the Management Reassessment.

Impairment analysis is performed at each reporting date and ECLs are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The financial assets included in the above balance were categorised in Stage 1 at the year of the reporting period. In calculating the ECL rate, the Group considers the historical loss rate and adjusts for forward-looking data.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts.

### 22. 預付款項、其他應收款項及其他資產 (續)

由於事件，確認事件產生的虧損約人民幣110,067,000元，以根據管理層重新評估減少過往產生的與固定資產及調味品生產相關的虛構預付款項。

本集團在每個報告日期進行減值分析，並參考本集團的歷史虧損記錄採用虧損率法對預期信貸虧損作出估計。虧損率會予以調整以反映當前狀況和對未來經濟狀況的預測(如適用)。計入上述結餘的金融資產在報告期內分類為第1階段。在計算預期信貸虧損率時，本集團會考慮歷史虧損率並調整前瞻性數據。

於上述結餘所列金融資產涉及近期並無違約記錄及逾期金額的應收款項。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 23. AMOUNTS DUE FROM RELATED COMPANIES

Details of amounts due from related companies and net of loss allowance, are as follows:

	Maximum balance due during the year 年內到期的最大結餘	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
湖州吳興蘇湖熟糧油機械化專業合作社 Huzhou Wuxing Suhushu Grain and Oil Mechanization Professional Cooperative* ("Huzhou Wuxing Suhushu")	湖州吳興蘇湖熟糧油機械化專業合作社 (「湖州吳興蘇湖熟」)	30,000	30,000
Zhejiang Zhongwei (note 29(h))	浙江中味(附註29(h))	20,827	20,827
		<b>31,851</b>	<b>50,827</b>

\* The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

Note:

The amounts are interest free, unsecured and repayable on demand.

The Group's credit limits offered to related companies are based on assessment of their financial viability and reputation in the industry, including historical payment records.

The Group applied general approach to provide the ECLs prescribed by IFRS 9.

To measure the ECLs of amounts due from related companies, the balances are regarded as not credit-impaired and have been assessed based on individual assessment. The Group engaged the Valuer to assess the credit rating for the related companies and applying the expected loss rate ranging from 6.10% to 10.94% (2019: Nil) over the gross carrying amounts for the year ended 31 December 2020. As at 31 December 2020, loss allowance amounting to approximately RMB2,069,000 (2019: Nil) was recognised based on individual assessment by reference to the Group's historical credit loss experiences, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

### 23. 應收關聯公司款項

應收關聯公司款項(扣除虧損撥備後)詳情如下:

	Maximum balance due during the year 年內到期的最大結餘	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
湖州吳興蘇湖熟糧油機械化專業合作社 Huzhou Wuxing Suhushu Grain and Oil Mechanization Professional Cooperative* ("Huzhou Wuxing Suhushu")	湖州吳興蘇湖熟糧油機械化專業合作社 (「湖州吳興蘇湖熟」)	30,000	30,000
Zhejiang Zhongwei (note 29(h))	浙江中味(附註29(h))	20,827	20,827
		<b>31,851</b>	<b>50,827</b>

\* 在中國所成立公司的名稱的英文翻譯僅供參考。該等公司的官方名稱為中文名稱。

附註:

該等款項為免息、無抵押及須按要求償還。

本集團提供予關聯公司的信貸限額是基於對該等公司的財政能力及在行業內的信譽(包括過往付款記錄)的評估。

本集團應用一般方法計提國際財務報告準則第9號訂明的預期信貸虧損。

為計量應收關聯公司款項之預期信貸虧損，結餘被視為無出現信貸減值，且已按個別評估基準評估。截至二零二零年十二月三十一日止年度，本集團委聘估值師為其關聯公司評估信貸評級並對賬面總額應用預期虧損率6.10%至10.94%(二零一九年：無)。於二零二零年十二月三十一日，約人民幣2,069,000元(二零一九年：無)之虧損撥備已按個別評估基準確認，當中已參照本集團過往信貸虧損經驗，並就應收賬款特定因素、整體經濟狀況以及於報告日期對當前狀況及未來狀況預測的評估作出調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 23. AMOUNTS DUE FROM RELATED COMPANIES (Continued)

Note: (Continued)

As at 31 December 2020, amounts due from the Associates of Mr. Chen Weizhong of approximately RMB24,677,000 were written off as Loss arising from the Incident after management's collectability assessment on these balances.

Movement in the ECL:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At the beginning of the year	年初	–	–
ECLs recognised (note)	已確認的預期信貸虧損(附註)	2,069	–
At the end of the year	年末	2,069	–

Note:

As at 31 December 2020, the Group considered that there are significant increase in credit risk of the receivables amounting to approximately RMB33,920,000 from the Associates of Mr. Chen Weizhong who has been held in criminal custody in relation to a suspected charge of illegally taking deposits from the general public and, therefore, there was an increase in loss allowance of approximately RMB2,069,000 (2019: Nil) was recognised.

### 23. 應收關聯公司款項(續)

附註：(續)

於二零二零年十二月三十一日，應收陳衛忠先生聯繫人款項約人民幣24,677,000元在管理層對該等結餘進行可收回性評估後撤銷為事件產生的虧損。

預期信貸虧損的變動：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At the beginning of the year	年初	–	–
ECLs recognised (note)	已確認的預期信貸虧損(附註)	2,069	–
At the end of the year	年末	2,069	–

附註：

於二零二零年十二月三十一日，本集團認為應收陳衛忠先生聯繫人款項約人民幣33,920,000元的信貸風險顯著增加，而陳衛忠先生因涉嫌非法吸收公眾存款而被刑事拘留，因此確認虧損撥備增加約人民幣2,069,000元(二零一九年：無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS 24. 現金及現金等價物及已抵押存款

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Cash and bank balances	現金及銀行結餘	8,443	172,107
Pledged deposits	已抵押存款	230	67,039
		<b>8,673</b>	239,146
Less:	減：		
Pledged for bank loans (note 29(f))	抵押以獲取銀行貸款(附註29(f))	(230)	(67,039)
Cash and cash equivalents	現金及現金等價物	<b>8,443</b>	172,107
Denominated in RMB	以人民幣計值	7,744	171,241
Denominated in HK\$	以港元計值	595	676
Denominated in United States Dollar (USD)	以美元計值	104	190
Cash and cash equivalents	現金及現金等價物	<b>8,443</b>	172,107

RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default and thus, the credit risk are considered to be insignificant.

As a result of the Incident, Loss arising from the Incident of approximately RMB218,465,000 (2019: RMB238,000,000) was recognised in respect of the discrepancy of cash and cash equivalents as at 31 December 2020 in the Agricultural Bank of China Huzhou Branch (2019: China Construction Bank Huzhou Branch) as a consequence of the funds transferred with the Associate of Mr. Chen Weizhong and other third parties based on the findings of the Investigation as described in note 2.1.

人民幣不能自由兌換成其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務的銀行將人民幣兌換成其他貨幣。

銀行現金按根據每日銀行存款利率計算的浮動利率賺取利息。銀行結餘及已抵押存款乃存於近期並無違約記錄的有信譽銀行，因此，信貸風險被認為不重大。

事件發生後，中國農業銀行湖州分行(二零一九年：中國建設銀行湖州分行)於二零二零年十二月三十一日就現金及現金等價物差額(乃由於根據附註2.1所述調查結果與陳衛忠先生的聯繫人及其他第三方轉移資金所致)確認事件產生的虧損約人民幣218,465,000元(二零一九年：人民幣238,000,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 25. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Within 3 months	3個月以內	18,974	34,361
3 to 6 months	3至6個月	9,054	7,573
Over 6 months	6個月以上	14,711	25,072
		42,739	67,006

Trade payables of the Group are non-interest-bearing and are normally settled on terms of one to six months, extending to longer period for those long standing suppliers. The carrying amounts of the trade payables approximate to their fair values.

As a result of the Incident, a decrease in Loss arising from the Incident of approximately RMB59,459,000 (2019: RMB11,529,000) was recognised to reduce the trade payable balance in respect of the fictitious purchase based on the findings of the Investigation and the Management Reassessment as described in note 2.1.

### 25. 應付貿易款項

於報告期末應付貿易款項按發票日期的賬齡分析如下：

本集團應付貿易款項並不計息，一般須於一至六個月內結清，惟長期合作的供應商會給予我們較長的結算期限。應付貿易款項的賬面值與其公平值相若。

事件發生後，根據附註2.1所述調查結果及管理層重新評估結果，確認事件產生的虧損減少約人民幣59,459,000元(二零一九年：人民幣11,529,000元)，以扣減與虛構購買有關的應付貿易款項結餘。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 26. OTHER PAYABLES AND ACCRUALS      26. 其他應付款項及應計項目

		Notes	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Contract liabilities	合約負債	(a)	25,546	62,530
Other tax payables	其他應付稅項	(b)	211,880	166,260
Other payables and accruals	其他應付款項及應計項目	(c)	117,851	101,753
Amount due to a director	應付一名董事款項		51	634
Salary payables	應付薪金		9,590	14,226
			<b>364,918</b>	<b>345,403</b>

Notes:

(a) Details of contract liabilities are as follows:

附註：

(a) 合約負債詳情如下：

		Notes	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Short-term advances received from customers	自客戶收取的短期墊款		25,546	62,530
Sales of goods	銷售貨品			

Contract liabilities include short-term advances received to deliver products. The decrease in contract liabilities in 2020 was mainly due to the decrease in short-term advances received from customers in relation to the provision of sale of goods at the end of the year.

合約負債包括因交付產品而收取的短期墊款。合約負債於二零二零年減少，乃主要由於年末就提供貨品銷售而向客戶收取的短期墊款減少所致。

(b) Included in the balances was mainly the value added tax payable of approximately RMB154,654,000 (2019: approximately RMB88,441,000).

(b) 計入結餘主要為應付增值稅約人民幣154,654,000元(二零一九年：約人民幣88,441,000元)。

(c) Included in the balances was mainly the provision of surcharge for overdue tax payment and equipment and construction costs payables of approximately RMB70,317,000 and RMB27,254,000, respectively (2019: RMB24,125,000 and RMB31,116,000).

(c) 計入結餘主要為逾期稅款附加費撥備及應付設備及建設成本分別約人民幣70,317,000元及人民幣27,254,000元(二零一九年：人民幣24,125,000元及人民幣31,116,000元)。

(d) As a result of the Incident, a decrease in Loss arising from the Incident of approximately RMB31,063,000 (2019: Nil) was recognised to reduce the other payables balance in respect of the fictitious amount in other payables and accruals based on the findings of the Investigation and the Management Reassessment as described in note 2.1.

(d) 由於事件，根據附註2.1載述的調查結果及管理層重估確認事件產生的虧損減少約人民幣31,063,000元(二零一九年：無)，以減少其他應付款項及應計款項的虛假金額涉及的其他應付款項結餘。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 27. AMOUNTS DUE TO RELATED COMPANIES

Details of amounts due to related companies are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
儀隴縣中味食品有限公司 Yilong County Zhongwei in Food Co., Ltd.* ("Yilong County Zhongwei")	儀隴縣中味食品有限公司 (「儀隴縣中味」)	968	-
浙江箬下春釀酒有限公司 Zhejiang Ruoxiachun Brewing Co., Ltd.* ("Zhejiang Ruoxiachun")	浙江箬下春釀酒有限公司 (「浙江箬下春」)	10,000	-
Huzhou Wuxing Suhushu 湖州吳興糧夢油專業合作社聯合社	湖州吳興蘇湖熟 湖州吳興糧夢油專業合作社聯合社	-	14,127 3,996
		<b>10,968</b>	<b>18,123</b>

The amounts are interest free, unsecured and repayable on demand.

\* The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

### 27. 應付關聯公司款項

應付關聯公司款項之詳情如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
儀隴縣中味食品有限公司 Yilong County Zhongwei in Food Co., Ltd.* ("Yilong County Zhongwei")	儀隴縣中味食品有限公司 (「儀隴縣中味」)	968	-
浙江箬下春釀酒有限公司 Zhejiang Ruoxiachun Brewing Co., Ltd.* ("Zhejiang Ruoxiachun")	浙江箬下春釀酒有限公司 (「浙江箬下春」)	10,000	-
Huzhou Wuxing Suhushu 湖州吳興糧夢油專業合作社聯合社	湖州吳興蘇湖熟 湖州吳興糧夢油專業合作社聯合社	-	14,127 3,996
		<b>10,968</b>	<b>18,123</b>

有關款項為免息、無抵押並須於要求時償還。

\* 於中國成立公司名稱的英文翻譯僅供參考。該等公司的正式名稱以中文為準。

### 28. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount is interest free, unsecured and repayable on demand.

### 28. 應付最終控股公司款項

有關款項為免息、無抵押並須於要求時償還。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 29. INTEREST-BEARING BANK AND OTHER BORROWINGS

### 29. 計息銀行及其他借款

		31 December 2020 二零二零年十二月三十一日			31 December 2019 (Restated) 二零一九年十二月三十一日(經重列)		
		Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>						
Lease liabilities (note 18(b))	租賃負債(附註18(b))	4.75-9.98	2021 二零二一年	25,696	4.75-9.98	2020 二零二零年	44,719
Bank loans — secured <sup>(a)(b)(f)(g)</sup>	銀行貸款 — 有抵押 <sup>(a)(b)(f)(g)</sup>	3.85-5.87	on demand 按要求	462,528	4.35-6.09	on demand 按要求	466,540
Bank loans — secured <sup>(a)(f)(g)</sup>	銀行貸款 — 有抵押 <sup>(a)(f)(g)</sup>	3.85-7.12	2021 二零二一年	157,282	4.79-5.87	2020 二零二零年	389,309
Other borrowings — unsecured <sup>(c)(e)(h)</sup>	其他借款 — 無抵押 <sup>(c)(e)(h)</sup>	7.42-24.00	2021 二零二一年	159,258	7.42-24.00	2020 二零二零年	153,366
Other borrowings — secured <sup>(d)(e)(f)(i)</sup>	其他借款 — 有抵押 <sup>(d)(e)(f)(i)</sup>	4.95-15.32	2021 二零二一年	604,199	4.95-12.23	2020 二零二零年	260,038
				1,408,963			1,313,972
<b>Non-current</b>	<b>非即期</b>						
Lease liabilities (note 18(b))	租賃負債(附註18(b))	4.75-9.98	2022-2029 二零二二年至 二零二九年	14,867	4.75-9.98	2021-2029 二零二一年至 二零二九年	42,246
Bank loans — secured <sup>(a)(f)(g)</sup>	銀行貸款 — 有抵押 <sup>(a)(f)(g)</sup>	-	-	-	5.23	2021 二零二一年	52,000
Other borrowings — secured <sup>(d)(e)(f)(i)</sup>	其他借款 — 有抵押 <sup>(d)(e)(f)(i)</sup>	12.23-15.32	2022-2023 二零二二年至 二零二三年	71,656	12.23	2022 二零二二年	20,000
				86,523			114,246
<b>Total</b>	<b>總計</b>			1,495,486			1,428,218
Analysed into:	分析如下:						
With one year or on demand	於一年內或按要求			1,408,963			1,313,972
In the second year	第二年內			10,328			111,881
In the third year to fifth years, inclusive	第三至第五年內 (首尾兩年包括在內)			75,790			1,251
Beyond five years	五年以上			405			1,114
				1,495,486			1,428,218

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 29. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes:

- (a) As at 31 December 2020, the Group's total facilities of bank borrowings amounting to RMB619,810,000 (2019: RMB907,849,000), of which RMB619,810,000 (2019: RMB907,849,000) had been utilised.
- (b) As at 31 December 2020, the Group's bank loans amounting to approximately RMB462,528,000 (2019: RMB466,540,000) were not in compliance with certain financial loan covenants. The maturity of the aforesaid bank loans as at 31 December 2020 were all within 12 months and have already been classified as current liabilities and have been repaid in 2021.
- (c) As at 31 December 2020, included in the balances was other borrowings amounting to approximately RMB159,258,000 (2019: RMB153,366,000) which was unsecured, bearing interest at 7.42%–24% (2019: 7.42%–24%) per annum and repayable within one year (2019: repayable within one year).
- (d) As at 31 December 2020, included in the balances was other borrowings amounting to approximately RMB675,855,000 (2019: RMB280,038,000) which was secured, bearing interest at 4.95%–15.32% (2019: 4.95%–12.23%) per annum and repayable within one to three years (2019: repayable within one year), in which RMB594,547,000 and RMB60,738,000 (2019: RMB250,038,000 and Nil) was from 南太湖 and 湖盛融資, respectively. Mr. Chen Wei was the chief executive of the 湖州吳興城市, holding company of 南太湖 and 湖盛融資, and appointed as an executive director of the Group on 11 September 2020, who has significant influence over both the Group, 南太湖 and 湖盛融資. As a result of the Incident, Loss arising from the Incident of approximately RMB55,000,000 (2019: RMB235,000,000) was recognised in respect of the Uncovered Borrowings from 南太湖 based on the findings of the Investigation and the Management Reassessment as described in note 2.1.

### 29. 計息銀行及其他借款(續)

附註：

- (a) 於二零二零年十二月三十一日，本集團銀行借款之融資額度合計為人民幣619,810,000元(二零一九年：人民幣907,849,000元)，其中人民幣619,810,000元(二零一九年：人民幣907,849,000元)已動用。
- (b) 於二零二零年十二月三十一日，本集團的銀行貸款約人民幣462,528,000元(二零一九年：人民幣466,540,000元)並不符合若干金融貸款契諾。於二零二零年十二月三十一日，上述銀行貸款之到期日均在12個月內，並已被歸類為流動負債，以及已於二零二一年償還。
- (c) 於二零二零年十二月三十一日，計入結餘為其他借款約人民幣159,258,000元(二零一九年：人民幣153,366,000元)，該款項為無抵押、按年利率7.42%至24%計息(二零一九年：7.42%至24%)並須於一年內償還(二零一九年：須於一年內償還)。
- (d) 於二零二零年十二月三十一日，計入結餘為其他借款約人民幣675,855,000元(二零一九年：人民幣280,038,000元)，該款項為有抵押、按年利率4.95%至15.32%(二零一九年：4.95%至12.23%)計息並須於一至三年內償還(二零一九年：須於一年內償還)，其中人民幣594,547,000元及人民幣60,738,000元(二零一九年：人民幣250,038,000元及零)分別來自南太湖及湖盛融資。陳偉先生為南太湖的控股公司湖州吳興城市的行政總裁，並於二零二零年九月十一日獲委任為本集團執行董事，對本集團、南太湖以及湖盛融資擁有重大影響力。由於事件，已根據附註2.1所述之調查結果及管理層重估就南太湖新發現借款確認事件產生的虧損約人民幣55,000,000元(二零一九年：人民幣235,000,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 29. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

(e) As at 31 December 2020, the Group's other borrowings amounting to approximately RMB430,000,000 (2019: RMB220,000,000) were overdue and approximately RMB400,587,000 have been repaid in 2021. The related overdue interest expense of approximately RMB22,160,000 (2019: RMB6,102,000) (note 9) was recognised for the year ended 31 December 2020.

(f) At the end of the reporting period, certain of the Group's assets were pledged to banks and other lenders for securing the bank loans and other borrowings granted to the Group.

The carrying values of these assets are:

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
		Notes 附註		
Property, plant and equipment	物業、廠房及設備	17	251,511	273,860
Right-of-use assets	使用權資產	18(a)	50,859	51,967
Inventories	存貨	20	549,212	682,279
Pledged deposits	已抵押存款	24	230	67,039
			<b>851,812</b>	<b>1,075,145</b>

(g) As at 31 December 2020, certain of the Group's bank loans were guaranteed by Mr. Chen Weizhong, the former director of the Company, Ms. Xing Liyu, spouse of Mr. Chen Weizhong, Mr. Chen Weidong, brother of Mr. Chen Weizhong, Mr. Chen Jinhao, son of Mr. Chen Weizhong, and related companies of the Group (note 38(d)).

(h) As at 31 December 2020, included in the balances was other borrowings amounting to approximately RMB13,920,000 (2019: RMB20,827,000) that were withdrawn on behalf of a related company, Zhejiang Zhongwei. The amount is unsecured, bore interest at 24% (2019: 24%) per annum and repayable on demand.

### 29. 計息銀行及其他借款(續)

附註：(續)

(e) 於二零二零年十二月三十一日，本集團的其他借款約人民幣430,000,000元(二零一九年：人民幣220,000,000元)已逾期及約人民幣400,587,000元已於二零二一年償還，並已於截至二零二零年十二月三十一日止年度確認相關逾期利息開支約人民幣22,160,000元(二零一九年：人民幣6,102,000元)(附註9)。

(f) 於報告期末，本集團將若干資產抵押予銀行及其他貸方，作為本集團所獲授銀行貸款或其他借款的擔保。

該等資產的賬面值為：

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
		Notes 附註		
Property, plant and equipment	物業、廠房及設備	17	251,511	273,860
Right-of-use assets	使用權資產	18(a)	50,859	51,967
Inventories	存貨	20	549,212	682,279
Pledged deposits	已抵押存款	24	230	67,039
			<b>851,812</b>	<b>1,075,145</b>

(g) 於二零二零年十二月三十一日，本集團若干銀行貸款分別由本公司前董事陳衛忠先生、陳衛忠先生的配偶邢利玉女士、陳衛忠先生的胞兄弟陳衛東先生、陳衛忠先生的兒子Chen Jinhao先生及本集團關聯公司擔保(附註38(d))。

(h) 於二零二零年十二月三十一日，結餘包括代表關聯公司浙江中味提取的其他借款約人民幣13,920,000元(二零一九年：人民幣20,827,000元)。該款項為無抵押、按年利率24%(二零一九年：24%)計息並須於要求時償還。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 29. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

- (i) The amount included certain sales and leaseback arrangements of machinery and equipment with remaining lease terms of 2 years (2019: 3 years) as at 31 December 2020. According to the sale and leaseback agreements, if no default occurs during the lease term, the ownership of the plant and machinery shall be automatically transferred to the lessee at a nominal consideration.

During the preparation of the Group's consolidated financial statements, the management assessed the accounting treatment and was of the view that the Group was having control over the machinery and equipment as the Group had the option to acquire the assets at nominal consideration at the end of the lease period. Thus the transfer of the machinery and equipment to the lender did not satisfy the requirement of IFRS 15 to be accounted for as a sales of assets and the Group shall continue to recognise the transferred assets as property, plant and equipment and shall recognised transfer proceeds from the lender as other borrowings.

The following table sets out the details of the sale and leaseback arrangements as at 31 December 2020 and 2019:

Date of incurrence 產生日期	Principal amount (RMB) 本金(人民幣元)	Effective Interest rate 實際利率	Maturity 到期日	Guarantee deposit (RMB) 保證金(人民幣元)
21 November 2019 二零一九年十一月二十一日	30,000,000	12.23%	20 November 2022 二零二二年十一月二十日	4,500,000
21 January 2020 二零二零年一月二十一日	55,000,000	15.32%	20 January 2023 二零二三年一月二十日	5,000,000

All the Group's bank and other borrowings are denominated in RMB. The carrying amounts of the Group's bank and other borrowings approximate to their fair values.

### 29. 計息銀行及其他借款(續)

附註：(續)

- (i) 金額包括截至二零二零年十二月三十一日的餘下租期為2年(二零一九年：3年)的若干機械及設備售後回租安排。根據售後回租協議，若在租賃期內未有違約，則廠房及機械將以象徵式代價自動轉讓予承租人。

於編製本集團的綜合財務報表時，管理層評估會計處理法，認為本集團對機械及設備擁有控制權，乃因本集團有權按名義代價於租賃期結束後購置資產。因此，向貸款人轉讓機械及設備並不符合國際財務報告準則第15號規定入賬列作為資產出售，而本集團應持續確認轉讓資產為物業、廠房及設備並將貸款人的轉讓所得款項確認作其他借款。

下表載列於二零二零年及二零一九年十二月三十一日的售後回租安排詳情：

本集團所有銀行及其他借款均以人民幣計值。本集團銀行及其他借款的賬面值與其公平值相若。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 30. PROVISION FOR LOSS ON UNAUTHORISED GUARANTEES

In respect of key findings of the Investigation of certain material transactions carried out by Mr. Chen Weizhong, Unauthorised guarantees were entered into with certain creditors as security for loans granted to the Associates of Mr. Chen Weizhong during the years ended 31 December 2020 and 2019.

As at 31 December 2020 and 2019

### 30. 未經授權擔保虧損撥備

就針對陳衛忠先生進行的若干重大交易的調查主要結果而言，截至二零二零年及二零一九年十二月三十一日止年度，未經授權擔保乃作為向陳衛忠先生的聯繫人授予貸款的保證而訂立。

於二零二零年及二零一九年十二月三十一日

Creditors 債權人	Borrowers 借款人	Unauthorised guarantee amount Unauthorised guarantee amount 未經授權 擔保金額 RMB'000 人民幣千元	Unauthorised guarantee amount utilised based on the court judgement 根據法院判 令動用的未經 授權擔保金額 RMB'000 人民幣千元	Provision for loss on Unauthorised guarantees 未經授權 擔保虧損撥備 RMB'000 人民幣千元
Company A 公司A	Zhejiang Zhongwei 浙江中味	30,000	30,000	15,000
Company B 公司B	Zhejiang Zhongwei 浙江中味	40,000	20,000	-
Company C 公司C	Zhejiang Ruoxiachun 浙江箬下春	8,000	8,000	-
Company D 公司D	湖州吳興烏程酒業有限公司 Huzhou Wuxing Wucheng Wine Co., Ltd. ("Huzhou Wuxing Wucheng")*	20,000	20,000	-
Company E 公司E	湖州吳興烏程酒業有限公司(「湖州吳興烏程」) Zhejiang Zhongwei 浙江中味	15,000	15,000	-
Company F 公司F	The Group 本集團	5,000	5,000	2,500
Company G 公司G	Zhejiang Zhongwei 浙江中味	10,000	10,000	10,000
		<b>128,000</b>	<b>108,000</b>	<b>27,500</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 30. PROVISION FOR LOSS ON UNAUTHORISED GUARANTEES

(Continued)

As further explained in note 2.1(a), Mr. Chen Weizhong entered into guarantee agreements with the above creditors for providing guarantees to these lenders as security for loans granted. The guarantee agreements entered were not approved by the Group's shareholders or directors or disclosed. The lenders also did not register the guarantees with the Credit Reference Center of the People's Bank of China. The directors of the Company considered that these guarantees were illegal and not enforceable.

These lenders have commenced legal proceedings against the Associates of Mr. Chen Weizhong as the borrower and the Group as the guarantor. The court hearings against the Group as the guarantor to five creditors have completed and court hearings to two creditors are suspended. The court judgements for the completed court hearings has released the Group's liabilities on these Unauthorised guarantees. In 2021, the Group has repaid the Company G of RMB10,000,000 on behalf of Zhejiang Zhongwei subsequently.

It is still uncertain as to how much the borrowers will be able to repay these creditors for the suspended court hearings. Based on the legal advice, a provision of RMB27,500,000 (2019: RMB27,500,000) for loss on Unauthorised guarantees, which was the best estimate of the Group on the probable cash outflow of the obligations under the financial guarantee contracts, was recognised for the suspended court hearings for the year ended 31 December 2020.

\* The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

### 30. 未經授權擔保虧損撥備(續)

誠如附註2.1(a)所進一步闡釋，陳衛忠先生與上述債權人訂立擔保協議，向該等貸方提供授出貸款的擔保保證。所訂立之擔保協議未經本集團股東或董事批准或未經披露。貸方亦未於中國人民銀行徵信中心登記有關擔保。本公司董事認為有關擔保為非法且不可強制執行。

該等貸方已針對陳衛忠先生的聯繫人(作為借款人)及本集團(作為擔保人)提起法律訴訟程序。針對本集團作為五名債權人的擔保人的法院聆訊已完成，而兩名債權人的法庭聆訊暫停。已完成法院聆訊的法院判決已解除本集團就該等未經授權擔保的責任。於二零二一年，本集團隨後代表浙江中味償還公司G人民幣10,000,000元。

就暫停之法院聆訊而言，借款人將能夠償還該等債權人的金額仍不確定。根據法律意見，截至二零二零年十二月三十一日止年度就暫停法院聆訊而確認未經授權擔保虧損撥備人民幣27,500,000元(二零一九年：人民幣27,500,000元)，乃本集團對財務擔保合約項下責任的可能現金流出作出的最佳估計。

\* 於中國成立公司名稱的英文翻譯僅供參考。該等公司的正式名稱以中文為準。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 31. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

		Unrealised profit on inventories 未實現存貨利潤 RMB'000 人民幣千元	Accruals and other deductible temporary differences 應計款項及其他可抵扣暫時性差額 RMB'000 人民幣千元	Withholding tax on distributable dividends 有關可分派股息的預扣稅 (附註(a)) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	262	3,643	(26,725)	(22,820)
Deferred tax credited to the consolidated statement of profit or loss and other comprehensive income during the year (note 14)	年內於綜合損益及其他全面收益表計入的遞延稅項(附註14)	(262)	(3,643)	26,725	22,820
Net deferred tax liabilities at 31 December 2019, as restated, 1 January 2020, as restated and 31 December 2020	於二零一九年十二月三十一日(經重列)、二零二零年一月一日(經重列)及二零二零年十二月三十一日的遞延稅項負債淨值	-	-	-	-

Notes:

- (a) Pursuant to the Corporate Income Tax Law of the People's Republic of China, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2020, the Group has not recognised any deferred tax liabilities in respect of temporary differences relating to the unremitted profits of subsidiaries since the subsidiaries were in accumulated losses as at 31 December 2020 (2019: Nil).

As at the reporting date, the Group has not recognised deferred tax assets in respect of tax losses and deductible temporary differences of approximately RMB415,576,000 (2019: RMB238,977,000) and RMB34,713,000 (2019: RMB23,602,000), respectively. Of the total unrecognised tax losses, approximately RMB415,576,000 (2019: RMB238,977,000) may be carried forward for five years from the year of incurring the loss, and the remaining unrecognised tax losses have no expiry dates. No deferred tax asset has been recognised in respect of those tax losses and deductible temporary differences due to the unpredictability of future profit streams.

### 31. 遞延稅項

遞延稅項負債及資產於年內的變動如下：

		Unrealised profit on inventories 未實現存貨利潤 RMB'000 人民幣千元	Accruals and other deductible temporary differences 應計款項及其他可抵扣暫時性差額 RMB'000 人民幣千元	Withholding tax on distributable dividends 有關可分派股息的預扣稅 (附註(a)) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	262	3,643	(26,725)	(22,820)
Deferred tax credited to the consolidated statement of profit or loss and other comprehensive income during the year (note 14)	年內於綜合損益及其他全面收益表計入的遞延稅項(附註14)	(262)	(3,643)	26,725	22,820
Net deferred tax liabilities at 31 December 2019, as restated, 1 January 2020, as restated and 31 December 2020	於二零一九年十二月三十一日(經重列)、二零二零年一月一日(經重列)及二零二零年十二月三十一日的遞延稅項負債淨值	-	-	-	-

附註：

- (a) 根據中華人民共和國企業所得稅法，於中國內地成立的外商投資企業向境外投資者所宣派的股息須繳納10%預扣稅。有關規定自二零零八年一月一日起生效，且適用於二零零七年十二月三十一日後的盈利。倘中國內地與境外投資者所屬的司法權區訂立稅務條約，則可能享有較低的預扣稅率。就本集團而言，適用稅率為10%。因此，本集團有責任就於中國內地成立的該等附屬公司自二零零八年一月一日起產生的盈利所分派股息繳付預扣稅。

於二零二零年十二月三十一日，由於有關附屬公司於二零二零年十二月三十一日處於累計虧損狀態，故本集團並無就有關附屬公司未匯出利潤的暫時性差額確認任何遞延稅項負債(二零一九年：無)。

於報告日期，本集團未就分別約人民幣415,576,000元(二零一九年：人民幣238,977,000元)及人民幣34,713,000元(二零一九年：人民幣23,602,000元)的稅項虧損及可扣減暫時差異確認遞延稅項資產。於未確認的總稅項虧損中，約人民幣415,576,000元(二零一九年：人民幣238,977,000元)可於產生虧損年度起計五年結轉，而餘下未確認稅項虧損則無屆滿日期。由於無法預測未來溢利來源，故並未就該等稅項虧損及可扣減暫時差異確認遞延稅項資產。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 32. OTHER LONG TERM LIABILITIES

### 32. 其他長期負債

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other long-term payables (note)	其他長期應付款項	133,000	133,000
Provision for long service payment	長期服務付款撥備	6,214	3,948
		<b>139,214</b>	<b>136,948</b>

Note:

On 6 May 2016, two wholly-owned subsidiaries of the Company, Huzhou Chenshi and Huzhou Laohenghe, which is also a wholly-owned subsidiary of Huzhou Chenshi, entered into an investment agreement with China Development Fund Co., Ltd. (the "CD Fund") (國開發發展基金有限公司) (the "Investment Agreement"). Pursuant to the Investment Agreement, the CD Fund agreed to subscribe for a 3.5% equity interest in Huzhou Laohenghe at a total cash consideration of RMB133,000,000 (the "Capital Investment") and Huzhou Laohenghe shall pay the CD Fund a fixed annual return equal to 1.2% of the Capital Investment from the date of the agreement. In addition, Huzhou Chenshi has a contractual obligation to repurchase the entire equity interest in Huzhou Laohenghe held by the CD Fund within 8 years according to the repayment schedule under the Investment Agreement.

Further details of the Investment Agreement have been disclosed in the announcements of the Company dated 9 May 2016 and 29 June 2016, respectively.

As Huzhou Chenshi does not have the unconditional right to avoid delivering cash to CD Fund pursuant to the Investment Agreement, the Capital Investment of RMB133,000,000 was recorded as a financial liability.

The balance of other long term payables was analysed as follows:

附註：

於二零一六年五月六日，本公司兩間全資附屬公司湖州陳氏及湖州老恒和（亦為湖州陳氏的全資附屬公司）與國開發發展基金有限公司（「國開發發展基金」）訂立注資協議（「注資協議」）。根據注資協議，國開發發展基金同意以人民幣133,000,000元的現金總代價認購湖州老恒和其中3.5%股權（「資本投入」），而湖州老恒和須自該協議日期起每年向國開發發展基金支付相當於資本投入1.2%的固定回報。此外，湖州陳氏承擔合約責任，須根據注資協議的還款時間表於八年內購回國開發發展基金所持湖州老恒和的全部股權。

有關注資協議的進一步詳情已分別於本公司日期為二零一六年五月九日及二零一六年六月二十九日的公佈披露。

由於湖州陳氏並無根據注資協議避免向國開發發展基金支付現金的無條件權利，因此人民幣133,000,000元的資本投入被記賬為金融負債。

其他長期應付款項結餘的分析如下：

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amounts repayable:	應償還款項：		
More than 1 but within 5 years	一年以上但五年以內	133,000	133,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 33. SHARE CAPITAL

### 33. 股本

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Authorised:	法定：		
1,000,000,000 ordinary shares of USD0.0005 (RMB0.00305) each	1,000,000,000 股每股面值0.0005美元 (人民幣0.00305元)的普通股	3,050	3,050
Issued and fully paid:	已發行及繳足：		
578,750,000 ordinary shares of USD0.0005 (RMB0.00305) each	578,750,000 股每股面值0.0005美元 (人民幣0.00305元)的普通股	1,767	1,767

A summary of movements in the Company's issued share capital and share premium is as follows:

本公司已發行股本及股份溢價變動概述如下：

		Number of shares in issue 已發行股份數目	Issued capital RMB'000 人民幣千元	Share premium RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019, as restated	於二零一九年一月一日 (經重列)	578,750,000	1,767	897,069	898,836
Final 2018 dividend declared	已宣派二零一八年期末股息	-	-	(40,513)	(40,513)
At 31 December 2019 and 1 January 2020, as restated	於二零一九年十二月三十一日 及二零二零年一月一日 (經重列)	578,750,000	1,767	856,556	858,323
Final 2019 dividend declared	已宣派二零一九年期末股息	-	-	(39,355)	(39,355)
At 31 December 2020	於二零二零年十二月三十一日	578,750,000	1,767	817,201	818,968

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

#### (a) Merger reserve

The merger reserve represents the difference between the Company's shares of the nominal value of the paid-up capital of the subsidiaries acquired and the Company's cost of acquisition of the subsidiaries under the principles of the pooling-of-interests method.

#### (b) Capital reserve

Capital reserve arises from the capital contribution by the controlling shareholders of the Company.

#### (c) Statutory surplus reserve

Transfers from retained profits to the statutory surplus reserve are made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC, and are approved by the respective boards of directors.

### 34. 儲備

本集團於本年度及過往年度的儲備金額及其變動於綜合財務報表的綜合權益變動表內呈列。

#### (a) 合併儲備

合併儲備指根據權益合併法原則本公司應佔所收購附屬公司的繳足股本面值與本公司收購該附屬公司所涉及成本的差額。

#### (b) 資本儲備

資本儲備源自本公司控股股東的注資。

#### (c) 法定盈餘儲備

自保留利潤轉撥至法定盈餘儲備乃遵照中國有關法規及規例以及本公司於中國成立的附屬公司的組織章程細則進行，並經相關董事會批准。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

During the year, the Group did not have non-cash additions to right-of-use assets and lease liabilities in respect of lease arrangements for plant and equipment (2019: additions to right-of-use assets and lease liabilities in respect of lease arrangements for plant and equipment amounting to RMB967,000 and RMB967,000, respectively).

#### (b) Changes in liabilities arising from financing activities are as follows:

2020

		Lease liabilities RMB'000 人民幣千元	Bank loan and other borrowings RMB'000 人民幣千元	Amounts due to related companies RMB'000 人民幣千元	Amount due to ultimate holding company RMB'000 人民幣千元
At 1 January 2020, as restated	於二零二零年一月一日 (經重列)	86,965	1,341,253	18,123	22,002
Changes from financing cash flows	融資現金流量變動	(46,548)	66,269	(7,155)	22,753
Interest paid	已付利息	(5,920)	(42,774)	-	-
Non-cash:	非現金:				
Interest expense	利息開支	6,066	90,175	-	-
At 31 December 2020	於二零二零年 十二月三十一日	40,563	1,454,923	10,968	44,755

### 35. 綜合現金流量表附註

#### (a) 主要非現金交易

年內，本集團並無就廠房及設備租賃安排的使用權資產及租賃負債的非現金增加(二零一九年：廠房及設備租賃安排的使用權資產及租賃負債分別增加人民幣967,000元及人民幣967,000元)。

#### (b) 融資活動所產生負債的變動如下：

二零二零年

Lease liabilities RMB'000 人民幣千元	Bank loan and other borrowings RMB'000 人民幣千元	Amounts due to related companies RMB'000 人民幣千元	Amount due to ultimate holding company RMB'000 人民幣千元
租賃負債	銀行貸款 及其他借款	應付關聯 公司款項	最終控股 公司款項

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

(b) Changes in liabilities arising from financing activities are as follows: (Continued)

2019

		Lease liabilities	Bank loan and other borrowings	Amounts due to related companies	Amount due to ultimate holding company
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	136,771	893,953	-	-
Changes from financing cash flows	融資現金流量變動	(50,979)	434,997	18,123	22,002
Interest paid	已付利息	(6,346)	(52,095)	-	-
Non-cash:	非現金：				
Interest expense	利息開支	6,552	64,398	-	-
New lease	新租賃	967	-	-	-
At 31 December 2019, as restated	於二零一九年十二月三十一日 (經重列)	86,965	1,341,253	18,123	22,002

### 35. 綜合現金流量表附註(續)

(b) 融資活動所產生負債的變動如下：(續)

二零一九年

		租賃負債	銀行貸款及其他借款	應付關聯公司款項	應付最終控股公司款項
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	136,771	893,953	-	-
Changes from financing cash flows	融資現金流量變動	(50,979)	434,997	18,123	22,002
Interest paid	已付利息	(6,346)	(52,095)	-	-
Non-cash:	非現金：				
Interest expense	利息開支	6,552	64,398	-	-
New lease	新租賃	967	-	-	-
At 31 December 2019, as restated	於二零一九年十二月三十一日 (經重列)	86,965	1,341,253	18,123	22,002

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

#### (c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within operating activities	經營活動範圍	118	1,319
Within financing activities	融資活動範圍	46,548	50,979
		<b>46,666</b>	<b>52,298</b>

### 36. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank and other borrowings are included in note 29(f) to the consolidated financial statements.

### 37. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

### 35. 綜合現金流量表附註(續)

#### (c) 租賃現金流出總額

計入綜合現金流量表中的租賃現金流出總額如下：

### 36. 資產質押

本集團就本集團的銀行及其他借款所抵押資產的詳情載於綜合財務報表附註29(f)。

### 37. 承擔

本集團於報告期末有下列資本承擔：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未計提撥備：		
Plant and machinery	廠房及機器	4,982	5,202

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 38. RELATED PARTY TRANSACTIONS

- (a) Name and relationship of related parties controlled or significantly influenced by Mr. Chen Weizhong and his relatives (the “**Associates of Mr. Chen Weizhong**”):

Name 名稱	Relationship 關係
Mr. Chen Weizhong 陳衛忠先生	The former executive director of the Company 本公司前執行董事
Mr. Chen Weidong 陳衛東先生	Brother of Mr. Chen Weizhong 陳衛忠先生的胞兄弟
Ms. Xing Liyu 邢利玉女士	Spouse of Mr. Chen Weizhong 陳衛忠先生的配偶
Mr. Chen Jinhao Chen Jinhao 先生	Son of Mr. Chen Weizhong 陳衛忠先生的兒子
Zhejiang Zhongwei  浙江中味 Key Shine Key Shine	Company significantly influenced by Mr. Chen Jinhao, son of Mr. Chen Weizhong 受陳衛忠先生的兒子 Chen Jinhao 先生顯著影響的公司 The Company's ultimate holding company 本公司的最終控股公司
Hu Zhou Heng Peng Trading Company Limited (“ <b>Heng Peng</b> ”) 湖州恒朋貿易有限公司(「恒朋」) Huzhou Wuxing Suhushu	The subsidiary of Key Shine Key Shine的附屬公司 Company significantly influenced by Ms. Xing Liyu, spouse of Mr. Chen Weizhong 受陳衛忠先生之配偶邢利玉女士顯著影響的公司
湖州吳興蘇湖熟 湖州吳興糧夢糧油專業合作社聯合社	Company significantly influenced by Ms. Xing Liyu, spouse of Mr. Chen Weizhong 受陳衛忠先生之配偶邢利玉女士顯著影響的公司
湖州吳興糧夢糧油專業合作社聯合社 Huzhou Wuxing Wucheng	Company significantly influenced by Ms. Xing Liyu, spouse of Mr. Chen Weizhong 受陳衛忠先生之配偶邢利玉女士顯著影響的公司
湖州吳興烏程 Zhejiang Ruoxiachun 浙江箬下春 Yilong County Zhongwei	The associate of Heng Peng 恒朋的聯營公司 Company significantly influenced by Mr. Chen Jinhao, son of Mr. Chen Weizhong 受陳衛忠先生的兒子 Chen Jinhao 先生顯著影響的公司
儀隴縣中味	受陳衛忠先生的兒子 Chen Jinhao 先生顯著影響的公司
Name and relationship of related parties that are the group companies of 湖州吳興城市, controlled or significantly influenced by Mr. Chen Wei:	陳偉先生控制或顯著影響的為湖州吳興城市集團公司的關聯方的名稱及關係：

Name 名稱	Relationship 關係
湖州吳興城市	Company having a security interest in shares of the Company 擁有本公司股份質押權益的公司
湖州吳興城市 南太湖 南太湖	Subsidiary of 湖州吳興城市 湖州吳興城市的附屬公司
湖盛融資 湖盛融資	Subsidiary of 湖州吳興城市 湖州吳興城市的附屬公司

### 38. 與關聯方交易

- (a) 陳衛忠先生及其親屬(「陳衛忠先生的聯繫人」)控制或顯著影響的關聯方的名稱及關係：



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 38. RELATED PARTY TRANSACTIONS

(Continued)

(b) In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with connected and related parties during the year:

### 38. 與關聯方交易(續)

(b) 除該等綜合財務報表其他部分詳述的交易外，本集團年內有以下與關聯方的交易：

Name of related parties 關聯方名稱	Nature of transactions 交易性質	Notes 附註	2020	2019
			二零二零年 RMB'000 人民幣千元	二零一九年 RMB'000 人民幣千元
Mr. Chen Jinhao Chen Jinhao 先生	Interest expenses 利息開支	(i)	–	1
Zhejiang Zhongwei 浙江中味	Interest expenses 利息開支	(ii)	–	1
Yilong County Zhongwei 儀隴縣中味	Sales of goods 銷售貨品	(iii)	10	–
南太湖 南太湖	Interest expense 利息開支	(iv)	23,928	9,525
	Overdue interest expenses 逾期利息開支	(iv)	19,846	5,513
湖盛融資 湖盛融資	Interest expense 利息開支	(iv)	7,478	–

(i) Certain advances with maximum amount outstanding of RMB700,000 during the year ended 31 December 2019 were made to Mr. Chen Jinhao, which had been fully settled during the year ended 31 December 2019. These interest expenses were calculated at the rate of 4.35% per annum which was determined according to the prices and conditions similar to loans offered by the banks to the Group.

(i) 截至二零一九年十二月三十一日止年度，本公司向Chen Jinlao先生作出未償還款項最多人民幣700,000元的若干墊款，有關款項已於截至二零一九年十二月三十一日止年度結清。該等利息開支乃按根據銀行向本集團提供貸款相若的價格及條件釐定的年利率4.35%計算。

(ii) Certain advances with maximum amount outstanding of RMB3,000,000 during the year ended 31 December 2019 were made to Zhejiang Zhongwei, which had been fully settled during the year ended 31 December 2019. These interest expenses were calculated at the rate of 4.35% per annum which was determined according to the prices and conditions similar to loans offered by the banks to the Group.

(ii) 截至二零一九年十二月三十一日止年度，本公司向浙江中味作出未償還款項最多人民幣3,000,000元的若干墊款，有關款項已於截至二零一九年十二月三十一日止年度結清。該等利息開支乃按根據銀行向本集團提供貸款相若的價格及條件釐定的年利率4.35%計算。

(iii) The sales of goods was charged in accordance with contractual terms with related companies significantly influenced by Mr. Chen Jinhao and Ms. Xing Liyu, son and spouse of Mr. Chen Weizhong, respectively.

(iii) 銷售貨品乃根據與分別受Chen Jinhao先生(陳衛忠先生的兒子)及邢利玉女士(陳衛忠先生的配偶)顯著影響的關聯公司的合約條款收取。

(iv) The interest expenses and overdue interest expenses was charged in accordance with contractual terms.

(iv) 利息開支及逾期利息開支乃根據合約條款收取。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 38. RELATED PARTY TRANSACTIONS

(Continued)

(b) (Continued)

The above transactions were carried out in the ordinary course of business and conducted in accordance with the terms and conditions mutually agreed by both parties. The related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are disclosed in "Report of the Directors" section to the annual report.

(c) Compensation for key management personnel of the Group:

Key management of the Group are members of the board of directors, as well as members of the "management board" of the parent company. Key management personnel remuneration includes the following expenses:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	885	588
Performance related bonuses	表現相關的花紅	619	1,230
Pension scheme contributions	退休金計劃供款	69	80
Total compensation paid to key management personnel	支付予主要管理人員的酬金總額	<b>1,573</b>	1,898

Further details of directors' emoluments are included in note 12 to the consolidated financial statements.

### 38. 與關聯方交易 (續)

(b) (續)

上述交易於日常業務過程中根據雙方相互協定的條款及條件進行。關聯方交易構成上市規則第14A章所定義的關連交易或持續關連交易。上市規則第14A章規定的披露事項乃披露於年報「董事會報告」一節。

(c) 本集團主要管理人員的酬金：

本集團主要管理人員為董事會成員，以及母公司的「管理層委員會」成員。主要管理人員薪酬包括以下開支：

董事酬金的進一步詳情計入綜合財務報表附註12中。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 38. RELATED PARTY TRANSACTIONS

(Continued)

(d) Provision of guarantees by related parties:

### 38. 與關聯方交易 (續)

(d) 關聯方所提供的擔保：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Interest-bearing bank borrowings</b>	<b>計息銀行借貸</b>		
Mr. Chen Weizhong, Ms. Xing Liyu and Mr. Chen Jinhao	陳衛忠先生、邢利玉女士及 Chen Jinhao 先生	85,000	-
Mr. Chen Weizhong, Mr. Chen Weidong and Ms. Xing Liyu	陳衛忠先生、陳衛東先生及 邢利玉女士	70,000	70,000
Mr. Chen Weizhong and Ms. Xing Liyu	陳衛忠先生及邢利玉女士	142,955	589,850
Zhejiang Zhongwei	浙江中味	55,000	55,000
Mr. Chen Weizhong, Ms. Xing Liyu and Zhejiang Zhongwei	陳衛忠先生、邢利玉女士及 浙江中味	-	20,000
Mr. Chen Weizhong, Ms. Xing Liyu, Mr. Chen Jinhao and Zhejiang Zhongwei	陳衛忠先生、邢利玉女士、 Chen Jinhao 先生及浙江中味	15,000	55,000
		<b>367,955</b>	<b>789,850</b>

Details of the Group's guarantees to related parties are included in note 30 to the consolidated financial statements.

本集團向關聯方提供擔保之詳情載於綜合財務報表附註30。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2020

#### Financial assets

		Financial assets at amortised cost 按攤銷成本計量的金融資產 RMB'000 人民幣千元
Trade receivables	應收貿易款項	20,414
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	22,763
Amounts due from related companies	應收關聯公司款項	31,851
Pledged deposits	已抵押存款	230
Cash and cash equivalents	現金及現金等價物	8,443
		83,701

#### Financial liabilities

		Financial liabilities at amortised cost 按攤銷成本計量的金融負債 RMB'000 人民幣千元
Trade payables	應付貿易款項	42,739
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目的金融負債	127,492
Amounts due to related companies	應付關聯公司款項	10,968
Amount due to ultimate holding company	應付最終控股公司款項	44,755
Financial liabilities included in other long term liabilities	計入其他長期負債的金融負債	133,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,495,486
		1,854,440

### 39. 按類別劃分的金融工具

各類金融工具於報告期末的賬面值如下：

二零二零年

#### 金融資產

		Financial assets at amortised cost 按攤銷成本計量的金融資產 RMB'000 人民幣千元
Trade receivables	應收貿易款項	20,414
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	22,763
Amounts due from related companies	應收關聯公司款項	31,851
Pledged deposits	已抵押存款	230
Cash and cash equivalents	現金及現金等價物	8,443
		83,701

#### 金融負債

		Financial liabilities at amortised cost 按攤銷成本計量的金融負債 RMB'000 人民幣千元
Trade payables	應付貿易款項	42,739
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目的金融負債	127,492
Amounts due to related companies	應付關聯公司款項	10,968
Amount due to ultimate holding company	應付最終控股公司款項	44,755
Financial liabilities included in other long term liabilities	計入其他長期負債的金融負債	133,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,495,486
		1,854,440

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 39. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2019

#### *Financial assets*

		Financial assets at amortised cost 按攤銷成本 計量的金融資產 RMB'000 人民幣千元 (Restated) (經重列)
Trade receivables	應收貿易款項	28,441
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及 其他資產的金融資產	45,185
Amounts due from related companies	應收關聯公司款項	50,827
Pledged deposits	已抵押存款	67,039
Cash and cash equivalents	現金及現金等價物	172,107
		363,599

#### *Financial liabilities*

#### 金融負債

		Financial liabilities at amortised cost 按攤銷成本 計量的金融負債 RMB'000 人民幣千元 (Restated) (經重列)
Trade payables	應付貿易款項	67,006
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目的金融負債	116,613
Amounts due to related companies	應付關聯公司款項	18,123
Amount due to ultimate holding company	應付最終控股公司款項	22,002
Financial liabilities included in other long term liabilities	計入其他長期負債的金融負債	133,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,428,218
		1,784,962

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of the Group's financial instruments as disclosed in note 39 to the consolidated financial statements approximate to their carrying amounts largely due to the short term maturities of these instruments.

There were no transfers of fair value measurements during the years ended 31 December 2020 and 2019.

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, pledged deposits, and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

#### 41.1 Foreign currency risk

The Group is exposed to the foreign currency risk mainly arising from changes in the exchange rate of USD against RMB. The Group has not hedged its foreign exchange rate risk based on the consideration that the foreign currency transactions are not significant to the Group.

### 40. 金融工具的公平值及公平值等級架構

管理層已評估綜合財務報表附註39所披露本集團金融工具的公平值與其賬面值相若，主要由於此等工具的到期年期較短。

截至二零二零年及二零一九年十二月三十一日止年度，公平值計量之間並無轉移。

### 41. 財務風險管理目標及政策

本集團的主要金融工具包括計息銀行及其他借款、已抵押存款以及現金及現金等價物。該等金融工具的主要目的是為本集團的營運籌措資金。本集團有多種直接自其業務營運產生的其他金融資產及負債，如應收貿易款項及其他應收款項以及應付貿易款項及其他應付款項。

本集團金融工具產生的主要風險為外幣風險、信用風險及流動性風險。董事檢討及議定管理各項風險的政策，有關政策概述如下。

#### 41.1 外幣風險

本集團面臨主要因美元兌人民幣匯率變動而產生的外幣風險。考慮到外幣交易對本集團並不重大，故本集團並無對沖外匯風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 41.1 Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Group's loss before income tax and the Group's equity.

### 41. 財務風險管理目標及政策(續)

#### 41.1 外幣風險(續)

下表顯示在所有其他變數維持不變的情況下，本集團除所得稅前虧損以及本集團權益對於報告期末美元匯率可能出現的合理變動的敏感度。

		(Increase)/ decrease in foreign currency rate	(Increase)/ decrease in loss before income tax and equity
		外幣匯率 (上升)/下降 %	除所得稅前 虧損及權益 (增加)/減少 RMB'000 人民幣千元
<b>2020</b>			
二零二零年			
If USD weakens against RMB	倘美元兌人民幣貶值	(5)	(4)
If USD strengthens against RMB	倘美元兌人民幣升值	5	4
<b>2019</b>			
二零一九年			
If USD weakens against RMB	倘美元兌人民幣貶值	(5)	(8)
If USD strengthens against RMB	倘美元兌人民幣升值	5	8

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 41.2 Credit risk

##### Maximum exposure

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2020 and 2019. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2020

### 41. 財務風險管理目標及政策(續)

#### 41.2 信用風險

##### 最大風險

下表顯示基於本集團信貸政策的信貸質量及最大信貸風險，該信貸政策主要基於過去的到期資料(除非存有不需花費不必要的成本或努力即可獲得的其他資料則另當別論)以及於二零二零年及二零一九年十二月三十一日的年結階段分類。所呈列金額為金融資產的賬面總額。

於二零二零年十二月三十一日

		12-month ECLs		Lifetime ECLs		Total
		12個月預期信貸虧損	Stage 1	Stage 2	Stage 3	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade receivables*	應收貿易款項*	—	—	—	24,066	24,066
Financial assets included in prepayments, other receivables and other assets — Normal**	計入預付款項、其他應收款項及其他資產的金融資產 — 一般**	23,309	—	—	—	23,309
Amounts due from related companies	應收關聯公司款項	—	33,920	—	—	33,920
Pledged deposits — Not yet past due	已抵押存款 — 未逾期	230	—	—	—	230
Cash and cash equivalents — Not yet past due	現金及現金等價物 — 未逾期	8,443	—	—	—	8,443
		31,982	33,920	—	24,066	89,968



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 41. 財務風險管理目標及政策(續)

### 41.2 Credit risk (Continued)

### 41.2 信用風險(續)

#### Maximum exposure (Continued)

#### 最大風險(續)

As at 31 December 2019, as restated

於二零一九年十二月三十一日(經重列)

		12-month ECLs		Lifetime ECLs			Total
		12個月預期 信貸虧損		全期預期信貸虧損			總計
		Stage 1	Stage 2	Stage 3	Simplified approach		
		第1階段	第2階段	第3階段	簡化方法		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Trade receivables*	應收貿易款項*	-	-	-	30,635	30,635	
Financial assets included in prepayments, other receivables and other assets — Normal**	計入預付款項、 其他應收款項及 其他資產的金融資產 — 一般**	45,185	-	-	-	45,185	
Amounts due from related companies	應收關聯公司款項	50,827	-	-	-	50,827	
Pledged deposits — Not yet past due	已抵押存款 — 未逾期	67,039	-	-	-	67,039	
Cash and cash equivalents — Not yet past due	現金及現金等價物 — 未逾期	172,107	-	-	-	172,107	
		335,158	-	-	30,635	365,793	

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the consolidated financial statements.

\* 就本集團就減值而採用簡化方法的應收貿易款項而言，基於撥備矩陣的資料於綜合財務報表附註21披露。

\*\* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be normal when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

\*\* 計入預付款項、其他應收款項及其他資產的金融資產的信貸質量在未逾期時被視為正常，並無資料顯示自初始確認後有關金融資產的信用風險顯著增加。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 41.3 Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents and have available funding through capital contribution and bank loans.

The maturity profile of financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

### 41. 財務風險管理目標及政策(續)

#### 41.3 流動性風險

本集團的政策為保持充裕的現金及現金等價物，並透過注資及銀行貸款取得資金。

於報告期末，金融負債按已訂約但未貼現付款的到期情況如下：

		Within one year or on demand 一年內或 於要求時 RMB'000 人民幣千元	More than one year but less than five years 一年以上 但五年以內 RMB'000 人民幣千元	More than five years 五年以上 RMB'000 人民幣千元	Total contractual undiscounted cash flows 合約未貼現 現金流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
<b>At 31 December 2020</b>	<b>於二零二零年 十二月三十一日</b>					
Trade payables	應付貿易款項	42,739	-	-	42,739	42,739
Lease liabilities	租賃負債	28,104	14,603	645	43,352	40,563
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計項目的金融負債	127,492	-	-	127,492	127,492
Amounts due to related companies	應付關聯公司款項	10,968	-	-	10,968	10,968
Amount due to ultimate holding company	應付最終控股公司款項	44,755	-	-	44,755	44,755
Financial liabilities included in other long term liabilities	計入其他長期負債的 金融負債	-	134,596	-	134,596	133,000
Interest-bearing bank and other borrowings (excluding lease liabilities) (note (a))	計息銀行及其他借款 (不包括租賃負債) (附註(a))	1,542,395	96,326	-	1,638,721	1,454,923
		1,796,453	245,525	645	2,042,623	1,854,440
Financial guarantees issued (note (b))	已發出財務擔保 (附註(b))					
Maximum amount guaranteed	最高擔保金額	2,750,000	-	-	2,750,000	2,750,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 41. 財務風險管理目標及政策(續)

### 41.3 Liquidity risk (Continued)

### 41.3 流動性風險(續)

		Within one year or on demand 一年內或 於要求時 RMB'000 人民幣千元	More than one year but less than five years 一年以上 但五年以內 RMB'000 人民幣千元	More than five years 五年以上 RMB'000 人民幣千元	Total contractual undiscounted cash flows 合約未貼現 現金流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
<b>At 31 December 2019, as restated</b>	<b>於二零一九年 十二月三十一日 (經重列)</b>					
Trade payables	應付貿易款項	67,006	-	-	67,006	67,006
Lease liabilities	租賃負債	54,749	43,641	811	99,201	86,965
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計項目的金融負債	116,613	-	-	116,613	116,613
Amounts due to related companies	應付關聯公司款項	18,123	-	-	18,123	18,123
Amount due to ultimate holding company	應付最終控股公司款項	22,002	-	-	22,002	22,002
Financial liabilities included in other long term liabilities	計入其他長期負債的 金融負債	-	134,596	-	134,596	133,000
Interest-bearing bank and other borrowings (excluding lease liabilities) (note (a))	計息銀行及其他借款 (不包括租賃負債) (附註(a))	1,409,557	121,450	-	1,531,007	1,341,253
		1,688,050	299,687	811	1,988,548	1,784,962
Financial guarantees issued (note (b))	已發出財務擔保 (附註(b))					
Maximum amount guaranteed	最高擔保金額	2,750,000	-	-	2,750,000	2,750,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 41.3 Liquidity risk (Continued)

Notes:

- (a) As at 31 December 2020, interest-bearing bank borrowings in the amount of RMB462,528,000 (2019: RMB466,540,000) were not in compliance with certain loan covenants and the respective cash loans would become callable, and therefore, for the purpose of the above maturity profile, the amounts are classified as "on demand".

Notwithstanding the above clause, the directors do not believe that the loans will be called in their entirety any time before the maturity, and they consider that the loans will be repaid in accordance with the maturity dates as set out in the loan agreements. This evaluation was made considering: the financial position of the Group at the end of the reporting period, the Group's compliance with the loan covenants, the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time. In accordance with the terms of the loans, the contractual undiscounted payments as at 31 December 2020 and 2019 are as follows:

		Less than one year	More than one year but less than five years 一年以上 但五年以內	Total
		一年內 RMB'000 人民幣千元	RMB'000 人民幣千元	總計 RMB'000 人民幣千元
<b>At 31 December 2020</b>	<b>於二零二零年 十二月三十一日</b>			
Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他借款 (不包括租賃負債)	485,047	-	485,047
<b>At 31 December 2019, as restated</b>	<b>於二零一九年 十二月三十一日 (經重列)</b>			
Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他借款 (不包括租賃負債)	483,895	54,720	538,615

- (b) The amounts included above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on the legal advice, a provision of RMB27,500,000 (2019: RMB27,500,000) was recognised for the year ended 31 December 2020.

### 41. 財務風險管理目標及政策(續)

#### 41.3 流動性風險(續)

附註：

- (a) 於二零二零年十二月三十一日，計息銀行借款人民幣462,528,000元(二零一九年：人民幣466,540,000元)不符合若干貸款契約，相關現金貸款會予以召回，因此，就上述到期狀況而言，有關金額獲分類為「於要求時」。

儘管有上述條款，董事並不認為有關貸款將於到期前任何時間遭悉數召回，並認為有關貸款將根據貸款協議中規定的到期日償還。本集團已於考慮下列情況後作出評估：本集團於報告期末的財務狀況、本集團對貸款契約的合規情況，缺乏違約事件以及本集團所有已按時完成先前按時間表作出的還款。根據貸款條款，於二零二零年及二零一九年十二月三十一日的已訂約未貼現付款如下：

- (b) 上述財務擔保合約的金額為本集團在擔保交易對手要求支付全額擔保金額的情況下可能被迫根據該金額的安排結算的最高金額。根據法律意見，截至二零二零年十二月三十一日止年度確認撥備人民幣27,500,000元(二零一九年：人民幣27,500,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 41. 財務風險管理目標及政策(續)

#### 41.4 Capital management

#### 41.4 資本管理

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

本集團資本管理的主要目標為確保本集團持續經營能力以及維持穩健的資本比率，以支持其業務及為股東爭取最大價值。本集團因應經濟狀況轉變而管理及調整其資本架構。為維持或調整資本架構，本集團或會調整支付予股東的股息、退回股本予股東或發行新股。

The Group monitors capital using a gearing ratio, which is net debt divided by net debt plus total deficit. Net debt includes trade payables, other payables and accruals, amounts due to related companies, amount due to ultimate holding company, interest-bearing bank and other borrowings, provision for loss on Unauthorised guarantees and other long term liabilities less cash and cash equivalents. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios as at the end of the reporting periods are as follows:

本集團採用資本負債比率監控資本，該比率按淨債務除以淨債務加虧絀總額計算。淨債務包括應付貿易款項、其他應付款項及應計項目、應付關聯公司款項、應付最終控股公司款項、計息銀行及其他借款、未經授權擔保虧損撥備以及其他長期負債減現金及現金等價物。本集團的政策是將資本負債比率維持於合理水平。於報告期末的資本負債比率如下：

#### Group

#### 本集團

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
Trade payables	應付貿易款項	42,739	67,006
Other payables and accruals	其他應付款項及應計項目	364,918	345,403
Amounts due to related companies	應付關聯公司款項	10,968	18,123
Amount due to ultimate holding company	應付最終控股公司款項	44,755	22,002
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,495,486	1,428,218
Provision for loss on Unauthorised guarantees	未經授權擔保虧損撥備	27,500	27,500
Other long term liabilities	其他長期負債	139,214	136,948
Less: Cash and cash equivalents	減：現金及現金等價物	(8,443)	(172,107)
Net debt	淨債務	2,117,137	1,873,093
Total deficit	虧絀總額	(1,000,494)	(120,949)
Net debt and total deficit	淨債務及虧絀總額	1,116,643	1,752,144
Gearing ratio	資本負債比率	189.6%	106.9%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 42. CONTINGENCIES

- (a) On 6 December 2019, the Company received a writ of summons by Natural Seasoning International (HK) Limited (the “**Plaintiff**”) against, among others, the Company, Mr. Chen Weizhong and Key Shine as defendants, on the ground that Key Shine and Mr. Chen Weizhong have been in breach of certain agreements in relation to, among others, the operation of the Company and restrictions on disposal of shares in the Company (the “**Litigation**”). Details of the Litigation were set out in the announcement of the Company dated 16 December 2019.

Subject to receipt of further evidences or details of claim from the Plaintiff; and after having taken into account, amongst other factors, the fact that the Company is not a party to the agreements leading to the Litigation, the Company does not consider that the Litigation will have any material adverse impact on the business and/or operations of the Group and accordingly have not made any provision for any claim arising from the Litigation, other than the related legal and other costs.

- (b) There are two court hearings against the Group as the guarantor to two creditors are suspended as disclosed in note 30 and it is still uncertain as to how much the borrowers will be able to repay these creditors for the suspended court hearings. Based on the legal advice, it is expected the court judgements might require the Group to pay to these creditors 50% of the loan amount should the debtors eventually fail to repay these creditors. As a result, only 50% of the loan amount of approximately RMB27,500,000 has been recognised in provision for Unauthorised guarantee for the year ended 31 December 2020 and the remaining 50% of the loan amount has not been recognised.

### 42. 或然事項

- (a) 於二零一九年十二月六日，本公司接獲 Natural Seasoning International (HK) Limited (「原告」) 向 (其中包括) 本公司、陳衛忠先生及 Key Shine (作為被告) 發出的法院傳票，理由為 Key Shine 及陳衛忠先生已違反有關 (其中包括) 本公司營運及出售本公司股份限制的若干協議 (「該訴訟」)。該訴訟的詳情載於本公司日期為二零一九年十二月十六日的公佈。

由於須接獲更多證據或有關原告索償的更多詳情，並考慮到 (其中包括) 本公司並非引致該訴訟的協議的訂約方，故此本公司並不認為該訴訟會對本集團業務及／或營運造成任何重大不利影響，繼而並無就該訴訟提出的任何索償 (相關法律及其他成本除外) 計提撥備。

- (b) 誠如附註30所披露，兩項針對本集團 (作為兩名債權人的擔保人) 的法院聆訊被暫停，目前仍不確定就被暫停法院聆訊而言，借款人將能夠償還該等債權人的金額。根據法律意見，倘若債務人最終未能向該等債權人還款，預期法院判決可能要求本集團向該等債權人支付50%的貸款金額。因此，僅50%的貸款金額 (即約人民幣27,500,000元) 已於截至二零二零年十二月三十一日止年度的未經授權擔保撥備中確認，而餘下50%的貸款金額尚未確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 43. EVENTS AFTER THE REPORTING PERIOD

#### (a) Impact of new coronavirus pneumonia epidemic

The outbreak of the COVID-19 since January 2020 in Mainland China have brought disruptions to the Group's operation. The consequential precautionary and control measures released by the local government and authorities have temporarily stunt the logistics activities across the country which has once stagnated the Group's supply chain and delivery.

The Group's production has been resumed. And the extent of epidemic prevention and control measures have been gradually released responding to the request from the local government. However, given the dynamic nature of the circumstances and the uncertainty of the duration of the epidemic and the situation of epidemic preventive measures, the Group will pay close attention to the development of the COVID-19 pandemic and perform further assessment on its impact and take relevant measures.

#### (b) Investigation

As described in details in the announcement of the Company dated 19 January 2021, the Company became aware that Mr. Chen Weizhong had been held in criminal custody by the Public Safety Bureau of Wuxing District of Huzhou City in relation to a suspected charge of illegally taking deposits from the general public. As set out in note 2.1(a) to the consolidated financial statements, the Company has established the Independent Investigation Committee and engaged FTI Consulting to undertake the Investigation on certain issues. FTI Consulting issued a report and a supplemental report in relation to its findings on the Investigation on 30 May 2022 and 28 September 2022 respectively.

### 43. 報告期後事項

#### (a) 新型冠狀病毒性肺炎疫情的影響

COVID-19於二零二零年一月以來在中國內地爆發，已干擾本集團業務營運。隨後地方政府及有關當局所採取之相應防控措施使全國物流活動暫時受阻，繼而導致本集團的供應鏈及付運一度停滯。

本集團已恢復生產。為響應地方政府要求，疫情防控措施力度已逐步放寬。然而，鑒於疫情變化以及疫情蔓延時間及防疫狀況不明朗，本集團將密切關注COVID-19疫情的發展情況，並進一步評估其影響及採取相關措施。

#### (b) 調查

誠如本公司日期為二零二一年一月十九日的公佈詳細載述，本公司得悉陳衛忠先生已因涉嫌非法吸收公眾存款罪被湖州市公安局吳興分局刑事拘留。如綜合財務報表附註2.1(a)載述，本公司已成立獨立調查委員會並委任FTI Consulting進行調查若干事項。FTI Consulting於二零二二年五月三十日及二零二二年九月二十八日分別出具一份報告及一份補充報告，內容有關其調查結果。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 43. EVENTS AFTER THE REPORTING PERIOD (Continued)

#### (c) Agreements with related parties

In 2022, the Group entered into a trilateral agreement among 南太湖 and Zhejiang Zhongwei such that part of the amount due to 南太湖 of approximately RMB19,036,000 included in interest-bearing bank and other borrowings set out in note 29 was settled by the transfer of right of debts of Zhejiang Zhongwei to 南太湖.

In 2022, 湖州吳興城市, 南太湖 and 湖盛融資 have confirmed that they do not intend to demand payment from the Group for the amount due to them for a period of fourteen months from the date of approval of these consolidated financial statements.

### 44. COMPARATIVE AMOUNTS

As further explained in note 2.1 to the consolidated financial statements, the comparative information in the consolidated financial statements were restated.

### 43. 報告期後事項 (續)

#### (c) 與關聯方的協議

於二零二二年，本集團與南太湖及浙江中味訂立三方協議，因此在附註29載列的計息銀行及其他借款列賬的應付南太湖款項約人民幣19,036,000元的部分按向南太湖轉讓浙江中味的債項權利方式結付。

於二零二二年，湖州吳興城市、南太湖及湖盛融資已確認，於批准該等綜合財務報表日期起計十四個月期間，彼等無意就應付彼等之款項要求本集團付款。

### 44. 比較金額

誠如綜合財務報表附註2.1所進一步闡釋，綜合財務報表內的比較資料已經重列。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

### 45. 本公司的財務狀況表

於報告期末，有關本公司財務狀況表的資料如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (經重列)
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Investment in a subsidiary	於附屬公司的投資	—*	—*
<b>Current assets</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	565	686
Amounts due from subsidiaries	應收附屬公司款項	—**	—**
Cash and cash equivalents	現金及現金等價物	102	178
<b>Total current assets</b>	<b>流動資產總額</b>	<b>667</b>	<b>864</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables and accruals	其他應付款項及應計項目	4,018	727
Amount due to ultimate holding company	應付最終控股公司款項	20,278	39,694
Amount due to a director	應付一名董事款項	50	—
<b>Total current liabilities</b>	<b>流動負債總額</b>	<b>24,346</b>	<b>40,421</b>
<b>Net current liabilities and net liabilities</b>	<b>流動負債淨值及負債淨值</b>	<b>(23,679)</b>	<b>(39,557)</b>
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	1,767	1,767
Reserves (note)	儲備(附註)	(25,446)	(41,324)
<b>Total deficit</b>	<b>虧絀總額</b>	<b>(23,679)</b>	<b>(39,557)</b>

\* Less than one thousand.

\*\* Amounts due from subsidiaries of approximately RMB786,007,000 (2019: RMB938,639,000) was fully impaired during the year ended 31 December 2020 after management's collectability assessment on these balances.

\* 少於一千。

\*\* 在管理層對該等結餘進行可收回性評估後，應收多間附屬公司款項約人民幣786,007,000元(二零一九年：人民幣938,639,000元)於截至二零二零年十二月三十一日止年度悉數減值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

### 45. 本公司的財務狀況表(續)

附註：

本公司儲備概要如下：

		Share premium	Exchange fluctuation reserve	Accumulated losses	Total
		股份溢價	匯兌波動儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	897,069	83,604	(80,724)	899,949
Total comprehensive loss for the year	年內全面虧損總額	–	19,832	(920,592)	(900,760)
2018 final dividend declared	已宣派二零一八年期末股息	(40,513)	–	–	(40,513)
At 31 December 2019 and 1 January 2020, as restated	於二零一九年十二月三十一日及二零二零年一月一日(經重列)	856,556	103,436	(1,001,316)	(41,324)
Total comprehensive income for the year	年內全面收益總額	–	(87,816)	143,049	55,233
2019 final dividend declared	已宣派二零一九年期末股息	(39,355)	–	–	(39,355)
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>817,201</b>	<b>15,620</b>	<b>(858,267)</b>	<b>(25,446)</b>



**Honworld Group Limited**  
老恒和釀造有限公司\*  
Unit 1303, 13/F  
Hua Fu Commercial Building  
111 Queen's Road West  
Hong Kong  
香港皇后大道西111號  
華富商業大廈13樓1303室