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## **Honworld Group Limited**

**老恒和釀造有限公司\***

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

**(Stock Code: 2226)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

The board of directors (the “**Board**”) of Honworld Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2021. This announcement, containing the full text of the 2021 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of annual results. The printed version of the Company’s 2021 annual report will be despatched to the shareholders of the Company and will be available for viewing on the websites of the Company at <http://www.hzlaohenghe.com> and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) in due course.

By order of the Board  
**Honworld Group Limited**  
**Chen Wei**  
*Chairman*

Hong Kong, 28 September 2022

*As at the date of this announcement, the executive directors of the Company are Chen Wei and Liu Jianbin; the non-executive director of the Company is Gu Wei; and the independent non-executive directors of the Company are Shen Zhenchang, Ng Wing Fai and Sun Jiong.*

\* *For identification purposes only*

# 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	07	Corporate Information
董事及高級管理人員履歷	10	Profile of Directors and Senior Management
管理層討論與分析	16	Management Discussion and Analysis
企業管治報告	29	Corporate Governance Report
董事會報告	52	Directors' Report
獨立核數師報告	68	Independent Auditor's Report
綜合損益及其他全面收益表	77	Consolidated Statement of Profit or Loss and Other Comprehensive Income
綜合財務狀況表	79	Consolidated Statement of Financial Position
綜合權益變動表	81	Consolidated Statement of Changes in Equity
綜合現金流量表	83	Consolidated Statement of Cash Flows
綜合財務報表附註	85	Notes to the Consolidated Financial Statements

# FINANCIAL HIGHLIGHTS

## 財務摘要

- Revenue for the year ended 31 December 2021 amounted to RMB252.7 million, representing an increase of 11.6% from RMB226.3 million recorded in 2020.
  - Gross profit for the year ended 31 December 2021 amounted to RMB68.5 million, representing an increase of 50.2% from RMB45.6 million recorded in 2020.
  - Loss attributable to ordinary equity holders of the Company for the year ended 31 December 2021 amounted to RMB318.4 million, representing a decrease of 62.3% from RMB845.3 million recorded in 2020.
  - The Board does not recommend the payment of a final dividend for the year ended 31 December 2021.
- 截至二零二一年十二月三十一日止年度的收入為人民幣252.7百萬元，較二零二零年人民幣226.3百萬元增加11.6%。
  - 截至二零二一年十二月三十一日止年度的毛利為人民幣68.5百萬元，較二零二零年人民幣45.6百萬元增加50.2%。
  - 截至二零二一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318.4百萬元，較二零二零年人民幣845.3百萬元減少62.3%。
  - 董事會不建議就截至二零二一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				
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	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
<b>RESULTS</b>	<b>業績</b>					
REVENUE	收入	252,671	226,331	235,456	874,410	803,141
Cost of sales	銷售成本	(184,162)	(180,731)	(166,438)	(417,448)	(373,615)
GROSS PROFIT	毛利	68,509	45,600	69,018	456,962	429,526
Other income and gains	其他收入及收益	6,778	14,639	18,721	11,652	19,755
Selling and distribution expenses	銷售及經銷開支	(74,640)	(55,701)	(96,086)	(102,610)	(110,985)
Administrative expenses	行政開支	(61,273)	(72,122)	(75,872)	(74,747)	(71,906)
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	(12,553)	(9,945)	(1,512)	(682)	-
Other expenses	其他開支	(109,714)	(68,857)	(59,708)	(4,523)	(1,465)
Finance costs	融資成本	(135,556)	(96,241)	(70,950)	(50,427)	(48,840)
(LOSS)/PROFIT BEFORE INCOME TAX	除所得稅前(虧損)/利潤	(318,449)	(843,202)	(2,278,323)	235,625	216,085
Income tax expense	所得稅開支	-	(2,091)	(7,042)	(33,919)	(29,310)
(LOSS)/PROFIT FOR THE YEAR	年內(虧損)/利潤	(318,449)	(845,293)	(2,285,365)	201,706	186,775

## ASSETS, LIABILITIES AND EQUITY

## 資產、負債及權益

		As at 31 December 於十二月三十一日				
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	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
TOTAL ASSETS	資產總額	1,193,766	1,207,707	2,005,318	3,711,471	3,415,754
TOTAL LIABILITIES	負債總額	(2,511,660)	(2,208,201)	(2,126,267)	(1,507,541)	(1,381,915)
TOTAL (DEFICIT)/EQUITY	總(虧絀)/權益	(1,317,894)	(1,000,494)	(120,949)	2,203,930	2,033,839

# 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 2021.

### 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, sesame oil and fermented bean curd. In 2021, we attained the following achievements:

1. Our research projects, including Key Technologies and Applications for Electronic Nose and Intelligent Online Analysis, as well as Key Technological Development and Applications for Yellow Wine Tank Storage and Aging Quality Control, were awarded by China National Light Industry Council the second prizes in both Scientific and Technological Invention and Scientific and Technological Advancement;
2. We were awarded the “2020 Model Enterprise for the Construction of Integrity Management System in the Food Industry of Zhejiang Province (2020年度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); and
3. Our important contribution to the brewing industry during the 13th Five-year Plan was awarded by the Science and Technology Awarding Committee of the China Alcoholic Drinks Association the “Outstanding Enterprise for Technological Advancement in the Alcoholic Industry of China” (中國酒業科技進步優秀企業獎).

In 2021, industrial competition further intensified in the context of changing complicated economic conditions, successive impacts due to the resurgent novel coronavirus (COVID-19) pandemic, and weak consumer demands. As a result, a variety of consumer business models continued to emerge, posing brand new challenges to sales campaigns of the Company. While adhering to prevention and control amid the pandemic, the Group actively adapted to changes in the market. By continuing its fundamental principle of “focusing on natural brewing cooking wine industry and refining other industries”, the Group focused on sales targets set at the beginning of the year by making orderly progress in conducting marketing reforms, carrying out project construction, and rectifying internal control.

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**」)截至二零二一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、麻油、腐乳等產品。於二零二一年, 我們取得如下成就:

1. 我們的科研項目: 電子鼻儀器與智能在線分析關鍵技術及應用、黃酒大罐貯存陳釀品質控制關鍵技術開發與應用等項目分別獲得中國輕工業聯合會科學技術發明二等獎及科學技術進步二等獎證書;
2. 我們被浙江省食品工業協會授予「2020年度浙江省食品工業企業誠信管理體系建設示範企業」的稱號; 及
3. 我們在「十三五」期間對釀酒行業做出重要貢獻特被中國酒業協會科學技術獎勵委員會, 授予「中國酒業科技進步優秀企業獎」。

於二零二一年, 經濟形勢複雜多變, 新冠疫情持續反復衝擊、消費需求疲軟、行業競爭進一步加劇; 各種消費業態相繼湧現, 給企業銷售帶來全新的挑戰。在堅持疫情防控的同時, 本集團積極順應市場的變化, 貫徹「聚焦天然釀造料酒產業, 做精做細其他產業」的基本原則, 圍繞年初制定的銷售目標, 有序推進營銷變革和項目建設、企業內控整改等各項工作。



# CHAIRMAN'S STATEMENT

## 主席報告

In 2021, the Group achieved a sales revenue of approximately RMB252.7 million, representing an increase of approximately RMB26.3 million or around 11.6% from the same period in 2020. On one hand, as distributors could not withstand the resurgent pandemic outbreaks in various regions, with some of these distributors facing closure, the Group made timely adjustments to the regular customers by dividing their respective market and adding potential distributors for leading to an increase of approximately RMB24.7 million or around 14.5% in the distribution channels under partnership as compared with the same period in 2020. On the other hand, due to decreasing social activities in other cities, travel restrictions, suspension of upstream and downstream businesses, and 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 3.9% as compared to the same period in 2020.

In 2021, our cooking wine products remained as a major source of revenue of the Company, accounting for approximately 67.2% of our total revenue. In addition, as our soy sauce production capacity has not been effectively released, sales of our soy sauce products in 2021 were approximately RMB25.9 million, accounting for approximately 10.2% of our total revenue. In terms of market and brand strategies, we continued the implementation of the market strategy planning and thinking in 2021 with an aim to cope with the adverse impact of the pandemic on the business environment by strengthening our distribution network, as well as expanding the online channel. We have maintained the number of distributors at approximately 697, and extended the network to cover 30 provinces, autonomous regions and municipalities across the country. In order to cope with the aforementioned arrangements and to deal with the adverse effects of the pandemic, the Group adjusted its product structure to increase the proportion of sales of high-end products with relatively higher gross profit. As a result, the gross profit margin of the Group's products increased from 20.1% in 2020 to 27.1% in 2021.

本集團於二零二一年實現銷售收入約人民幣252.7百萬元，較二零二零年同期上升了人民幣約26.3百萬元，約11.6%。一方面，因疫情各地反復不斷出現導致經銷商無法承受，部分面臨倒閉，本集團及時對老客戶進行調整，切分相應的市場，增加潛在經銷商的合作，導致本集團的流通渠道合作較二零二零年同期上升人民幣約24.7百萬元，約14.5%；另一方面，受益於疫情導致其他城市社會活動下降、交通管制及上下游企業停工等原因影響及消費者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二零二零年同期上升了人民幣約0.6百萬元，約3.9%。

於二零二一年，我們的料酒產品依然是公司的主要收入來源，佔總收入約67.2%。另一方面，因我們醬油產品產能的未能有效釋放，故二零二一年我們醬油產品銷售收入約為人民幣25.9百萬元，佔總收入約10.2%。在市場戰略、品牌方面，我們執行二零二一年度的市場戰略規劃和思路，旨在通過增強我們經銷商網絡、線上渠道的拓展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697家，並已下沉至全國三十個省、自治區及直轄市。為順應前述安排及應對疫情的不利影響，我們調整了本集團的產品結構，毛利相對較高的高端產品銷售佔比增加。因此，本集團產品的毛利率從二零二零年的20.1%上升至二零二一年的27.1%。



# CHAIRMAN'S STATEMENT

## 主席報告

The loss attributable to ordinary equity holders of the parent company of the Group was approximately RMB318.4 million, representing a decrease of approximately 62.3% as compared to the corresponding period of 2020, mainly due to the impact of the one-off issues arising from the investigation in 2020, and the impact of the aforementioned increase in revenue and gross profit. In view of the growing demand of our customers and the anticipated sales growth of soy sauce, rice vinegar, sesame oil 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.

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 on 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, rising packaging cost and labour cost; (2) the negative impact on our sales due to changes in customers' spending habits in condiment products; (3) the greater-than-expected increase in market expansion costs and selling expenses; (4) the possible failure of our new products to obtain market recognition in the short run; (5) the increasingly complicated situation facing survival for distributors and sales policies due to the recurring COVID-19 pandemic; and (6) the adverse effects of the ongoing COVID-19 pandemic.

### 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

主要由於二零二零年調查產生的一次性問題以及上述收入及毛利上升的影響，本集團母公司普通權益持有人應佔虧損約為人民幣318.4百萬元，較二零二零年同期下降約62.3%。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、麻油、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。

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产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、包裝成本和勞務成本增加；(2)消費者消費調味產品的習慣的轉變，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)我們的新產品短期內可能無法獲得市場認可；(5)面對疫情持續且反復不斷，經銷商的生存空間，銷售政策等變得更加複雜；(6)新冠疫情持續帶來的不利影響。

### 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  
Mr. Liu Jianbin<sup>1</sup>  
Mr. Sheng Mingjian<sup>2</sup>  
Mr. Chen Weizhong<sup>3</sup>

#### Non-executive Director

Mr. Gu Wei

#### 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>4</sup>  
Mr. Au Wai Keung  
Mr. Liu Jianbin<sup>5</sup>

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### 董事會

#### 執行董事

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

#### 非執行董事

顧偉先生

#### 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>4</sup>  
區偉強先生  
劉建鑽先生<sup>5</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

### 薪酬委員會

沈振昌先生 (*主席*)  
吳榮輝先生  
孫頌先生

<sup>1</sup> Appointed on 2 February 2021

<sup>2</sup> Resigned on 28 June 2022

<sup>3</sup> Resigned on 2 February 2021

<sup>4</sup> Resigned on 2 February 2021

<sup>5</sup> Appointed on 2 February 2021

<sup>1</sup> 於二零二一年二月二日獲委任

<sup>2</sup> 於二零二二年六月二十八日辭任

<sup>3</sup> 於二零二一年二月二日辭任

<sup>4</sup> 於二零二一年二月二日辭任

<sup>5</sup> 於二零二一年二月二日獲委任



# 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>			
<b>執行董事</b>			
Chen Wei 陳偉	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 劉建鎮	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
Chen Weizhong (resigned as executive Director and chief executive officer on 2 February 2021) 陳衛忠(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
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
<b>Non-executive Director</b>			
<b>非執行董事</b>			
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
<b>Independent non-executive Directors</b>			
<b>獨立非執行董事</b>			
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 孫頴	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.

**Mr. Liu Jianbin (劉建鑛)**, 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.

### 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。

劉建鑛先生，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。

# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員履歷

### 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.

### 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).

### 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。

### 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逾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。



# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員履歷

**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.

**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.

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；及自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。

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 劉建鑛	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 王超	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 (劉建賓)**, 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.

劉建賓先生，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. Mr. Liu 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 redesignated 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。劉先生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 6 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6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		Year-on-year Change 按年變動 %
		截至十二月三十一日止年度 2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	
<b>Income statement items</b>	<b>收益表項目</b>			
Revenue	收入	252,671	226,331	11.6
Gross profit	毛利	68,509	45,600	50.2
Loss attributable to owners of the Company	本公司持有人應佔虧損	(318,449)	(845,293)	(62.3)
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」）	(153,912)	(718,216)	(78.6)
Loss per share (RMB) (note (a))	每股虧損（人民幣元）（附註(a)）	(0.55)	(1.46)	(62.3)
<b>Selected financial ratios</b>	<b>節選財務比率</b>			
Gross profit margin (%)	毛利率(%)	27.1	20.1	34.6
Net loss margin (%)	淨虧損率(%)	(126.0)	(373.5)	(66.3)
LBITDA margin (%)	除利息、稅項、折舊及攤銷前虧損率(%)	(60.9)	(317.3)	(80.8)
Return on equity holders’ equity (%)	權益持有人權益回報(%)	(24.2)	(84.5)	(71.4)
Gearing ratio (note (b)) (%)	資本負債比率（附註(b)）(%)	220.9	189.6	16.5

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 total deficit plus net debt as at 31 December 2021. 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) 於二零二一年十二月三十一日，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 increased by 11.6% from RMB226.3 million in 2020 to RMB252.7 million in 2021, primarily attributable to the combined effect of factors such as the slowdown of our growth due to COVID-19 pandemic and adjustments of key customers, the normal operation of supply chain and the development of new products.

Revenue from cooking wine products increased by 8.3% from RMB156.9 million in 2020 to RMB169.9 million in 2021, primarily due to the combined effects of the improvement of the COVID-19 pandemic and the increase in large order on the cooking wine products.

Revenue from the Group's soy sauce products increased by 2.7%, from RMB25.2 million in 2020 to RMB25.9 million in 2021. This mainly reflects the impacts of factors such as the slowdown in the COVID-19 pandemic and optimization of product structure.

Revenue from the Group's rice vinegar products increased by 10.2% from RMB16.7 million in 2020 to RMB18.4 million in 2021. This mainly reflects our efforts to readjust the structure of our rice vinegar products by focusing on the development of crab vinegar products, thus contributing to a slight increase in the sales revenue.

In addition to launching new products into the market and developing our sesame oil products, we also adjusted the product portfolio of our other products during the year by downsizing products with poor market performance. As a result, the Group's revenue from other products increased by 40.0% from RMB27.5 million in 2020 to RMB38.5 million in 2021.

### Cost of Sales

Our cost of sales increased by 1.9% from RMB180.7 million in 2020 to RMB184.2 million in 2021. The increase in cost of sales was primarily attributable to the increased prices of raw materials and energy.

### Gross Profit and Gross Profit Margin

Our gross profit increased by 50.2% from RMB45.6 million in 2020 to RMB68.5 million in 2021. The gross profit margin increased from 20.1% in 2020 to 27.1% in 2021, primarily due to the growth in proportion of sales of products with high gross profit.

### 收入

本集團的收入由二零二零年的人民幣226.3百萬元增加11.6%至二零二一年的人民幣252.7百萬元，主要原因新冠疫情放緩我們的增長及重要客戶調整、供應鏈趨於正常作業及新產品的開發等綜合因素影響所致。

料酒產品的收入由二零二零年的人民幣156.9百萬元增加8.3%至二零二一年的人民幣169.9百萬元，主要由於新冠疫情有所好轉及大單品增加的綜合影響所致。

本集團醬油產品的收入由二零二零年的人民幣25.2百萬元增加2.7%至二零二一年的人民幣25.9百萬元，主要由於新冠疫情放緩及產品結構優化等因素影響。

本集團米醋產品的收入由二零二零年的人民幣16.7百萬元增加10.2%至二零二一年的人民幣18.4百萬元。主要反映對米醋產品結構重新梳理，重點開發蟹醋產品，從而帶來銷售收入小幅增長。

在向市場投放新產品及開發麻油產品的同時，我們於本年也對我們其他產品的產品結構進行調整，縮減市場表現不好的產品。因此，本集團其他產品的收入從二零二零年的人民幣27.5百萬元增加40.0%至二零二一年的人民幣38.5百萬元。

### 銷售成本

我們的銷售成本由二零二零年的人民幣180.7百萬元增加1.9%至二零二一年的人民幣184.2百萬元。銷售成本的增加主要是由於原材料及能源價格上漲所致。

### 毛利及毛利率

我們的毛利由二零二零年的人民幣45.6百萬元增加50.2%至二零二一年的人民幣68.5百萬元。毛利率由二零二零年的20.1%上升至二零二一年的27.1%，主要由於毛利高的產品銷售佔比上升影響所致。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Other Income and Gains

Other income and gains decreased by 53.7% from RMB14.6 million in 2020 to RMB6.8 million in 2021. Other income and gains primarily include subsidies received, bank interest income and foreign exchange gain, net. The decrease in other income and gains was primarily due to the decrease of subsidy received, bank interest income and foreign exchange gain.

### 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 increased from RMB55.7 million in 2020 to RMB74.6 million in 2021, and the distribution expenses as a percentage of the Group's revenue increased from 24.6% in 2020 to 29.5% in 2021, primarily due to an increase in marketing expenses.

### Administrative Expenses

The administrative expenses decreased by 15.0% from RMB72.1 million in 2020 to RMB61.3 million in 2021. The decrease in administrative expenses was primarily due to a decrease in research and development expenses.

### Finance Costs

Finance costs increased by 40.9% from RMB96.2 million in 2020 to RMB135.6 million in 2021. The increase in finance costs primarily reflected the increase in interest expenses from RMB96.2 million in 2020 to RMB135.6 million in 2021 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 62.2% from RMB843.2 million in 2020 to RMB318.4 million in 2021.

### 其他收入及收益

其他收入及收益由二零二零年的人民幣14.6百萬元減少53.7%至二零二一年的人民幣6.8百萬元。其他收入及收益主要包括收到的補貼、銀行利息收入及外匯收益淨值。其他收入及收益減少主要由於收到的補貼、銀行利息收入及外匯收益減少所致。

### 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二零二零年的人民幣55.7百萬元增加至二零二一年的人民幣74.6百萬元，而經銷開支佔本集團收入的百分比由二零二零年的24.6%增加至二零二一年的29.5%，乃主要由於市場推廣費用開支增加所致。

### 行政開支

行政開支由二零二零年的人民幣72.1百萬元減少15.0%至二零二一年的人民幣61.3百萬元。行政開支減少主要由於研發費用減少所致。

### 融資成本

融資成本由二零二零年的人民幣96.2百萬元增加40.9%至二零二一年的人民幣135.6百萬元。融資成本增加主要反映利息費用由二零二零年的人民幣96.2百萬元增加至二零二一年的人民幣135.6百萬元，乃主要歸因於平均借款金額增加所致。

### 除所得稅前虧損

由於上述原因，除所得稅前虧損由二零二零年的人民幣843.2百萬元減少62.2%至二零二一年的人民幣318.4百萬元。



# 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% (2020: 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%, which remained stable as compared to that of 2020 (2020: 15%).

Income tax expense decreased from RMB2.1 million in 2020 to Nil in 2021, mainly due to the loss resulting from the increase in certain one-off expenses.

### Loss Attributable to Owners of the Company

Loss attributable to ordinary equity holders of the Company decreased by 62.3% from RMB845.3 million in 2020 to RMB318.4 million in 2021, which was mainly attributable to the decrease in net loss as a result of the aforesaid reasons.

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

Loss per share decreased from RMB1.46 in 2020 to RMB0.55 in 2021. 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 66.3% from 373.5% in 2020 to 126.0% in 2021, which was mainly attributable to the combined effect of the aforesaid reasons and the recognition of one-off loss arising from the Incident of approximately RMB600.6 million in 2020.

### 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%（二零二零年：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，並可享受15%的優惠稅率，與二零二零年相比保持平穩（二零二零年：15%）。

所得稅開支由二零二零年的人民幣2.1百萬元減少至二零二一年的零，主要由於若干一次性開支增加產生虧損所致。

### 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二零二零年的人民幣845.3百萬元減少62.3%至二零二一年的人民幣318.4百萬元，主要是由於上述原因導致虧損淨值減少所致。

### 本公司普通權益持有人應佔每股虧損

每股基本虧損由二零二零年的人民幣1.46元減少至二零二一年的人民幣0.55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

淨虧損率由二零二零年的373.5%下降66.3%至二零二一年的126.0%。淨虧損率下降主要是由於上述原因的綜合影響及於二零二零年自事件確認一次虧損約人民幣600.6百萬元所致。



# 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 2021 and 2020 are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Prepayments for fixed assets	固定資產的預付款項	2,109	3,463
Prepayments for procurements of condiment products	採購調味品的預付款項	894	2,837
Other prepayments	其他預付款項	3,185	1,652
Deposits and other receivables	按金及其他應收款項	20,355	23,309
		<b>26,543</b>	31,261
Less: Portion classify as non-current assets	減：分類為非流動資產的部分	<b>(6,126)</b>	(15,714)
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>20,417</b>	15,547

#### Trade receivables

Trade receivables decreased from RMB20.4 million as at 31 December 2020 to RMB19.1 million as at 31 December 2021 and the turnover days of trade receivables decreased from 44 days in 2020 to 35 days in 2021, mainly because our customers are increasingly adopting transaction terms in the form of "prepayment". Details of the ageing analysis of trade receivables are set out in note 21 to the consolidated financial statements in this report.

In 2021, 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

本集團於二零二一年及二零二零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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Prepayments for fixed assets	固定資產的預付款項	2,109	3,463
Prepayments for procurements of condiment products	採購調味品的預付款項	894	2,837
Other prepayments	其他預付款項	3,185	1,652
Deposits and other receivables	按金及其他應收款項	20,355	23,309
		<b>26,543</b>	31,261
Less: Portion classify as non-current assets	減：分類為非流動資產的部分	<b>(6,126)</b>	(15,714)
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>20,417</b>	15,547

#### 應收貿易款項

應收貿易款項由二零二零年十二月三十一日的人民幣20.4百萬元減少至二零二一年十二月三十一日的人民幣19.1百萬元，應收貿易款項週轉天數從二零二零年的44天減少至二零二一年的35天，主要由於我們的客戶更多地採用「預付款」形式的交易條款。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。

於二零二一年，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 2021, the carrying amount of the Group's inventories amounted to RMB653.6 million (2020: RMB684.9 million), of which RMB586.0 million (2020: RMB524.7 million) were base wine.

Inventories decreased from RMB684.9 million as at 31 December 2020 to RMB653.6 million as at 31 December 2021, 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 consumers 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 2021, our inventories with a carrying amount of RMB612.7 million (31 December 2020: RMB549.2 million) were pledged to secure other borrowings granted to the Group, for details please refer to note 20 to the consolidated financial statements.

### 存貨

於二零二一年十二月三十一日，本集團存貨賬面值為人民幣653.6百萬元(二零二零年：人民幣684.9百萬元)，其中人民幣586.0百萬元(二零二零年：人民幣524.7百萬元)的存貨為基酒。

存貨由二零二零年十二月三十一日的人民幣684.9百萬元減至二零二一年十二月三十一日的人民幣653.6百萬元，主要由於在製品的數目減少所致。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周六統計一次經銷商的庫存，每周上報給本公司，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消費者。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，儘量降低過剩存貨。

於二零二一年十二月三十一日，我們已將賬面值人民幣612.7百萬元的存貨(二零二零年十二月三十一日：人民幣549.2百萬元)已予質押以擔保本集團獲授的其他借款，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 2021, our total borrowings amounted to RMB1,760.4 million (31 December 2020: RMB1,495.5 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 2021, the Group does not have outstanding bank loans that were not in compliance with certain financial loan covenants. All of the bank loans has been repaid by Group.

### 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 2021, the Group was not engaged in hedging activities for managing foreign exchange rate risk.

### Liquidity and Financial Resources

As at 31 December 2021, we had cash and cash equivalents of RMB31.0 million (31 December 2020: RMB8.4 million). As at 31 December 2021, we had interest-bearing bank and other borrowings of an aggregate amount of RMB1,760.4 million (31 December 2020: RMB1,495.5 million), which were denominated in RMB with interest rates from 4.8% 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

於二零二一年十二月三十一日，我們借款總額為人民幣1,760.4百萬元(二零二零年十二月三十一日：人民幣1,495.5百萬元)。

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。

於二零二一年十二月三十一日，本集團並無未遵守若干財務貸款契諾的未償還銀行貸款。所有銀行貸款均由本集團償還。

### 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。截至二零二一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

於二零二一年十二月三十一日，我們的現金及現金等價物為人民幣31.0百萬元(二零二零年十二月三十一日：人民幣8.4百萬元)。於二零二一年十二月三十一日，我們的計息銀行及其他借款合計為人民幣1,760.4百萬元(二零二零年十二月三十一日：人民幣1,495.5百萬元)，均以人民幣計值，按年利率介乎4.8%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 220.9% as at 31 December 2021, representing an increase of 16.5% over 2020.

The gearing ratio is based on net debt divided by total deficit plus net debt as at 31 December 2021. 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 2021 amounted to RMB9.8 million (31 December 2020: RMB5.0 million), which was mainly related to equipment installation works in condiment workshop.

### CONTINGENT LIABILITIES

Save as disclosed in note 41 to the consolidated financial statements in this annual report, as at 31 December 2021, we did not have other material contingent liabilities.

### PLEDGE OF ASSETS

As at 31 December 2021, our inventories with a carrying amount of RMB612.7 million, property, plant and equipment with a carrying amount of RMB235.2 million and leasehold land with a carrying amount of RMB49.6 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 2021.

### SIGNIFICANT INVESTMENTS HELD

Our Group did not hold any significant investments during the year ended 31 December 2021.

### 資本負債比率

於二零二一年十二月三十一日，本集團資本負債比率為220.9%，較二零二零年上升16.5%。

資本負債比率按二零二一年十二月三十一日之淨債務除以虧絀總額加淨債務計算得出。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、未經授權擔保撥備以及其他長期負債。

### 資本承擔

於二零二一年十二月三十一日的資本承擔為人民幣9.8百萬元(二零二零年十二月三十一日：人民幣5.0百萬元)，主要與調味品車間的設備安裝工程有關。

### 或有負債

除本年報綜合財務報表附註41所披露者外，於二零二一年十二月三十一日，我們並無任何其他重大或有負債。

### 資產質押

於二零二一年十二月三十一日，我們抵押賬面值為人民幣612.7百萬元的存貨、賬面值為人民幣235.2百萬元的物業、廠房及設備及賬面值為人民幣49.6百萬元的租賃土地，作為授予我們一般融資的抵押。

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

於二零二一年十二月三十一日，本公司概無任何重大收購及出售事項。

### 所持重大投資

截至二零二一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

### 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

As the pandemic has intensified the cutthroat competition in the condiment market, 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 our business segments to provide consumers with higher-quality, 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, as well as 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 resurgent pandemic that has lasted more than two years, 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 videos, 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 2021, we released the vitality of the marketing team by reforming the 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，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。

疫情反復不斷時間跨度超過二年從而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、短視頻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。二零二一年，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 2021, the Group had approximately 490 full-time employees (31 December 2020: 422). 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 2020 annual report and no change has been made in 2021.

The total remuneration paid to the Group's employees (excluding Directors' and chief executive's remuneration) for the year ended 31 December 2021 amounted to approximately RMB39.5 million (2020: approximately RMB33.6 million), which included the Group's contribution to the employee benefit plan for the year 2021 of RMB4.0 million (2020: RMB3.5 million). Details of the employee benefit expense are disclosed in note 2.19 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 2021:

### 僱員及福利繳費

於二零二一年十二月三十一日，本集團共聘有大約490名全職僱員(二零二零年十二月三十一日：422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二零二零年年報披露的政策執行，且於二零二一年概無變動。

於截至二零二一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39.5百萬元(二零二零年：約人民幣33.6百萬元)，包括本集團於二零二一年就僱員福利計劃作出的供款人民幣4.0百萬元(二零二零年：人民幣3.5百萬元)。僱員福利開支詳情披露於本年報綜合財務報表附註2.19。

下表載列本集團截至二零二一年十二月三十一日按職能劃分的全職僱員：

**As at 31 December 2021**  
**截至二零二一年十二月三十一日**

<b>Number of employees</b>	<b>% of total</b>
<b>僱員人數</b>	<b>佔總數百分比</b>

Production	生產	243	49.6
Management and administration	管理及行政管理	19	3.9
Sales and marketing	銷售及營銷	145	29.6
Quality control, research and development and others	質量控制、研發及其他	83	16.9
Total	總計	490	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.

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 2021, the Group made charitable donations of RMB72,000.

### 慈善捐款

於二零二一年內，本集團作出慈善捐款人民幣72,000元。

### DISCUSSION ON QUALIFIED OPINION

#### (a) Management analysis on the impact of the qualified opinion on the Company's financial position

The Company's auditor expressed a qualified opinion on the Company's consolidated financial statements for the year ended 31 December 2021 (the "Audit Qualification"), on the basis as set out in the section headed "Basis for the Qualified Opinion" in the Independent Auditor's Report. The reason which gave rise to the qualified opinion was due to issues arising from the independent investigation, existence, accuracy, valuation and completeness of inventories and the opening balances and corresponding figures of the Consolidated Financial Statements for the financial year ended 31 December 2020 (the "Prior Year's Consolidated Financial Statements") and the absence of involvement of laboratory examination to validate its chemical contents from an independent third-party examination agency as at 31 December 2020 as Grant Thornton Hong Kong Limited were appointed as auditors subsequent to 31 December 2020 and not able to observe the physical stock-counts at that date, Grant Thornton Hong Kong Limited were unable to obtain sufficient and appropriate audit evidence to satisfy themselves as to the existence, accuracy, valuation and completeness of the inventories as at 31 December 2020 and 1 January 2021.

In relation to the Audit Qualification mentioned in Independent Auditor's Report, the auditor was not able to observe the physical stock-counts of inventories as at 31 December 2020. The qualification on the auditor's opinion for FY2021 is only limited to the opening balances and other corresponding figures of the FY2021 financial statements (the "Qualified Items"), which represented a residual effect of the FY2020 financial statements, on which the auditor has issued a disclaimer of opinion. Accordingly, the Management considers, which the Board and the Audit Committee concurs that, other than the Qualified Items, the consolidated financial statements for FY2021 presents a reasonable view of the affairs of the Group.

### 保留意見之討論

#### (a) 管理層有關保留意見對本公司財務狀況的影響之分析

本公司核數師根據獨立核數師報告「保留意見的基準」一節所載基礎，對本公司截至二零二一年十二月三十一日止年度的綜合財務報表發表保留意見（「審計保留意見」）。產生保留意見乃由於獨立調查產生的問題、存貨以及截至二零二零年十二月三十一日止財政年度的綜合財務報表（「上一年度綜合財務報表」）的期初結餘及相應數據的存在、準確性、估值及完整性，以及由於致同（香港）會計師事務所有限公司乃於二零二零年十二月三十一日後獲委任為核數師而無法觀察到當日的實物盤點，致同（香港）會計師事務所有限公司無法就二零二零年十二月三十一日及二零二一年一月一日存貨的存在、準確性、估值及完整性獲得充分及適當的審核證據導致於二零二零年十二月三十一日並無第三方檢驗機構參與實驗室檢驗以驗證其化學成分。

就獨立審計師報告中所述的審計保留意見而言，核數師無法觀察到二零二零年十二月三十一日的存貨實物盤點。二零二一財年之核數師保留意見僅限於二零二一財年財務報表之期初結餘及其他相應數據（「保留意見項目」），為核數師已發出不發表意見的二零二零財年財務報表之滯後效應。因此，管理層認為，且董事會及審核委員會認同管理層的意見，即除保留意見項目外，二零二一財年綜合財務報表反映對本集團事務的合理看法。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### (b) The Management's and the Audit Committee's view on the Audit Qualification

The Management has considered the auditor's view as mentioned in the "Basis for Qualified Opinion" of the Independent Auditor's Report and considers the Audit Qualification has been properly addressed.

The Audit Committee has also reviewed the Independent Auditor's Report which highlighted, among other things, the key issues and findings during their audit and the details of the Audit Qualification. For the year ended 31 December 2021, there are no disagreements between the Audit Committee and the Management concerning the Audit Qualification.

The Audit Committee had further discussed with the Company's auditor the impact of the Audit Qualification and agreed that the Audit Qualification would be removed for the financial year 2022 as the Audit Qualification only affect the comparability of figures for the year ended 31 December 2021 and prior year. There is no further impact in upcoming financial year.

### (b) 管理層及審核委員會對審計保留意見之見解

管理層已考慮獨立核數師報告「保留意見的基準」所述的核數師觀點，並認為已妥善處理審計保留意見。

審核委員會亦已審閱獨立核數師報告，報告著重指出(其中包括)核數師進行審核期間的主要問題及發現以及有關審計保留意見的詳情。截至二零二一年十二月三十一日止年度，審核委員會與管理層就審計保留意見不存在分歧。

審核委員會已與本公司核數師進一步討論審計保留意見的影響，並協定審計保留意見可能會在二零二二財政年度被刪除，因為審計保留意見僅影響截至二零二一年十二月三十一日止年度及過往年度數字的可比性，而不會對未來財政年度產生進一步影響。



# 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.

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) 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 2021, 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.

### (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。

截至二零二一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) 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 2021. 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 2021.

### (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二零二一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二零二一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 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 2021, the Board consist of the following eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors:

#### Executive Directors

Mr. Chen Wei (Chairman)

Mr. Liu Jianbin (CEO)

(appointed on 2 February 2021)

Mr. Sheng Mingjian (resigned on 28 June 2022)

Mr. Chen Weizhong (resigned as executive Director and CEO on 2 February 2021)

#### Non-executive Director

Mr. Gu Wei

#### 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

截至二零二一年十二月三十一日止年度，董事會由以下八名董事組成，包括四名執行董事、一名非執行董事及三名獨立非執行董事：

#### 執行董事

陳偉先生(主席)

劉建鑽先生(首席執行官)

(於二零二一年二月二日獲委任)

盛明健先生(於二零二二年六月二十八日辭任)

陳衛忠先生(於二零二一年二月二日辭任執行董事兼首席執行官)

#### 非執行董事

顧偉先生

#### 獨立非執行董事

沈振昌先生

吳榮輝先生

孫頌先生



# 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 Directors. In recognising the particular importance of gender diversity, the Company targets to appoint at least one female director by no 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。各董事的履歷資料(不包括已辭任者)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。

本公司自二零二零年六月二十九日以來未召開股東週年大會，因此，概無董事須退任並於股東週年大會上經股東重選。



# 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 director resigned during 2021, all our Directors have provided the Company with a record of their training received in 2021. A summary of the Directors participation in continuous professional training for the year ended 31 December 2021 is as follows:

#### Name of Director

#### 董事姓名

#### Executive Directors

Mr. Chen Wei

執行董事

陳偉先生

✓

Mr. Liu Jianbin

劉建鑽先生

✓

(appointed on 2 February 2021)

(於二零二一年二月二日獲委任)

Mr. Sheng Mingjian

盛明健先生

✓

(resigned on 28 June 2022)

(於二零二二年六月二十八日辭任)

Mr. Chen Weizhong

陳衛忠先生

✓

(resigned on 2 February 2021)

(於二零二一年二月二日辭任)

#### Non-executive Director

Mr. Guw Wei

非執行董事

顧偉先生

✓

#### Independent non-executive Directors

Mr. Shen Zhenchang

獨立非執行董事

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.

### 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。除於二零二一年辭任的董事外，全體董事已向本公司提供彼等於二零二一年所接受培訓的記錄。董事於截至二零二一年十二月三十一日止年度參與的持續專業培訓概列如下：

#### 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

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 2021, the Board convened a total of eight Board meetings, one Remuneration Committee meeting, one Nomination Committee meeting, six 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。

截至二零二一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六次審核委員會會議。



# 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 2021, 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。

截至二零二一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 and Board Committee Meetings

Attendance of each Director at all the Board meetings, Board committee meetings held during 2021 is set out as follows.

### 出席董事會及董事會委員會會議

各董事出席於二零二一年舉行的全部董事會會議、董事會委員會會議的情況載列如下。

Name of Director	董事姓名	Audit Nomination Remuneration			
		Board meeting 董事會會議	Committee meeting 審核委員會會議	Committee meeting 提名委員會會議	Committee meeting 薪酬委員會會議
<i>Executive Directors</i>					
Mr. Chen Wei	陳偉先生	8/8	N.A. 不適用	N.A. 不適用	N.A. 不適用
Mr. Liu Jianbin (appointed as executive Director on 2 February 2021)	劉建鎮先生(於二零二一年二月二日獲委任為執行董事)	6/6	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
Mr. Chen Weizhong (resigned as executive Director on 2 February 2021)	陳衛忠先生(於二零二一年二月二日辭任執行董事)	0/2	N.A. 不適用	N.A. 不適用	N.A. 不適用
<i>Non-executive Director</i>					
Mr. Gu Wei	顧偉先生	8/8	6/6	N.A. 不適用	N.A. 不適用
<i>Independent non-executive Directors</i>					
Mr. Shen Zhenchang	沈振昌先生	8/8	6/6	1/1	1/1
Mr. Ng Wing Fai	吳榮輝先生	8/8	6/6	1/1	1/1
Mr. Sun Jiong	孫頴先生	7/8	5/6	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 chief executive officer (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 ("Mr. Chen") 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(「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(「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 2021, 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，陳律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。陳律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。

於陳律先生帶領下，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。陳律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。

截至二零二一年十二月三十一日止年度，董事會主席陳律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 2021, the Audit Committee has convened six meetings, with all members present in person or through telephonic conferencing, during which the following works were performed:

During the year ended 31 December 2021, the Audit Committee considered and made recommendations to the Board on, among others, the appointment of Company's auditor, establishment of Independent Investigation Committee, and the appointments of Independent Forensic Accountant and internal control consultant. The Audit Committee reviewed with the management and the auditor of the Company, among others, their audit findings, legal and regulatory compliance, and financial reporting matters.

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.

截至二零二一年十二月三十一日止年度，審核委員會曾召開六次會議，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：

於截至二零二一年十二月三十一日止年度，審核委員會已考慮(其中包括)委任本公司核數師、成立獨立調查委員會以及委任獨立法務會計師及內部監控顧問，並就此向董事會提出推薦建議。審核委員會已與本公司管理層及核數師審閱(其中包括)其審計結果、法律及監管合規以及財務報告事宜。

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 2021 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 2021 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	4

Details of the remuneration of each Director for the year ended 31 December 2021 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二零二一年舉行一次會議，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)，截至二零二一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：

各位董事於截至二零二一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 2021, 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.

提名委員會已於二零二一年舉行一次會議，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, Grant Thornton Hong Kong Limited ("Grant Thornton"), during the year ended 31 December 2021 is set out below:

### (G) 核數師酬金

截至二零二一年十二月三十一日止年度支付或應付予本公司外聘核數師致同(香港)會計師事務所有限公司(「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 Grant Thornton	致同提供核數服務	3,600

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. There has been no major disagreement between the auditors and the management of the Company during the year ended 31 December 2021.

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 re-appointment of Grant Thornton as the Company's external auditors for the financial year ending 31 December 2022 which is subject to the approval by the Shareholders at the forthcoming AGM of the Company.

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。核數師與本公司管理層於截至二零二一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續聘致同為本公司截至二零二二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，惟須經股東於本公司應屆股東週年大會上批准方可作實。



# 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 Hong Kong Limited 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 2021 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(香港)會計師事務所有限公司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二零二一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.

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的結果及內部監控審閱發現存在重大內部監控缺陷。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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.

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 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.

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。

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的公佈，以了解內部監控審閱、本集團內部監控系統及程序中發現的缺陷及本集團所採取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 2021. 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 2021.

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.

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

截至二零二一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，並於截至二零二一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。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (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 thereat on his/her/its behalf.

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).

### (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。

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)。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (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.

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.

### (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。

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 2021.

### 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.

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.

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2021 are set out on pages 77 to 84 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021.

### 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.

### 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.

### EQUITY-LINKED AGREEMENTS

There were no equity-linked agreements entered into by the Group, or existed during the year ended 31 December 2021.

### SHARE CAPITAL

Details of the movements in the Company's share capital during the year ended 31 December 2021 are set out in note 32 to the consolidated financial statements in this annual report.

董事會欣然提呈本集團截至二零二一年十二月三十一日止年度之年報及經審核財務報表。

### 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。

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。

### 業績及股息

本集團截至二零二一年十二月三十一日止年度業績載於本年報第77至84頁。

董事會不建議就截至二零二一年十二月三十一日止年度派付期末股息。

### 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。

### 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。

### 股權關聯協議

截至二零二一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。

### 股本

本公司於截至二零二一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32。

# DIRECTORS' REPORT

## 董事會報告

### 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 2021, 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 2021 are set out in note 33 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 2021.

### 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 2021.

### DIRECTORS

A summary of the Directors who held office during the year ended 31 December 2021 and up to the date of this annual report is set out on page 7 of this annual report.

### 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.

### 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

於二零二一年十二月三十一日，本公司並無可分派予股東之儲備。

### 儲備

本集團及本公司截至二零二一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33。

### 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。

董事並不知悉截至二零二一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二零二一年並無購買、出售或贖回本公司之任何上市證券。

### 董事

截至二零二一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7頁。

### 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。

# DIRECTORS' REPORT

## 董事會報告

### 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 10 to 15 of this annual report.

### DIRECTORS' SERVICE CONTRACTS

As at 31 December 2021, 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 2021.

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 2021.

### 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10頁至15頁「董事及高級管理人員履歷」一節。

### 董事的服務合約

於二零二一年十二月三十一日，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

截至二零二一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二零二一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, pension scheme contributions) paid to the Company's Directors in aggregate for the years ended 31 December 2020 and 2021 were approximately RMB1,573,000 and RMB1,335,000, respectively.

The remuneration (including salaries allowances and benefits in kind, performance related bonuses, pension scheme contributions) paid to our Group's five highest paid individuals in aggregate for the years ended 31 December 2020 and 2021 were approximately RMB2,084,000 and RMB2,332,000, respectively.

For the year ended 31 December 2021, 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 2021.

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 2021 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。

截至二零二零年及二零二一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、薪金津貼及實物利益、表現相關的花紅、退休福利計劃供款）總計分別約人民幣1,573,000元及人民幣1,335,000元。

截至二零二零年及二零二一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（包括薪金津貼及實物利益、表現相關的花紅、退休福利計劃供款）總計分別約人民幣2,084,000元及人民幣2,332,000元。

截至二零二一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。概無董事就截至二零二一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，截至二零二一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 2021 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 2021.

### 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二零二一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，於年末或二零二一年內任何時間，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。



# DIRECTORS' REPORT

## 董事會報告

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

Save as disclosed in the paragraphs headed “Connected Transaction and Related Party Transactions” of this report below, during 2021, 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.

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

As at 31 December 2021, none of the Directors, the chief executive of the Company or any of their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) (the “Associated Corporations”), 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.

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

So far as is known to any Director or the chief executive, as at 31 December 2021, the following corporations/persons had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

### 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，於二零二一年，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。

### 董事及最高行政人員於證券的權益及淡倉

於二零二一年十二月三十一日，概無董事、本公司最高行政人員或彼等的任何聯繫人於本公司或其相聯法團（「相聯法團」）（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有(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有關條文彼等被視為或被當作擁有的權益及淡倉）；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)須知會本公司及聯交所的任何權益或淡倉。

### 主要股東於證券的權益及淡倉

據任何董事或最高行政人員所知，於二零二一年十二月三十一日，下列法團／人士於本公司根據證券及期貨條例第336條須備存的登記冊中登記的本公司股份及相關股份中擁有權益或淡倉，直接或間接擁有或被視為擁有本公司已發行股本5%或以上權益：



# DIRECTORS' REPORT

## 董事會報告

### Interests and short positions in the Shares and underlying Shares of the Company as at 31 December 2021

於二零二一年十二月三十一日於本公司股份及相關股份的權益及淡倉

Name	名稱	Nature of interests	Number of shares or underlying shares held	Approximate percentage of the Company's issued share capital <sup>(1)</sup>
		權益性質	持有股份或相關股份數目	佔本公司已發行股本概約百分比 <sup>(1)</sup>
Chen Weizhong <sup>(2)</sup>	陳衛忠 <sup>(2)</sup>	Interest of a controlled corporation	283,018,750 (L)	48.90%
		受控法團權益		
		Beneficial interest	2,682,000 (L)	0.46%
		實益權益		
Key Shine Global Holdings Limited <sup>(2)</sup>	Key Shine Global Holdings Limited <sup>(2)</sup>	Beneficial owner	283,018,750 (L)	48.90%
		實益擁有人		
Ms. Xing Liyu <sup>(3)</sup>	邢利玉女士 <sup>(3)</sup>	Interest of spouse	285,700,750 (L)	49.37%
		配偶權益		
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	229,424,000 (L)	39.64%
		擁有股份質押權益的人士		
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	229,424,000 (L)	39.64%
		擁有股份質押權益的人士		
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	229,424,000 (L)	39.64%
		擁有股份質押權益的人士		
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	72,625,000 (L)	12.55%
		實益擁有人		
Chongqing Zhongxin Rongbang Investment Center (Limited Partnership) <sup>(5)</sup>	重慶中新融邦投資中心(有限合伙) <sup>(5)</sup>	Interest of a controlled corporation	72,625,000 (L)	12.55%
		受控法團權益		
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	72,625,000 (L)	12.55%
		受控法團權益		
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	72,625,000 (L)	12.55%
		受控法團權益		
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	72,625,000 (L)	12.55%
		受控法團權益		

# DIRECTORS' REPORT

## 董事會報告

Name	名稱	Nature of interests 權益性質	Number of shares or underlying shares held 持有股份或相關股份數目	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>
Zhonghai Shengfeng (Beijing) Capital Management Co., Ltd. <sup>(6)</sup>	中海晟豐(北京)資本管理有限公司 <sup>(6)</sup>	Interest of a controlled corporation 受控法團權益	72,625,000 (L)	12.55%
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 <sup>(7)</sup> (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；(iii) 擁有股份質押權益的人士 <sup>(7)</sup>	345,700,750 (L) <sup>(6)</sup>	59.73% <sup>(6)</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>(6)</sup>	59.73% <sup>(6)</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>(6)</sup>	59.73% <sup>(6)</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>(6)</sup>	59.73% <sup>(6)</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>(6)</sup>	59.73% <sup>(6)</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 2021.
- (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二零二一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股份數目中擁有權益。
  - (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股由Natural Seasoning International (HK) Limited以實益擁有人身份持有；(ii)281,424,000股由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股由Natural Seasoning International (HK) Limited以擁有股份擔保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。有關該爭議的詳情，請參閱本公司日期為二零一九年十二月十六日的公告。
- (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。有關該爭議的詳情，請參閱本公司日期為二零一九年十二月十六日的公告。
- (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 2021, the Company had not been notified by any persons, other than Directors or chief executive, who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2021, the Group's largest customer accounted for 11.6% (2020: 11.5%) of the Group's total revenue. The Group's five largest customers accounted for 24.0% (2020: 26.3%) of the Group's total revenue.

In the year ended 31 December 2021, the Group's largest supplier accounted for 6.7% (2020: 9.4%) of the Group's total purchases. The Group's five largest suppliers accounted for 25% (2020: 36.4%) 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，而本公司並無就其載述的資料準確性、有效性、正確性及完備性發表聲明。

除上文所披露者外，於二零二一年十二月三十一日，概無任何人士(不包括董事或最高行政人員)知會本公司，其於本公司根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或根據證券及期貨條例第336條須備存的登記冊中登記的股份或相關股份中擁有權益或淡倉。

## 主要供應商及客戶

截至二零二一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11.6%(二零二零年：11.5%)。本集團五大客戶佔本集團總收益的24.0%(二零二零年：26.3%)。

截至二零二一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6.7%(二零二零年：9.4%)。本集團五大供應商佔本集團採購總額的25%(二零二零年：36.4%)。

# 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 2021.

### EMPLOYEES

As at 31 December 2021, the Group had 490 full-time employees, as compared to 422 employees as at 31 December 2020. 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 2021 are approximately RMB4.0 million (2020: RMB3.4 million). No forfeited contributions are available to reduce the contribution payable by the Group in future years.

據董事所知，於二零二一年報告期內，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

截至二零二一年十二月三十一日，本集團聘有約490名全職僱員，而二零二零年十二月三十一日為422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。

二零二一年就該等退休福利計劃已付或應付之供款約為人民幣4.0百萬元(二零二零年：人民幣3.4百萬元)。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 guarantees provided by certain connected persons/related parties for certain Group's bank loans, please refer to notes 29(g) and 37(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 42 (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 37 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 29 to 51 of this annual report, the Company has complied with the Governance Code in the year ended 31 December 2021. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 29 to 51 of this annual report.

### 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.

### 關連交易及與關聯方的交易

有關若干關連人士／關聯方為若干集團的銀行貸款提供擔保，請參閱本年報綜合財務報表附註29(g)及37(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)。

有關本集團、南太湖與浙江中味於報告期後訂立的三方協議，請參閱本年報綜合財務報表附註42(c)。

除上文所披露者外，董事認為本年報財務報表附註37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29至51頁企業管治報告所披露者外，本公司於截至二零二一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29至51頁之企業管治報告。

### 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（已於二零二一年四月二十六日辭任本公司核數師）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）向其提供服務一事制定了適當的政策和程序。

# DIRECTORS' REPORT

## 董事會報告

### 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 2021, 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 2021, there were no significant or major disputes with our suppliers and/or customers.

### 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.

### 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。於截至二零二一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，於截至二零二一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。

### 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。

# DIRECTORS' REPORT

## 董事會報告

### 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.

### SUSPENSION OF TRADING

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.

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 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 and 23 July 2021.

### 遵守法律及法規

除本報告披露者外，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。

### 暫停買賣

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。

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及二零二一年七月二十三日的公佈。



# DIRECTORS' REPORT

## 董事會報告

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); and (4) the appointments of Independent Forensic Accountant (as defined in the Relevant Announcements) and Internal Control Consultant (as defined in the Relevant Announcements), 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 and 29 December 2021 (the "Relevant Announcements").

### MATERIAL EVENTS AFTER THE REPORTING PERIOD

The Company has received a letter from the Stock Exchange dated 27 July 2022, setting out certain additional resumption guidance for the Company to satisfy before the trading of its securities would be allowed to resume. For further details of the additional resumption guidance set forth by the Stock Exchange, please refer to the announcement of the Company dated 3 August 2022.

For further information in relation to (1) the resumption progress of the Company after the reporting period; (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 appointment of the financial adviser of the Company; (4) the update on the Independent Investigation (as defined in the Relevant Announcements) and the key findings of Independent Investigation; and (5) 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 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 details of other events after the reporting period are set out in note 42 to the consolidated financial statements.

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)；及(4)委任獨立法務會計師(定義見相關公佈)及內部監控顧問(定義見相關公佈)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及二零二一年十二月二十九日的公佈(「相關公佈」)。

### 報告期後重大事項

本公司接獲聯交所日期為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額外復牌指引。有關聯交所載額外復牌指引的進一步詳情，請參閱本公司日期為二零二二年八月三日的公佈。

有關(1)本公司報告期後的復牌進展；(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)委任本公司財務顧問；(4)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(5)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。

報告期後其他事項的詳情載於綜合財務報表附註42。



# 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 2021 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。

本集團截至二零二一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)

### QUALIFIED OPINION

We have audited the consolidated financial statements of Honworld Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 77 to 192, which comprise the consolidated statement of financial position as at 31 December 2021, 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.

In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

### BASIS FOR QUALIFIED OPINION

Our auditors’ report on the consolidated financial statements of the Group for the financial year ended 31 December 2020 as contained in the annual report of the Company for that financial year (the “**Prior Year’s Consolidated Financial Statements**”) contained disclaimer of opinion, which form the basis for the corresponding figures presented in the current year’s consolidated financial statements, as we were unable to obtain sufficient and appropriate audit evidence in respect of the issues arising from the independent investigation, existence, accuracy, valuation and completeness of inventories and the opening balances and corresponding figures of the Prior Year’s Consolidated Financial Statements. Details of these matters that led to our disclaimer of opinion on the Prior Year’s Consolidated Financial Statements are set out in our auditors’ report dated 28 September 2022 contained in the annual report of the Company for the year ended 31 December 2020.

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)

### 保留意見

我們已審計列載於第 77 至 192 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，當中包括於二零二一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。

我們認為，除本報告「保留意見的基準」一節所述事項的潛在影響外，綜合財務報表已根據國際會計準則委員會(「**國際會計準則委員會**」)頒佈的國際財務報告準則(「**國際財務報告準則**」)真實而中肯地反映 貴集團於二零二一年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥善編製。

### 保留意見的基準

我們就 貴集團截至二零二零年十二月三十一日止財政年度之年報所載列該財政年度的綜合財務報表(「**上一年度綜合財務報表**」)出具核數師報告，當中載有不發表意見(該意見構成本年度綜合財務報表相應數據的基礎)，理由是我們未能就獨立調查產生的問題、存貨的存在、準確性、估值及完整性以及上一年度綜合財務報表的期初結餘及相應數據取得充足及適當的審計憑證。有關該等導致我們就上一年度綜合財務報表作出不發表意見的事項詳情，載於我們日期為二零二二年九月二十八日之核數師報告，並已載入 貴公司截至二零二零年十二月三十一日止年度之年報。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### BASIS FOR QUALIFIED OPINION (Continued)

Accordingly, the matters in respect of the independent investigation and the opening balances and corresponding figures of the Prior Year's Consolidated Financial Statements would affect the financial performance of the Group for the year ended 31 December 2020. Our opinion on the current year's consolidated financial statements for the year ended 31 December 2021 is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

In addition, due to the absence of involvement of laboratory examination to validate its chemical contents from an independent third-party examination agency at 31 December 2020 as we were appointed as auditors subsequent to 31 December 2020 and not able to observe the physical stock-counts at that date, we were unable to obtain sufficient and appropriate evidence to satisfy ourselves as to the existence, accuracy, valuation and completeness of the inventories as at 31 December 2020 and 1 January 2021. Any adjustments that might be found necessary as a result of this matter described above might affect the accuracy on the cost of sales charged for the year ended 31 December 2021, which have a consequential effect on the Group's results and cash flows for the year ended 31 December 2021 and the related disclosures thereof in the consolidated financial statements. Accordingly, our audit opinion on the current year's financial performance and consolidated cash flows for the year ended 31 December 2021 is also modified.

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

### 保留意見的基準(續)

因此，有關獨立調查以及上一年度綜合財務報表的期初結餘及相應數據的事項或會對貴集團截至二零二零年十二月三十一日止年度之財務表現造成影響。由於該等事項可能對本年度數據與相應數據的可比較性造成影響，我們對截至二零二一年十二月三十一日止年度的本年度綜合財務報表的意見亦予以修訂。

此外，由於我們乃於二零二零年十二月三十一日後獲委任為核數師而無法觀察到當日的實物盤點，我們無法就二零二零年十二月三十一日及二零二一年一月一日存貨的存在、準確性、估值及完整性獲得充分及適當的證據，導致於二零二零年十二月三十一日並無第三方檢驗機構參與實驗室檢驗以驗證其化學成分。因上述事項而可能被認為有必要作出的任何調整可能對截至二零二一年十二月三十一日止年度計入的銷售成本的準確性造成影響，從而可能對貴集團截至二零二一年十二月三十一日止年度的業績及現金流量以及綜合財務報表相關披露造成間接影響。因此，我們對本年度財務表現及截至二零二一年十二月三十一日止年度之綜合現金流量的審計意見亦予以修訂。

我們乃根據香港會計師公會頒佈之香港審計準則（「香港審計準則」）進行審計。我們於該等準則下之責任於本報告內「核數師就審計綜合財務報表須承擔的責任」一節進一步詳述。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。我們相信，我們所獲得之審計憑證可充分及恰當地為我們之保留意見提供基礎。

# 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.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

### 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。我們的意見未有就此事項作出修訂。

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期間的綜合財務報表的審計最為重要的事項。該等事項是在我們審計綜合財務報表及出具意見時進行處理的，我們不會就該等事項單獨發表意見。除「保留意見的基準」一節所述事項外，我們已釐定以下事項為將於本報告中溝通的關鍵審計事項。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 關鍵審計事項在審計中是如何應對的
<p><b>Existence for inventories</b> 存在存貨</p>	
<p>We identified the existence for inventories as key audit matter due to the significance of the balance to the consolidated financial statements and the involvement of risks of material misstatement.</p> <p>The Group has a significant balance of inventories and needs to maintain its inventories at an appropriate level to meet the future market and production needs. As at 31 December 2021, the inventory balance of the Group was approximately RMB653,611,000, representing approximately 54.8% of the Group's total assets. The majority of the inventories were the work in progress which are base wine and base soy sauce amounted approximately RMB631,304,000. The existence of base wine and base soy sauce could not be easily substantiated via physical observation since it was massive in quantity and this needs involvement of laboratory examination to validate its chemical contents.</p> <p>The disclosures of inventory provision are included in note 20 to the consolidated financial statements.</p> <p>我們將存在存貨識別為關鍵審計事項，原因為有關結餘對綜合財務報表而言屬重大且涉及重大錯報風險。</p> <p>貴集團有大量存貨結餘且需要維持適當水平的存貨以滿足未來的市場及生產需求。於二零二一年十二月三十一日，貴集團存貨結餘約為人民幣653,611,000元，佔貴集團總資產約54.8%，且大部分存貨為在製品基酒及基醬油，其金額約為人民幣631,304,000元。由於基酒及基醬油數量極大且需要實驗室檢驗以驗證其化學成分，因此基酒及基醬油的存在不能通過實物觀察而輕易證實。</p> <p>有關存貨撥備的披露載於綜合財務報表附註20。</p>	<p>Our audit procedures in relation to the existence for inventories included the following:</p> <ul style="list-style-type: none"> <li>• discussed with management and understood the Group's internal controls over the inventories;</li> <li>• observed the Group's physical stock-counts at the end of the current reporting period which covered the major types of the Group's inventories, and randomly selected certain inventory samples (the "Inventory Samples") during the observation and assessed the laboratory examination results of the chemical contents of the Inventory Samples from an independent third-party examination agency (the "Laboratory Examination Results") engaged by us; and</li> <li>• assessed the results regarding the independence and competence of industry experts from the examination agency (the "Experts"), and with the assistance of the Experts assessed the reasonableness of (i) the input-output ratios of the Group's base wine with different alcohol levels and base soy sauce, which represented the proportional relations that exist between input volumes of raw materials and output volumes of base wine and base soy sauce, and (ii) the Laboratory Examination Results.</li> </ul> <p>我們就存在存貨執行的審計程序包括以下各項：</p> <ul style="list-style-type: none"> <li>• 與管理層展開討論，了解貴集團對存貨的內部監控；</li> <li>• 觀察貴集團在本報告期期末的實際盤點（涵蓋貴集團主要類別的存貨）並在觀察時隨機選定若干存貨樣品（「存貨樣品」）；評估我們聘請的獨立第三方檢驗機構對存貨樣品化學成分的實驗室檢驗結果（「實驗室檢驗結果」）；及</li> <li>• 評估檢驗機構的行業專家（「專家」）的獨立性及能力結果，並且聘請專家協助我們評估以下各項的合理性：(i) 貴集團的不同酒精度基酒以及基醬油的投入產出比率（即原材料投入量與基酒以及基醬油產出量之間的比例關係），及(ii)實驗室檢驗結果。</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 關鍵審計事項在審計中是如何應對的
<p><b>Provision for inventories</b> 存貨撥備</p>	
<p>We identified the inventory provision as key audit matter due to the significance of the balance to the consolidated financial statements and the involvement of subjective judgement and management estimates in inventory provision at the end of the reporting period.</p> <p>The Group has a significant inventory balance 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. We focused on this area because the determination of inventory provisions involved significant estimation of the net realisable values (the “NRV”) of the inventories which were influenced by assumptions concerning future sales and usage and judgements in determining the appropriate level of inventory provisions against identified surplus or obsolete items.</p> <p>The significant accounting judgements and estimates and disclosures of inventory provision are included in notes 4.2(c) and 20 to the consolidated financial statements.</p> <p>我們將存貨撥備識別為關鍵審計事項，原因為有關結餘對綜合財務報表而言屬重大且報告期末之存貨撥備涉及主觀判斷及管理層估計。</p> <p>貴集團有大量存貨結餘且需要在一年以上期間內將其大部分基酒維持於適當水平以滿足未來的生產需求。我們關注此方面是由於存貨撥備涉及對存貨可變現淨值(「可變現淨值」)的重大估計，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估計。</p> <p>有關存貨撥備的重大會計判斷及估計以及披露載於綜合財務報表附註4.2(c)及20。</p>	<p>Our audit procedures in relation to the inventory provision included the following:</p> <ul style="list-style-type: none"> <li>• obtained an understanding on the internal controls and process over inventory provision and how management estimates the provision for inventories;</li> <li>• reviewed the ageing of the Group’s inventories;</li> <li>• assessed the Group’s assumptions used in the inventory provision calculation by reviewing the basis, the rationale and the consistency of the inventory provision policy; and</li> <li>• on a sampling basis, reviewed the NRV of inventories with reference to selling prices achieved and cost to sell after the financial year end.</li> </ul> <p>我們就存貨撥備執行的審計程序包括以下各項：</p> <ul style="list-style-type: none"> <li>• 了解有關存貨撥備的內部監控及程序，以及管理層如何估計存貨撥備；</li> <li>• 審閱 貴集團存貨賬齡；</li> <li>• 通過檢討存貨撥備政策的基準、理由及一致性，評估 貴集團於存貨撥備計算過程中採用的假設；及</li> <li>• 參考財政年度末後達成的售價及銷售成本，以抽樣方式審閱存貨的可變現淨值。</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the 2021 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Because of the possible effects of the matters described in the Basis for Qualified Opinion section above, we are unable to conclude whether or not the Other Information is materially misstated with respect to these matters.

### 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 IFRSs issued by the IASB 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.

### 其他資料

董事須對其他資料負責。其他資料包括 貴公司二零二一年年報內的全部資料，但不包括綜合財務報表及我們就此發出的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對其他資料發表任何形式的鑒證結論。

在我們審計綜合財務報表時，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況有重大不符，或者存在重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們須報告該事實。由於上文「保留意見」一節所述事項的潛在影響，我們無法就該等事項斷定其他資料是否存在重大錯誤陳述。

### 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監控負責。

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 objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hong Kong Standards on Auditing ("HKSA") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

### 核數師就審計綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理鑑證，並出具包括我們意見的核數師報告。我們僅對全體成員報告我們的意見，除此以外，本報告並無其他用途。我們不會就核數師報告的內容向任何其他人士負責或承擔任何責任。

合理鑑證是高水平的保證，但不能保證按照香港審計準則（「香港審計準則」）進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審核程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

### 核數師就審計綜合財務報表須承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當作出有保留意見。我們的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責貴集團審核的方向、監督和執行。我們為審核意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部監控的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取的行動或防範措施。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Grant Thornton Hong Kong Limited**

*Certified Public Accountants*

11<sup>th</sup> Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

28 September 2022

#### **Ng Ka Kong**

Practising Certificate No.: P06919

### 核數師就審計綜合財務報表須 承擔的責任(續)

從與審核委員會溝通的事項中，我們確定哪些事項對本期間的綜合財務報表的審核最為重要，因而構成關鍵審核事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

#### 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 2021 截至二零二一年十二月三十一日止年度

		Notes	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
		附註		
<b>Revenue</b>	收入	6.1	252,671	226,331
Cost of sales	銷售成本		(184,162)	(180,731)
<b>Gross profit</b>	毛利		68,509	45,600
Other income and gains	其他收入及收益	6.2	6,778	14,639
Selling and distribution expenses	銷售及經銷開支		(74,640)	(55,701)
Administrative expenses	行政開支		(61,273)	(72,122)
Loss arising from the Incident	事件產生的虧損	7	-	(600,575)
Impairment losses	減值虧損	8	(12,553)	(9,945)
Other expenses	其他開支	9	(109,714)	(68,857)
Finance costs	融資成本	11	(135,556)	(96,241)
<b>Loss before income tax</b>	除所得稅前虧損	10	(318,449)	(843,202)
Income tax expense	所得稅開支	14	-	(2,091)
<b>Loss for the year</b>	年內虧損		(318,449)	(845,293)
<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	(0.55)	(1.46)

# 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 2021 截至二零二一年十二月三十一日止年度

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>Loss for the year</b>	年內虧損	<b>(318,449)</b>	(845,293)
<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	1,049	5,103
<b>Total comprehensive loss for the year</b>	年內全面虧損總額	<b>(317,400)</b>	(840,190)

The notes on pages 85 to 192 are an integral part of these consolidated financial statements. 第85至192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 2021 於二零二一年十二月三十一日

		Notes	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
		附註		
<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	273,388	282,487
Right-of-use assets	使用權資產	18(a)	49,560	50,859
Other intangible assets	其他無形資產	19	1,432	1,367
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	22	6,126	15,714
			<b>330,506</b>	<b>350,427</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	20	653,611	684,926
Trade receivables	應收貿易款項	21	19,136	20,414
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	22	136,055	111,416
Amounts due from related companies	應收關聯公司款項	23	22,238	31,851
Pledged deposits	已抵押存款	24	1,205	230
Cash and cash equivalents	現金及現金等價物	24	31,015	8,443
			<b>863,260</b>	<b>857,280</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付貿易款項	25	38,152	42,739
Other payables and accruals	其他應付款項及應計項目	26	421,445	364,918
Other liabilities	其他負債	31	33,000	-
Amounts due to related companies	應付關聯公司款項	27	17,425	10,968
Amount due to ultimate holding company	應付最終控股公司款項	28	44,621	44,755
Interest-bearing bank and other borrowings	計息銀行及其他借款	29	1,694,722	1,408,963
Provision for loss on unauthorised guarantees	未經授權擔保虧損撥備	30	17,500	27,500
Tax payable	應繳稅項		73,015	82,621
			<b>2,339,880</b>	<b>1,982,464</b>
<b>Net current liabilities</b>	<b>流動負債淨值</b>		<b>(1,476,620)</b>	<b>(1,125,184)</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>(1,146,114)</b>	<b>(774,757)</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2021 於二零二一年十二月三十一日

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<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	65,690	86,523
Other long term liabilities	其他長期負債	31	106,090	139,214
			171,780	225,737
<b>Net liabilities</b>	<b>負債淨額</b>		<b>(1,317,894)</b>	<b>(1,000,494)</b>
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	32	1,767	1,767
Reserves	儲備	33	(1,319,661)	(1,002,261)
<b>Total deficit</b>	<b>虧絀總額</b>		<b>(1,317,894)</b>	<b>(1,000,494)</b>

**Chen Wei**

陳偉

Director

董事

**Liu Jianbin**

劉建濱

Director

董事

The notes on pages 85 to 192 are an integral part of these consolidated financial statements. 第85至192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 2021 截至二零二一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 法定 盈餘儲備	Exchange fluctuation reserve 匯兌 波動儲備	Accumulated losses	Total deficit
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	合併儲備 RMB'000 人民幣千元 (note 33) (附註33)	資本儲備 RMB'000 人民幣千元 (note 33) (附註33)	RMB'000 人民幣千元 (note 33) (附註33)	RMB'000 人民幣千元	RMB'000 人民幣千元	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)	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 differences 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)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2021 截至二零二一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	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(note 33)	(note 33)	(note 33)			
				(附註33)	(附註33)	(附註33)			
At 1 January 2021	於二零二一年一月一日	1,767	817,201*	(1,000)*	7,003*	24,262*	23,025*	(1,872,752)*	(1,000,494)
Loss for the year	年內虧損	-	-	-	-	-	-	(318,449)	(318,449)
Other comprehensive income for the year:	年內其他全面收益：								
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌差額	-	-	-	-	-	1,049	-	1,049
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	-	-	1,049	(318,449)	(317,400)
At 31 December 2021	於二零二一年十二月三十一日	1,767	817,201*	(1,000)*	7,003*	24,262*	24,074*	(2,191,201)*	(1,317,894)

\* As at 31 December 2021, these reserve accounts comprise the consolidated reserves of a debit amount of RMB1,319,661,000 (2020: debit amount of RMB1,002,261,000) in the consolidated statement of financial position.

\* 於二零二一年十二月三十一日，該等儲備賬包括綜合財務狀況表內的綜合儲備借記金額人民幣1,319,661,000元(二零二零年：借記金額人民幣1,002,261,000元)。

The notes on pages 85 to 192 are an integral part of these consolidated financial statements.

第85至192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 2021 截至二零二一年十二月三十一日止年度

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
		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		(318,449)	(843,202)
Adjustments for:	就下列各項調整：			
Depreciation of owned assets	自有資產折舊	17	26,263	26,253
Depreciation of right-of-use assets	使用權資產折舊	18(a)	2,412	1,938
Finance costs	融資成本	11	135,556	96,241
Interest income	利息收入	6.2	(20)	(964)
Amortisation of other intangible assets	其他無形資產攤銷	19	306	554
Loss on written off of items of property, plant and equipment	撤銷物業、廠房及設備項目虧損	17	-	15
Loss on disposals of items of property, plant and equipment	出售物業、廠房及設備項目虧損	17	2,345	-
Impairment loss on trade receivables	應收貿易款項的減值虧損	8	1,722	3,652
(Reversal of impairment loss)/Impairment loss on prepayment and other receivables	預付款項及其他應收款項 (減值虧損撥回)/減值虧損	8	(194)	1,776
Impairment loss on amounts due from related companies	應收關聯公司款項減值虧損	8	2,531	2,069
Written off of inventories	存貨撤銷	8	5,705	-
Impairment loss on right-of-use assets	使用權資產減值虧損	8	2,789	2,448
Provision of inventories, net	存貨撥備淨值	20	802	4,999
Operating cash flows before working capital changes	營運資金變動前經營現金流		(138,232)	(704,221)
Decrease in inventories	存貨減少		24,808	380,802
(Increase)/Decrease in trade receivables	應收貿易款項(增加)/減少		(444)	4,375
(Increase)/Decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產(增加)/減少		(16,211)	123,734
Decrease in trade payables	應付貿易款項減少		(4,587)	(24,267)
Increase in other payables and accruals	其他應付款項及應計項目增加		46,567	20,098
(Decrease)/Increase in other long term liabilities	其他長期負債(減少)/增加		(124)	2,266
Cash used in operations	經營所用現金		(88,223)	(197,213)
Interest received	已收利息		20	964
Income tax paid	已付所得稅		(9,606)	(537)
<b>Net cash used in operating activities</b>	<b>經營活動所用淨現金</b>		(97,809)	(196,786)

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Notes 附註			
<b>Cash flows from investing activities</b>		<b>投資活動的現金流量</b>		
Purchase of property, plant and equipment		購買物業、廠房及設備	(18,155)	(1,508)
Additions to other intangible assets	19	添置其他無形資產	(371)	(876)
(Increase)/Decrease in pledged deposits		已抵押存款(增加)/減少	(975)	66,809
Decrease in amounts due from related companies		應收關聯公司款項減少	7,082	16,907
<i>Net cash (used in)/generated from investing activities</i>		<i>投資活動(所用)/產生淨現金</i>	<b>(12,419)</b>	81,332
<b>Cash flows from financing activities</b>		<b>融資活動的現金流量</b>		
Proceeds from interest-bearing bank and other borrowings	34(b)	計息銀行及其他借款所得款項	1,878,652	706,109
Repayment of interest-bearing bank and other borrowings	34(b)	償還計息銀行及其他借款	(1,608,274)	(639,840)
Dividends paid	15	已付股息	-	(39,355)
Interest paid	34(b)	已付利息	(104,951)	(48,694)
Principal portion of lease payments	34(c)	租賃付款本金部分	(39,959)	(46,548)
Increase/(Decrease) in amounts due to related companies	34(b)	應付關聯公司款項增加/(減少)	6,457	(7,155)
Net advances to a director		向一名董事提供的墊款淨值	(40)	(583)
Net advances (to)/from ultimate holding company	34(b)	(向)/來自最終控股公司的淨墊款	(134)	22,753
<i>Net cash generated from/(used in) financing activities</i>		<i>融資活動產生/(所用)的淨現金</i>	<b>131,751</b>	(53,313)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>現金及現金等價物增加/(減少)淨值</b>	<b>21,523</b>	(168,767)
Cash and cash equivalents at 1 January		於一月一日的現金及現金等價物	8,443	172,107
Effect of foreign exchange rate changes		匯率變動的影響	1,049	5,103
<b>Cash and cash equivalents at 31 December</b>		<b>於十二月三十一日的現金及現金等價物</b>	<b>31,015</b>	8,443

The notes on pages 85 to 192 are an integral part of these consolidated financial statements. 第85至192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 2021 截至二零二一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 2021 截至二零二一年十二月三十一日止年度

### 1. CORPORATE INFORMATION (Continued)

As at 31 December 2021, 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		Principal activities 主要業務
			Direct	Indirect	
			直接	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(「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)

於二零二一年十二月三十一日，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 2021 截至二零二一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 (“IASB”) 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.

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

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

### 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 RMB97,809,000 and net loss of approximately RMB318,449,000 incurred for the year ended 31 December 2021 and, as of that date, the Group had net current liabilities of approximately RMB1,476,620,000, capital deficiency of approximately RMB1,317,894,000 and accumulated losses of approximately RMB2,191,201,000, respectively.

As at 31 December 2021, the Group’s total borrowings comprising interest-bearing other borrowings amounting to approximately RMB1,760,412,000, of which current borrowings amounted to approximately RMB1,694,722,000 and approximately RMB983,393,000 were overdue as disclosed in note 29 to the consolidated financial statements, while its cash and cash equivalents amounted to approximately RMB31,015,000.

## 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(「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主要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。

綜合財務報表乃按歷史成本基準編製。

計量基準於以下會計政策全面闡述。

### 2.2 持續經營假設

在編製綜合財務報表時, 鑑於本集團於截至二零二一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97,809,000元及虧損淨值約人民幣318,449,000元, 而截至該日, 本集團之流動負債淨值約為人民幣1,476,620,000元、資本虧絀約為人民幣1,317,894,000元及累計虧損約為人民幣2,191,201,000元, 本公司董事已慮及其日後之流動資金。

於二零二一年十二月三十一日, 本集團的借款總額包括計息其他借款約人民幣1,760,412,000元, 其中即期借款約為人民幣1,694,722,000元及約人民幣983,393,000元已逾期(如綜合財務報表附註29所披露), 而其現金及現金等價物則約為人民幣31,015,000元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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 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, 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”)\*, 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 by not require the Group to repay the loan of RMB1,358,534,000, RMB207,918,000 and RMB138,736,000 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. 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 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)

儘管出現有關情況，惟綜合財務報表已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計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)有限公司已承諾於由董事批准綜合財務報表日期起計十四個月期間，向本集團提供持續財務支持，以維持本集團持續經營；
- 本集團現正與銀行及財務機構磋商於本集團之短期借貸到期時為借貸續期、申請新借貸及申請未來信貸融資。截至該等綜合財務報表獲批准之日，本集團主要貸款人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」)、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」)不要求本集團在批准本綜合財務報表之日起十四個月期間分別償還貸款人民幣1,358,534,000元，人民幣207,918,000元及人民幣138,736,000元，以對本集團表示積極支持，並已承諾提供新融資額度約人民幣300,000,000元。因此，按照本集團之過往經驗及信用記錄，本公司董事相信，整筆借貸可於到期時續期及可動用未來信貸融資；及
- 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資金：(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 2021 截至二零二一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 two 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 projected cash flows, current financial resources and capital expenditure requirements with respect to the production facilities and development of its business. Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2021 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Company 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編製的本集團的現金流預測，當中涵蓋自報告期末起兩年期間。彼等認為，經考慮上述計劃及措施後，並計及本集團的預測現金流、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，董事認為按持續經營基準編製本集團截至二零二一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，本公司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方之持續財務支持。

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 2021 截至二零二一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 the Group for the year ended 31 December 2021. 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.

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.

## 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二零二一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。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.3 Basis of consolidation (Continued)

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.

### 2.4 Foreign currency translation

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

## 2. 主要會計政策概要(續)

### 2.3 綜合基準(續)

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)。

### 2.4 外幣換算

綜合財務報表乃以人民幣(「人民幣」)呈列，人民幣為本公司之功能貨幣。

於綜合入賬實體的獨立財務報表中，外幣交易乃按交易當日的現行匯率換算為個別實體的功能貨幣。於報告日期，以外幣計值的貨幣資產及負債按該日的匯率換算。該等交易結算及於報告日期重新換算貨幣資產及負債產生的外匯收益及虧損於損益內確認。

以外幣計值按公平值入賬的非貨幣項目，均已按釐定公平值之日的現行匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目則不予重新換算(即僅採用交易日期匯率進行換算)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.4 Foreign currency translation (Continued)

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the reporting date. Income and expenses have been converted into the RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 have been treated as assets and liabilities of the foreign operation and translated into Hong Kong dollars at the closing rates. Goodwill arising on the acquisitions of foreign operations before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e., no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e., of associates not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

## 2. 主要會計政策概要(續)

### 2.4 外幣換算(續)

於綜合財務報表，海外業務所有原本按有別於本集團呈列貨幣呈列的個別財務報表，均已換算為人民幣。資產及負債乃按報告日期的收市匯率換算為人民幣。收入及支出乃按交易日的匯率換算為人民幣，或倘匯率並無大幅波動，則可按報告期間的平均匯率換算。就此程序產生的任何差額已確認為其他全面收益並於權益項下換算儲備中個別累計。

因於二零零五年一月一日或之後收購境外業務而產生之商譽及公平值調整已作為境外業務之資產及負債處理，並按收市利率換算為港元。因於二零零五年一月一日之前收購境外業務而產生之商譽按收購境外業務當日的匯率換算。

出售境外業務(即出售本集團境外業務的全部權益，或涉及失去一間附屬公司(當中包括境外業務)控制權之出售，或涉及對一間聯營公司(當中包括境外業務)失去重大影響之出售)，有關該業務本集團應佔所有累計匯兌差額，重新分類至損益。先前歸屬於非控股權益的任何匯兌差額將終止確認，且不會重新分類至損益。

就部分出售(即未失去控制權)附屬公司(當中包括境外業務)，其累計匯兌差額按相應比例重新計入非控股股東權益，而不於損益確認。就所有其他部分出售(即不涉及會計基準變更的聯營公司出售)，按比例將累計匯兌差額重新分類至損益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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

Property, plant and equipment (other than construction in progress as described below) are initially recognised at acquisition cost or manufacturing cost, including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method, 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

Accounting policy for depreciation of right-of-use assets is set out in note 2.13.

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## 2. 主要會計政策概要(續)

### 2.5 物業、廠房及設備以及折舊

物業、廠房及設備(下文所述的在建工程除外)初始按購置成本或製造成本確認,包括將資產送達必要地點及使資產達致以本集團管理層擬定的方式運作的狀況的任何直接應佔成本。物業、廠房及設備其後按成本減累計折舊及累計減值虧損(如有)列賬。

用於生產、供應或行政用途的在建物業按成本減任何已確認減值虧損列賬。成本包括專業費用,以及根據本集團會計政策資本化的合資格資產的借貸成本。該等物業於竣工並可用於擬定用途時分類至物業、廠房及設備的適當類別。該等資產按與其他物業資產相同的基準折舊,於資產達到預定用途時開始。

折舊乃以直線法在估計使用年期內將資產(在建工程除外)的成本撇銷至其剩餘價值確認,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

使用權資產折舊的會計政策載於附註2.13。

剩餘價值及使用年期的估計於各報告日期檢討,並於適當時調整。

報廢或出售產生的收益或虧損按銷售所得款項與資產賬面值的差額釐定,並於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

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.

### 2.6 Intangible assets (other than goodwill) and research and development activities

#### *Intangible assets (other than goodwill)*

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Computer software	5 years
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Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets, with finite and indefinite useful lives, are tested for impairment as described below in note 2.18.

## 2. 主要會計政策概要(續)

### 2.5 物業、廠房及設備以及折舊(續)

後續成本僅在與該項目相關的未來經濟利益很可能流入本集團且該項目的成本能夠可靠計量時，計入該資產的賬面價值或確認為一項單獨的資產(如適用)。被更換部分的賬面價值終止確認。所有其他成本，例如維修及保養，均於其產生的財政期間計入損益。

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。

### 2.6 無形資產(商譽除外)及研發活動

#### *無形資產(商譽除外)*

收購的無形資產初始按成本確認。初始確認後，具有有限年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。具有有限可使用年期的無形資產於其估計可使用年期以直線法攤銷。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
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無限可使用年期的無形資產按成本減任何其後累計減值虧損入賬。

資產的攤銷方法及可使用年限於各報告日期檢討及調整(如適用)。

可使用年期有限及無限的無形資產已按下文附註2.18所述進行減值測試。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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

Costs associated with research activities are expensed in profit or loss as they occur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirements:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

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. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as 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(續)

#### 研發成本

與研究活動相關的成本產生時於損益支銷。開發活動直接應佔的成本於滿足下列確認要求的情況下確認為無形資產：

- (i) 證實完成預期產品以供內部使用或出售之技術可行性；
- (ii) 有意完成並使用或出售該無形資產；
- (iii) 證實本集團有能力使用或出售該無形資產；
- (iv) 透過內部使用或出售無形資產將產生可能之經濟利益；
- (v) 有足夠技術、財務及其他資源以完成該產品；及
- (vi) 該無形資產之應佔開支能可靠計量。

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。研發成本採用與收購的無形資產相同的後續計量方法。

所有其他開發成本均於產生時支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.7 Financial instruments

#### *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### *Financial assets*

##### *Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss (“FVTPL”), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost; or
- FVTPL.

The classification is determined by both:

- the entity’s business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within “other income and gains” or “finance costs”, except for expected credit losses (“ECLs”) of financial assets which is presented within “impairment loss”.

## 2. 主要會計政策概要(續)

### 2.7 金融工具

#### *確認及終止確認*

金融資產及金融負債於本集團成為有關金融工具合約條文的訂約方時，方予確認。

當從金融資產收取現金流量的合約權利屆滿或金融資產及其幾乎所有的風險及回報轉移時，終止確認金融資產。金融負債在廢除、解除、取消或屆滿時終止確認。

#### *金融資產*

##### *金融資產分類及初始計量*

除不包含重大融資成分且按照國際財務報告準則第15號以交易價格計量的應收貿易款項外，所有金融資產均以公平值進行初始計量，倘金融資產並非按公平值計入損益（「按公平值計入損益」）計量，則加上收購金融資產直接應佔的交易成本。按公平值計入損益列賬的金融資產的交易成本於綜合損益及其他全面收益表支銷。

除被指定為有效對沖工具的金融資產外，金融資產分為以下類別：

- 按攤銷成本；或
- 按公平值計入損益。

分類由以下兩個因素決定：

- 實體管理金融資產的業務模式；及
- 金融資產的合約現金流量特徵。

已計入損益的金融資產的所有收益及開支均於「其他收入及收益」或「融資成本」中列示，惟於「減值虧損」中列示的金融資產的預期信貸虧損（「預期信貸虧損」）除外。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.7 Financial instruments (Continued)

#### *Subsequent measurement of financial assets*

##### *Debt investments*

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in “other income and gains” in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group’s bank balances and cash, pledged deposits, trade and other receivables and amounts due from related companies fall into this category of financial instruments.

##### *Financial assets at FVTPL*

Financial assets that are held within a different business model other than “hold to collect” or “hold to collect and sell” are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

##### *Equity investments*

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income and accumulated in “fair value reserve – non-recycling” in equity. Such elections are made on an instrument-by-instrument basis, but only be made if the investment meets the definition of equity from the issuer’s perspective.

## 2. 主要會計政策概要(續)

### 2.7 金融工具(續)

#### *金融資產的其後計量*

##### *債項投資*

按攤銷成本計量的金融資產

滿足下列條件(且不指定為按公平值計入損益)的金融資產按攤銷成本計量：

- 金融資產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；及
- 金融資產的合約條款產生的現金流量純粹為支付本金及未償還的本金產生的利息。

初始確認後，該等金融資產採用實際利率法按攤銷成本計量。該等金融資產的利息收入計入損益中的「其他收入及收益」。如貼現的影響並不重大，則忽略貼現。本集團的銀行結餘及現金、已抵押存款、應收貿易款項及其他應收款項以及應收關聯公司款項均屬於此類金融工具。

##### *按公平值計入損益計量的金融資產*

以「持有以收取」或「持有以收取和出售」以外的不同業務模式持有的金融資產按公平值計入損益分類。此外，無論業務模式如何，合約現金流量不只是支付本金及利息的金融資產均按公平值計入損益入賬。

##### *股本投資*

股本證券之投資被分類為按公平值計入損益，除非該等股本投資並非以買賣為目的持有且於初步確認投資時，本集團選擇指定投資按公平值計入其他全面收益(不可撥回)，由此，隨後公平值之變動於其他全面收益內確認並於權益中「公平值撥備 – 不可撥回」累計。該等選擇以工具為基礎作出，但僅會在發行人認為投資滿足股本之定義的情況下作出。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.7 Financial instruments (Continued)

#### *Subsequent measurement of financial assets (Continued)*

##### *Equity investments (Continued)*

The equity instruments at FVOCI are not subject to impairment assessment. The cumulative gain or loss in “fair value reserve – non-recycling” will not be reclassified to profit or loss upon disposal of the equity investments, and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “other income and gains” in profit or loss.

#### **Financial liabilities**

##### *Classification and measurement of financial liabilities*

The Group’s financial liabilities include trade and other payables, amounts due to related companies, amount due to ultimate holding company, other liabilities, interest-bearing bank and other borrowings (included lease liabilities), other long term liabilities and provision for loss on unauthorised guarantees.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within “finance costs” or “other income and gains”.

Accounting policies of lease liabilities are set out in note 2.13.

## 2. 主要會計政策概要(續)

### 2.7 金融工具(續)

#### *金融資產的其後計量(續)*

##### *股本投資(續)*

按公平值計入其他全面收益的股本工具不進行減值評估。「公平值撥備 – 不可撥回」中的累計損益於出售股本投資時不會重新分類如損益，而將轉入保留盈利。

該等股本工具投資所產生的股息於本集團收取股息的權利確立時計入損益，除非有關股息明顯為收回部分投資成本，則作別論。股息計入損益中的「其他收入及收益」。

#### **金融負債**

##### *金融負債分類及計量*

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、其他負債、計息銀行及其他借款(包括租賃負債)、其他長期負債及未經授權擔保虧損撥備。

金融負債(租賃負債除外)初步以公平值計量，及(如適用)就交易成本進行調整，除非本集團指定金融負債按公平值計入損益計量則作別論。

隨後，金融負債(租賃負債除外)採用實際利率法按攤銷成本計量，惟指定按公平值計入損益的衍生工具及金融負債以公平值進行後續計量，其損益計入損益(被指定為有效對沖工具的衍生金融工具除外)。

所有與利息相關的開支以及(如適用)在損益中呈報的工具公平值變動均計入「融資成本」或「其他收入及收益」中。

租賃負債的會計政策載於附註2.13。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.7 Financial instruments (Continued)

#### *Financial liabilities (Continued)*

##### *Trade and other payables*

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

##### *Interest-bearing bank and other borrowings (other than lease liabilities)*

Interest-bearing bank and other borrowings (other than lease liabilities) are recognised initially at fair value, net of transaction costs incurred. Interest-bearing bank and other borrowings (other than lease liabilities) are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Interest-bearing bank and other borrowings (other than lease liabilities) are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## 2. 主要會計政策概要(續)

### 2.7 金融工具(續)

#### *金融負債(續)*

##### *貿易及其他應付款項*

貿易及其他應付款項初步按其公平值確認，其後採用實際利率法按攤銷成本計量。

##### *計息銀行及其他借款(租賃負債除外)*

計息銀行及其他借款(租賃負債除外)初步按公平值扣除已產生的交易成本確認。計息銀行及其他借款(租賃負債除外)隨後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之間的任何差額使用實際利率法在借款期間於損益中確認。

計息銀行及其他借款(租賃負債除外)分類為流動負債，除非本集團無條件有權將負債的清償延遲至報告日期後至少十二個月。

##### *抵銷金融工具*

倘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負債，並於綜合財務狀況表內呈列淨值。可合法執行權利不得以未來事件為條件，並且必須在正常業務過程中以及在公司或交易對手違約、資不抵債或破產的情況下可執行。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.8 Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise ECL – the “ECL model”. Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“**Stage 1**”) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“**Stage 2**”).

“Stage 3” would cover financial assets that have objective evidence of impairment at the reporting date.

“12-month ECL” are recognised for the Stage 1 category while “lifetime ECL” are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

## 2. 主要會計政策概要(續)

### 2.8 金融資產減值

國際財務報告準則第9號的減值規定採用前瞻性的資料確認預期信貸虧損—「預期信貸虧損模式」。屬於該範疇的工具包括貸款、按攤銷成本計量之其他債務型金融資產以及應收貿易款項。

本集團在評估信貸風險及計量預期信貸虧損時考慮更廣泛的資料，包括過往事件、當前狀況、影響工具未來現金流量預期可收回性的合理且言之有據的預測。

於應用該前瞻性方法時，須對下列各項作出區別：

- 自初步確認以來信貸質素未顯著惡化或信貸風險較低的金融工具（「**第一階段**」）及
- 自初步確認以來信貸質素顯著惡化且信貸風險不低的金融工具（「**第二階段**」）。

「**第三階段**」將涵蓋於報告日期具有客觀減值證據的金融資產。

「12個月預期信貸虧損」於第一階段內確認，而「全期預期信貸虧損」於第二階段內確認。

預期信貸虧損的計量於金融工具預計存續期內按信貸虧損的概率加權估計釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.8 Impairment of financial assets (Continued)

#### *Trade receivables*

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

#### *Other financial assets measured at amortised cost*

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

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

## 2. 主要會計政策概要(續)

### 2.8 金融資產減值(續)

#### *貿易應收款項*

就貿易應收款項而言，本集團採用簡化方法計算預期信貸虧損，並於各報告日期基於全期預期信貸虧損確認虧損撥備。考慮到金融資產存續期內任何時間點均可能出現違約事件，這些是合約現金流量的預期缺口。於計算預期信貸虧損時，本集團已建立基於其過往信貸虧損記錄及外部指標的撥備矩陣，並根據債務人特定前瞻性因素及經濟環境作調整。

於計量預期信貸虧損時，貿易應收款項已根據共同信貸風險特徵及逾期天數分類。

#### *按攤銷成本計量的其他金融資產*

本集團按相等於12個月預期信貸虧損計量其他應收款項的虧損撥備，除非自初步確認以來信貸風險大幅增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃基於自初步確認以來發生違約的可能性或風險的大幅增加。

於評估信貸風險是否自初步確認以來已大幅增加時，本集團比較金融資產於報告日期出現違約的風險與該金融資產於初步確認日期出現違約的風險。作此評估時，本集團會考慮合理及有理據的定量及定性資料，包括歷史經驗及毋須花費過度成本或精力即可獲得的前瞻性資料。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.8 Impairment of financial assets (Continued)

#### *Other financial assets measured at amortised cost (Continued)*

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in note 40.2.

## 2. 主要會計政策概要(續)

### 2.8 金融資產減值(續)

#### *按攤銷成本計量的其他金融資產(續)*

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 外部市場信貸風險指標顯著惡化，如信貸利差、債務人信用違約掉期價格大幅增加；
- 監管、業務、財務、經濟條件或技術環境出現或預期出現不利變動，可能導致債務人償還能力大幅下降；及
- 債務人經營業績的實際或預期重大惡化。

儘管如此，倘於各報告期末釐定債務工具的信貸風險較低，則本集團假設該債務工具之信貸風險自初步確認以來並無顯著增加。在下列情況下，一項債務工具被定為具有較低的信貸風險，倘該債務工具違約風險較低、借款人近期具充分償付合約現金流量負債的能力；及長期而言經濟及業務狀況的不利變動未必降低借款人償付合約的現金流量負債的能力。

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

有關貿易應收款項及按攤銷成本計量的其他金融資產的預期信貸虧損評估的詳細分析載於附註40.2。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.8 Impairment of financial assets (Continued)

#### *Financial guarantee contracts*

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

### 2.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. For condiment products, cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads. It excludes borrowing costs.

### 2.10 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### 2.11 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2.16). 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 (see note 2.8).

## 2. 主要會計政策概要(續)

### 2.8 金融資產減值(續)

#### *財務擔保合約*

就財務擔保合約而言，本集團僅於債務人未能按所擔保工具的條款履約時付款。因此，預期信貸虧損為向持有人信貸虧損的預期付款現值減本集團預期從持有人、債務人或任何其他人士收取的任何款項。

### 2.9 存貨

存貨乃按成本值及可變現淨值之較低者列賬。可變現淨值是在日常業務過程中的估計售價減估計完成成本及適用的銷售開支。就調味品而言，成本採用加權平均法確定，就在製品及成品而言，包括直接材料、直接勞工及適當比例之間接成本，惟不包括借款成本。

### 2.10 現金及現金等價物

現金及現金等價物包括銀行現金及現存現金、銀行活期存款以及原到期日為三個月或以內可隨時轉換為已知數額現金的短期高度流通性投資，有關投資承受價值變動的風險不大。就綜合現金流量表呈列而言，現金及現金等價物包括須按要求償還並構成本集團現金管理組成部分的銀行透支。

### 2.11 合約負債

當客戶在本集團確認相關收入前支付代價時確認合約負債(參閱附註2.16)。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(參閱附註2.8)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.12 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 ECL under IFRS 9 as set out in note 2.8 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)

### 2.12 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2.8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 2021 截至二零二一年十二月三十一日止年度

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

### 2.13 Leases

#### *Definition of a lease and the Group as a lessee*

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

## 2. 主要會計政策概要(續)

### 2.13 租賃

#### *租賃的定義及本集團作為承租人*

於合約開始時，本集團會考慮合約是否屬於或包含租賃。租賃的定義為「一份合約或合約的一部分賦予他人一段時間內使用已識別資產（相關資產）的權力，以換取代價」。為應用此定義，本集團評估合約是否符合以下三項關鍵評估因素：

- 合約是否包含已識別資產，即該資產在合約中可明確識別，或在資產可供本集團使用時以隱含指定方式識別；
- 本集團有權在整個使用期內取得使用已識別資產的絕大部分經濟利益，並認為其權利符合合約界定範圍；及
- 本集團有權在整個使用期內指定已識別資產的用途。本集團評估其是否有權指定該資產在整個使用期內的使用「方式及目的」。

對於含有租賃成分及一個或以上額外租賃或非租賃成分的合約，本集團按租賃及非租賃成分的相對獨立價格將合約代價分配至各成分。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.13 Leases (Continued)

#### *Definition of a lease and the Group as a lessee (Continued)*

##### *Measurement and recognition of leases as a lessee*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

## 2. 主要會計政策概要(續)

### 2.13 租賃(續)

#### *租賃的定義及本集團作為承租人(續)*

##### *計量及確認為承租人的租賃*

於租賃開始日期，本集團於綜合財務狀況表確認使用權資產及租賃負債。使用權資產按成本計量，而成本乃包括租賃負債的初始計量、本集團產生的任何初始直接成本、租賃結束時拆除及移除相關資產的任何估計成本以及於租賃開始日期前作出的任何租賃付款(經扣除任何已收租賃獎勵)。

本集團的使用權資產於租賃開始日期至使用權資產的可使用年期結束或租期結束(以較早者為準)期間以直線基準計算折舊，除非本集團合理地確定於租期結束時可獲得擁有權則作別論。本集團亦於出現減值跡象時評估使用權資產的減值。

於開始日期，本集團按該日未支付租賃付款的現值計量租賃負債，並使用租賃中的隱含利率或(倘該利率不可釐定)本集團的增量借貸利率進行折現。

計量租賃負債時計入的租賃付款包括固定付款(包括實質固定付款)減任何應收租賃獎勵、基於某一指數或比率的可變付款及根據殘值保證應付的預期金額。倘本集團合理地確定將行使購買選擇權，則租賃付款亦包括購買選擇權的行使價，而倘租期反映本集團將行使終止選擇權，則租賃付款亦包括終止租賃的罰金。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.13 Leases (Continued)

#### *Definition of a lease and the Group as a lessee (Continued)*

#### *Measurement and recognition of leases as a lessee (Continued)*

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments changes due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification. The only exception is any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16 "Leases".

In such cases, the Group took advantage of the practical expedient set out in paragraph 46A of IFRS 16 and recognised the change in consideration as if it were not a lease modification. When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

## 2. 主要會計政策概要(續)

### 2.13 租賃(續)

#### *租賃的定義及本集團作為承租人 (續)*

#### *計量及確認為承租人的租賃(續)*

於初始計量後，負債將按已付租賃付款減少，並按租賃負債的利息成本增加。為反映任何重新評估或租賃修改，或倘實質固定付款出現變動，負債需要重新計量。並不取決於某一指數或利率的可變租賃付款於觸發付款的事件或情況發生期間確認為開支。

每當出現以下情況時，本集團重新計量租賃負債：

- 租期有變或對行使購買選擇權的評估有變，在此情況下，藉在重新評估日使用經修訂折現率折現經修訂租賃付款，重新計量相關租賃負債。
- 租賃付款因進行市場租金審查後市場租金率的變化而有變，在此情況下，藉使用初始折現率折現經修訂租賃付款，重新計量相關租賃負債。

對於未作為單獨租賃入賬的租賃修改，本集團基於已修改租賃的租期，在修改生效日期使用經修訂折現率折現經修訂租賃付款，從而重新計量租賃負債。唯一例外情況是因COVID-19疫情的直接後果而產生且符合國際財務報告準則第16號「租賃」第46B段所載條件的任何租金寬減。

在該等情況下，本集團利用國際財務報告準則第16號第46A段所載的實際權宜方法，並確認代價的變動(猶如其並非租賃修改)。於重新計量租賃時，相應調整於使用權資產反映，或於使用權資產已減至零時在損益反映。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.13 Leases (Continued)

#### *Definition of a lease and the Group as a lessee (Continued)*

#### *Measurement and recognition of leases as a lessee (Continued)*

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less.

Right-of-use assets are presented as a separate line on the consolidated statement of financial position.

Refundable rental deposits paid are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

#### *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.

### 2.14 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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. 主要會計政策概要(續)

### 2.13 租賃(續)

#### *租賃的定義及本集團作為承租人(續)*

#### *計量及確認作為承租人的租賃(續)*

本集團已選擇利用實際權宜方法將短期租賃入賬。相對於確認使用權資產及租賃負債，有關該等租賃的付款於租期內以直線基準在損益入賬列為開支。短期租賃為租期在十二個月或以下的租賃。

使用權資產於綜合財務狀況表內單獨呈列。

已付可退回租賃按金根據國際財務報告準則第9號入賬，且初始按公平值計量。於初始確認時對公平值的調整被視為額外租賃付款，並計入使用權資產的成本。

#### *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」。

### 2.14 撥備及或然負債

當本集團因過去事件而承擔目前責任(法定或推定)，而履行責任可能須付出經濟利益且責任金額能可靠地估計時，本集團會確認撥備。凡貨幣時間價值屬重大，撥備會以履行責任預期所需支出的現值列賬。

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件或多件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，惟經濟利益外流之可能性極低則除外。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.14 Provisions and contingent liabilities (Continued)

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be recognised in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered as contingent assets.

### 2.15 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.

### 2.16 Revenue recognition

Revenue arises mainly from the sales of condiment products.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

## 2. 主要會計政策概要(續)

### 2.14 撥備及或然負債(續)

業務合併產生的或然負債，在收購日期為現時義務的，如果其公平值能夠可靠計量，則按公平值初步確認。按公平值初步確認後，該或然負債按初始確認之金額減累計攤銷(如適用)與將於上述可資比較之撥備中確認之金額二者之較高者確認。不能按公平值可靠計量或於收購日期未構成現時義務並於業務合併中產生的或然負債按上述規定披露。

尚未達到資產確認標準的本集團的可能經濟利益流入被視為或然資產。

### 2.15 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。

### 2.16 收入確認

收入主要來自銷售調味品。

為釐定是否確認收入，本集團遵從五步流程：

1. 識別與客戶訂立的合約
2. 識別履約責任
3. 釐定交易價格
4. 將交易價格分配至履約責任
5. 於/隨着履行履約責任時確認收入

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.16 Revenue recognition (Continued)

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, 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 with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

Further details of the Group's revenue and other income recognition policies are as follows:

#### **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)

### 2.16 收入確認(續)

在所有情況下，合約的交易價格總額按履約責任的相對獨立售價分配至各履約責任。合約的交易價格不包括代表第三方收取的任何金額。

當(或隨着)本集團藉向客戶轉讓已承諾商品或服務履行履約責任時，收入在某一時點或隨時間確認。

倘合約包含融資部分，為客戶提供重大融資利益超過十二個月，則收入按以與客戶進行的個別融資交易所反映貼現率貼現的應收款項現值計量，而利息收入則按實際利率法獨立累計。倘合約包含融資部分，為本集團提供重大融資利益，則根據該合約確認的收入包括按實際利率法計算合約責任產生的利息開支。

本集團的收入及其他收入確認政策的進一步詳情如下：

#### **銷售貨品**

銷售貨品之收入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 2021 截至二零二一年十二月三十一日止年度

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

### 2.16 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)

### 2.16 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 2021 截至二零二一年十二月三十一日止年度

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

### 2.17 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.

### 2.18 Impairment of non-financial assets

The following assets are subject to impairment testing:

- Other intangible assets;
- Property, plant and equipment;
- Right-of-use assets; and
- Interests in subsidiaries in the Company’s statement of financial position.

Other intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset’s carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

## 2. 主要會計政策概要(續)

### 2.17 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。

### 2.18 非金融資產減值

下列資產須進行減值測試：

- 其他無形資產；
- 物業、廠房及設備；
- 使用權資產；及
- 本公司財務狀況表中於附屬公司所持權益。

其他可使用年期不確定或未可使用的無形資產最少每年測試一次減值，不論是否有任何跡象顯示資產出現減值。所有其他資產應於有跡象顯示資產的賬面金額或許不能收回時測試減值。

減值虧損乃資產賬面金額超過可收回金額的差額，乃即時確認為開支。可收回金額按反映市場狀況的公平值減出售成本及使用價值的較高者計算。評估使用價值時，估計未來現金流量採用稅前折現率折現至現值；該折現率反映現時市場對金錢時間價值及資產特有風險的評估。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.18 Impairment of non-financial assets (Continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit (“CGU”), except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

### 2.19 Employee benefits

#### *Pension obligations*

The Group has various defined contribution plans in accordance with the local conditions and practices in the municipalities and provinces in which they operate. Defined contribution plans are pension and/or other social benefit plans under which the Group pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The contributions are recognised as labour costs when they are due. Under the defined contribution schemes, forfeited contributions could not be used to reduce the existing level of contributions.

## 2. 主要會計政策概要(續)

### 2.18 非金融資產減值(續)

就評估減值而言，倘資產並無產生大致上獨立於其他資產之現金流入，可收回金額按可獨立產生現金流入的最小資產組別(即現金產生單位)釐定。因此，部分資產會個別測試減值，部分則按現金產生單位級別進行測試。

就已獲分配商譽的現金產生單位確認的減值虧損初始計入商譽的賬面金額。任何剩餘減值虧損按比例從現金產生單位(「現金產生單位」)內的其他資產扣除，惟資產賬面值將不會調低至低於資產的個別公平值減出售成本或使用價值(如可釐定)。

### 2.19 僱員福利

#### *退休金責任*

本集團按其營運所在城市及省份的當地情況及慣例設有多個定額供款計劃。定額供款計劃為本集團向獨立實體(基金)繳付定額供款的退休金及/或其他社會福利計劃，若該基金並無持有足夠資產支付所有有關目前及以往期間僱員服務的僱員福利，本集團並無進一步繳付供款的法定或推定責任。供款於屆滿時確認為勞工成本。於界定供款計劃下，已被沒收的供款不可以動用以減低現有的供款水平。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.19 Employee benefits (Continued)

#### *Bonus entitlements*

The expected cost of bonus payments is recognised as a liability when the Group has a present contractual or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

#### *Equity-settled share-based compensation transactions*

The Group operates a number of equity-settled share-based compensation plans under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the services received in exchange for the grant of the equity instruments is recognised as expense.

The total amount to be expensed is determined by reference to the fair value of the equity instruments granted including any market performance conditions; excluding the impact of any service and non-market performance vesting conditions; and including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options and shares that are expected to vest. The total expense is recognised over the vesting period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options and shares that are expected to vest based on the non-marketing performance and service conditions. The Group recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

## 2. 主要會計政策概要(續)

### 2.19 僱員福利(續)

#### *獎金津貼*

支付獎金的預期成本在僱員提供服務而令本集團產生現有的合約或推定責任，且能可靠估算其責任時確認為負債。獎金負債預期於十二個月內結清並按結清時預期將予支付的金額計量。

#### *以權益結算、以股份為基礎的酬金交易*

本集團運作眾多以權益結算、以股份為基礎的酬金計劃，據此，本集團獲取僱員的服務作為本集團權益工具(購股權)的代價。授出權益工具換取的服務的公平值確認為開支。

將予支出的總金額乃參考所授出的權益工具的公平值(包括任何市場表現條件；不包括任何服務及非市場表現歸屬條件的影響；及包括任何非歸屬條件的影響)而釐定。

非市場表現及服務條件已包括在有關預期將予歸屬的購股權及股份數目的假設中。總開支須於達致所有指定的歸屬條件的歸屬期間確認。

於各報告期末，本集團根據非市場表現及服務條件修訂其有關預期將予歸屬的購股權及股份數目的估計。本集團於損益中確認修訂原有估計的影響(如有)，同時對權益作出相應的調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.19 Employee benefits (Continued)

#### *Equity-settled share-based compensation transactions (Continued)*

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

#### *Share-based payment transactions among group entities*

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity (share option reserve) in the separate financial statements of the Company.

## 2. 主要會計政策概要(續)

### 2.19 僱員福利(續)

#### *以權益結算、以股份為基礎的酬金交易(續)*

若修訂以權益結算的獎勵條款且符合獎勵的原有條款，所確認的開支最少須達到猶如條款並無任何變更的水準。此外，若按修訂日期計量，任何修訂導致以股份為基礎的付款的總公平值有所增加，或為僱員帶來其他利益，則應就該等修訂確認開支。

若以權益結算的獎勵被註銷，應被視為已於註銷日期歸屬，任何尚未確認為獎勵的開支，均應立刻確認。該等獎勵包括本集團或僱員不符合非歸屬條件時的任何獎勵。然而，若授予新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則已註銷的獎勵及新獎勵，均應被視為原獎勵的修訂，一如前段所述。

購股權獲行使時，本公司發行新股份。所收取的所得款項於扣除任何直接應佔交易成本後計入股本(面值)及股份溢價。

#### *集團實體間以股份為基礎的支付交易*

本公司向本集團附屬企業僱員授出其權益工具的購股權均被當作為注資。所獲得的僱員服務公平值乃參考授出日期的公平值計量，並於歸屬期確認為增加對附屬企業的投資，並相應計入本公司獨立財務報表的權益(購股權儲備)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.20 Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

### 2.21 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

## 2. 主要會計政策概要(續)

### 2.20 借款成本

就收購、建造或生產任何合資格資產所招致的借款成本扣除特定借款作暫時投資賺取的任何投資收入後，於完成或準備資產作擬定用途所需要的期間予以資本化。合資格資產為需要相當一段時間才能作擬定用途或銷售的資產。其他借款成本於產生時支銷。

當招致資產開支、產生借款成本及進行準備資產作擬定用途或銷售所必需的活動時，借款成本作為合資格資產的一部分成本予以資本化。借款成本資本化於準備合資格資產作擬定用途或銷售所必需的絕大部分活動完成時停止。

### 2.21 所得稅的會計處理

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括本期或以往報告期間(且於報告日期尚未支付)，向財政機關繳納稅金的責任，或取回稅金的權利。所得稅乃按年內應課稅溢利，按有關財政期間適用稅率及稅法計算。即期稅項資產或負債的所有變動均作為稅項開支的一部分於損益中確認。

遞延稅項乃按報告日期資產及負債在財務報表的賬面值與其各自稅基之間的暫時性差額以負債法計算。一般情況下，所有應課稅暫時性差額產生的遞延稅項負債均予確認。所有可扣稅暫時性差額、可供結轉稅項虧損及其他未動用稅項抵免產生之遞延稅項資產，只會在很可能有應課稅溢利(包括現有應課稅暫時性差額)用作抵銷該等可扣稅暫時性差額、未動用稅項虧損及未動用稅項抵免之情況下，才予以確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.21 Accounting for income taxes (Continued)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- income or loss excluding reversals of temporary differences; and
- reversals of existing temporary differences.

## 2. 主要會計政策概要(續)

### 2.21 所得稅的會計處理(續)

倘商譽或於一宗交易中首次確認(業務合併除外)的資產或負債產生的暫時性差額並不影響應課稅或會計利潤或虧損，則不會就此確認遞延稅項資產及負債。

投資附屬公司及聯營公司所產生的應課稅暫時性差額須確認遞延稅項負債，惟若本集團可以控制撥回暫時性差額的時間及暫時性差額可能不會在可見將來撥回者則除外。

遞延稅項(並無折現)按於負債清償或資產變現期間預期適用稅率計算，惟稅率須於報告日期已頒佈或實質上已頒佈。

遞延稅項資產或負債變動在損益內確認，或若其與於其他全面收益內或直接於權益中扣除或計入的項目有關，則在其他全面收益確認，或直接於權益確認。

當對不同應課稅收入水平應用不同稅率時，遞延稅項資產及負債乃採用預期適用於預期撥回暫時差額的期間的應課稅收入的平均稅率計量。

釐定平均稅率時須估計(i)將撥回現有暫時差額的時間及(ii)該等年度的未來應課稅溢利金額。未來應課稅溢利估計包括：

- 不包括暫時差額撥回的收入或虧損；及
- 撥回現有暫時差額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.21 Accounting for income taxes (Continued)

Current tax assets and current tax liabilities are presented in net if, and only if:

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if:

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - (i) the same taxable entity; or
  - (ii) 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.

### 2.22 Dividend distribution

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. 主要會計政策概要(續)

### 2.21 所得稅的會計處理(續)

即期稅項資產及即期稅項負債只會在以下情況以淨值基準呈列：

- (a) 本集團擁有可依法強制執行的權利抵銷已確認金額；及
- (b) 擬以淨值基準清償或同時變現資產及清償負債。

本集團僅會在以下情況以淨值基準呈列遞延稅項資產及遞延稅項負債：

- (a) 實體擁有可依法執行的權利抵銷即期稅項資產與即期稅項負債；及
- (b) 遞延稅項資產及遞延稅項負債乃關於由同一稅務機關就以下任何一項徵收的所得稅：
  - (i) 同一納稅實體；或
  - (ii) 擬於各未來期間(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)以淨值結算即期稅項負債及資產或同時變現資產及結算負債的不同納稅實體。

### 2.22 股息分派

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.23 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 if 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 and if 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;
  - (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.

## 2. 主要會計政策概要(續)

### 2.23 關聯方

就該等綜合財務報表而言，一方被視為與本集團有關連，倘：

- (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；
  - (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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

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

### 2.23 Related parties (Continued)

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.

### 2.24 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.

### 2.25 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.

### 2.26 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 2021

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 2021:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2
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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)

### 2.23 關聯方(續)

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族成員。

### 2.24 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。

### 2.25 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。

### 2.26 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

於二零二一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，且對本集團於二零二一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
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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 2021 截至二零二一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>2</sup>
Amendments to IFRS 3	Reference to the Conceptual Framework <sup>4</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and related amendments to International Interpretation 5 (2020) <sup>2</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>2</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>2</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>1</sup>
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018–2020 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>3</sup> Effective date not yet determined

<sup>4</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

### 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>2</sup>
國際財務報告準則第3號(修訂本)	引述概念框架 <sup>4</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>3</sup>
國際會計準則第1號(修訂本)	負債分類為流動或非流動及國際詮釋第5號(二零二零年)相關修訂本 <sup>2</sup>
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 <sup>2</sup>
國際會計準則第8號(修訂本)	會計估計之定義 <sup>2</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之遞延稅項 <sup>2</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>1</sup>
國際會計準則第37號(修訂本)	虧損性合約 — 履約成本 <sup>1</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>1</sup>

<sup>1</sup> 於二零二二年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零二三年一月一日或之後開始之年度期間生效

<sup>3</sup> 尚待釐定生效日期

<sup>4</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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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 that are expected to have impact on the Group's accounting policies is provided below. Other new and amended IFRSs are not expected to have a material impact on the Group's consolidated financial statements.

#### 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 of the Group expect that the amendments have no other 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下文所提供本集團會計政策產生影響。預期其他新訂及經修訂國際財務報告準則不會對本集團綜合財務報表產生重大影響。

#### 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，本集團董事預期該等修訂本對綜合財務報表概無其他重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### 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 of the Group expect that the amendments have no material impact on the consolidated financial statements.

#### 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”.

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 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。本集團董事預期該等修訂本不會對綜合財務報表造成重大影響。

#### 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之遞延稅項」

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規定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及會導致確認解除責任及相應已確認為資產金額的合約。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」之可收回性標準所規限。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 3. ADOPTION OF NEW AND AMENDED IFRSs (Continued)

#### Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (Continued)

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.

### 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:

##### (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.

### 3. 採納新訂及經修訂國際財務報告準則(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之遞延稅項」(續)

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。

### 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：

##### (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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### 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)

#### 4.2 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 2021 截至二零二一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 2021, based on management’s best estimates, the Group has incurred an impairment loss of approximately RMB2,789,000 (2020: RMB2,448,000) on right-of-use assets.

### 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。

於二零二一年十二月三十一日，基於管理層的最佳估計，本集團就使用權資產產生減值虧損約人民幣2,789,000元(二零二零年：人民幣2,448,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### 4.2 Estimation uncertainty (Continued)

(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.

(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 and subsidiaries 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.

### 4. 重要會計判斷及估計 (續)

#### 4.2 估計不確定因素 (續)

(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。存貨賬面值及存貨撥備載於附註20。

(d) *應收貿易款項、其他應收款項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及附屬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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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*  
(Continued)

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 43 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、其他應收款項及應收關聯公司及附屬公司款項預期信貸虧損撥備*  
(續)

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43內。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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, accordingly, the Group is no longer liable to this financial guarantee contracts as at 31 December 2021.

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 RMB17,500,000 (2020: 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 2021. Details are set out in note 30.

### 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，七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已悉數償還公司G之人民幣10,000,000元，因此，本集團於二零二一年十二月三十一日不再就該項融資擔保合約承擔任何責任。

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，本集團確認撥備人民幣17,500,000元(二零二零年：人民幣27,500,000元)，此乃本集團根據截至二零二一年十二月三十一日止年度暫停之法院聆訊財務擔保合約項下責任潛在現金流出作出的最佳估計。詳情載於附註30。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Customer A	客戶 A	29,235	25,930

### 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 2021 截至二零二一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:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<i>Revenue from contracts with customers</i>	客戶合約收益		
Sale of goods	銷售貨品	252,671	226,331

#### (i) Disaggregated revenue information

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>Type of goods</b>	<b>貨品種類</b>		
Condiment products	調味品	252,671	226,331
<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	252,671	226,331

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:

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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
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	25,546	62,530

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Subsidies received (note)	已收補貼(附註)	1,691	6,448
Bank Interest income	銀行利息收入	20	964
Foreign exchange gain, net	匯兌收益淨值	94	1,949
Written off of amounts due to directors	撇銷應付多名董事款項	-	754
Others	其他	4,973	4,524
		<b>6,778</b>	<b>14,639</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 2021 截至二零二一年十二月三十一日止年度

### 7. LOSS ARISING FROM THE INCIDENT 7. 事件產生的虧損

As described in details in the Group's consolidated financial statements for the year ended 31 December 2020, 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") had undertaken an independent investigation (the "Investigation") on 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. A report and a supplemental report on the Investigation had been issued by FTI Consulting on 30 May 2022 and 28 September 2022 respectively and key findings of the Investigation had been published by the Company on 30 May 2022 and 28 September 2022 respectively. Prior year adjustments have been made in the Group's annual consolidated financial statements for the year ended 31 December 2020 in relation to the Incident (as defined in note 2.1 to the Group's consolidated financial statements for the year ended 31 December 2020). The findings of the Investigation and the Management Reassessment (as defined in note 2.1 to the Group's consolidated financial statements for the year ended 31 December 2020) with respect to the Incident led to the recognition of a loss arising from the Incident as a whole of RMB600,575,000 for the year ended 31 December 2020.

如本集團截至二零二零年十二月三十一日止年度的綜合財務報表所述，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」) 就涉及銀行賬戶結餘不符之處、未經授權擔保及本集團固定資產及稅務事宜預付款項的未決事宜之若干問題進行獨立調查(「調查」)。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調查報告及補充報告，且本公司分別於二零二二年五月三十日及二零二二年九月二十八日已刊發調查的主要結果。本集團於截至二零二零年十二月三十一日止年度的年度綜合財務報表就事件(定義見本集團截至二零二零年十二月三十一日止年度綜合財務報表附註2.1)作出過往年度調整。事件有關調查結果及管理層重估(定義見本集團截至二零二零年十二月三十一日止年度綜合財務報表附註2.1)導致確認截至二零二零年十二月三十一日止年度事件產生的虧損整體為人民幣600,575,000元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 8. IMPAIRMENT LOSSES

### 8. 減值虧損

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Impairment loss on trade receivables (note 21)	應收貿易款項減值虧損(附註21)	1,722	3,652
(Reversal of impairment loss)/Impairment loss on prepayment and other receivables (note 22)	預付款項及其他應收款項(撥回減值虧損)/減值虧損(附註22)	(194)	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)	2,531	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))	2,789	2,448
Written off of inventories (note 20)	存貨撤銷(附註20)	5,705	-
		<b>12,553</b>	<b>9,945</b>

### 9. OTHER EXPENSES

### 9. 其他開支

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Donations	捐贈	72	66
Surcharge for overdue tax payment (note)	逾期附加稅(附註)	57,883	46,192
Overdue interest expense (note 29(e))	逾期利息開支(附註29(e))	48,600	22,160
Others	其他	3,159	439
		<b>109,714</b>	<b>68,857</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 2021 截至二零二一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乃經扣除/(計入)下列各項：

			2021	2020
		Notes	二零二一年	二零二零年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Costs of inventories sold	售出存貨成本		184,162	180,731
Provision for inventories, net	存貨撥備淨值	20	802	4,999
Depreciation of owned assets	自有資產折舊	17	26,263	26,253
Depreciation of right-of-use assets	使用權資產折舊	18(a)	2,412	1,938
Amortisation of other intangible assets	其他無形資產攤銷	19	306	554
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)	192	118
Auditor's remuneration	核數師酬金		4,300	3,200
Impairment losses/(Reversal of impairment losses) on:	以下各項之減值虧損/(減值虧損撥回)：			
— trade receivables	— 應收貿易款項	8	1,722	3,652
— prepayment and other receivables	— 預付款項及其他應收款項	8	(194)	1,776
— amounts due from related companies	— 應收關聯公司款項	8	2,531	2,069
— right-of-use assets	— 使用權資產	8	2,789	2,448
			6,848	9,945
Written off of inventories	存貨撇銷	8	5,705	—
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		35,434	30,128
— Pension scheme contributions (note)	— 退休金計劃供款(附註)		4,021	3,455
			39,455	33,583
Research and development costs	研發成本		12,174	27,878
Donations	捐贈	9	72	66
Foreign exchange gain, net	匯兌收益淨值	6.2	(94)	(1,949)

Note:

As at 31 December 2021, the Group had no forfeited contributions available to reduce its contributions to the person schemes in future years (2020: Nil).

附註：

於二零二一年十二月三十一日，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(二零二零年：無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 11. FINANCE COSTS

An analysis of finance costs is as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest on bank loans	銀行貸款利息	16,670	42,117
Interest on other borrowings	其他借款利息	116,109	48,058
		<b>132,779</b>	90,175
Interest on lease liabilities	租賃負債利息	2,777	6,066
		<b>135,556</b>	96,241

### 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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Fees	袍金	430	430
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	480	455
Performance related bonuses	表現相關的花紅	375	619
Pension scheme contributions	退休金計劃供款	50	69
		<b>905</b>	1,143
		<b>1,335</b>	1,573

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Mr. Shen Zhenchang	沈振昌先生	60	60
Mr. Sun Jiong	孫頴先生	168	168
Mr. Ng Wing Fai	吳榮輝先生	202	202
		430	430

There were no other emoluments payable to the independent non-executive directors during the years ended 31 December 2021 and 2020.

### 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：

截至二零二一年及二零二零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 2021 截至二零二一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

		Salaries, allowances and benefits	Performance related bonuses	Pension scheme contributions	Total remuneration	
		Fees in kind	bonuses	contributions	remuneration	
		袍金 實物利益	相關的花紅 表現	退休金 計劃供款	酬金總額	
		RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	
2021	二零二一年					
<b>Chief executive and executive director:</b>	<b>最高行政人員及執行董事：</b>					
Mr. Liu Jianbin (note (a))	劉建鑽先生(附註(a))	-	360	-	25	385
<b>Executive directors:</b>	<b>執行董事：</b>					
Mr. Chen Wei (note (b))	陳偉先生(附註(b))	-	-	-	-	-
Mr. Sheng Mingjian (note (c))	盛明健先生(附註(c))	-	120	375	25	520
		-	120	375	25	520
<b>Non-executive director:</b>	<b>非執行董事：</b>					
Mr. Gu Wei (note (d))	顧偉先生(附註(d))	-	-	-	-	-
		-	480	375	50	905

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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)

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
		袍金	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
<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 (e))	-	180	-	25	205
	Mr. Liu Jianbin (note (a))	-	-	-	-	-
		-	180	-	25	205
	<b>Executive directors:</b>					
	<b>執行董事：</b>					
	Mr. Chen Wei (note (b))	-	-	-	-	-
	Mr. Sheng Mingjian (note (c))	-	120	380	25	525
	Mr. Wang Chao (note (f))	-	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))	-	59	-	-	59
	Mr. Gu Wei (note (d))	-	-	-	-	-
		-	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 2021 截至二零二一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. Liu Jianbin was appointed as an executive director of the Group on 2 February 2021.
- (b) Mr. Chen Wei was appointed as an executive director of the Group on 11 September 2020.
- (c) Mr. Sheng Mingjian resigned as an executive director of the Group on 28 June 2022.
- (d) Mr. Gu Wei was appointed as a non-executive director of the Group on 2 September 2020.
- (e) Mr. Chen Weizhong resigned as a chief executive and executive director of the Group on 2 February 2021.
- (f) Mr. Wang Chao resigned as a non-executive director of the Group on 11 September 2020.
- (g) Mr. He Yuanchuan resigned as a non-executive director of the Group on 28 August 2020.

There was no arrangement under which executive directors waived or agreed to waive any remuneration during the years ended 31 December 2021 and 2020.

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 2021 (2020: 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) 劉建鑽先生於二零二一年二月二日獲委任為本集團執行董事。
- (b) 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。
- (c) 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。
- (d) 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。
- (e) 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。
- (f) 王超先生於二零二零年九月十一日辭任本集團非執行董事。
- (g) 何源川先生於二零二零年八月二十八日辭任本集團非執行董事。

截至二零二一年及二零二零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薪酬的安排。

截至二零二一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（二零二零年：無）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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 one (2020: three) director(s), details of whose remuneration are set out in note 12 above. Details of the remuneration of the remaining four (2020: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,142	763
Performance related bonuses	表現相關的花紅	1,145	1,280
Pension scheme contributions	退休金計劃供款	45	41
		<b>2,332</b>	<b>2,084</b>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

		2021 二零二一年	2020 二零二零年
Nil to HK\$1,000,000	零至1,000,000港元	4	2

### 13. 五名最高薪僱員

年內，五名最高薪僱員包括一名(二零二零年：三名)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四名(二零二零年：兩名)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 2021 截至二零二一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% (2020: 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%（二零二零年：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。

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Current — PRC	即期 — 中國		
Under-provision in respect of the year	年內撥備不足	—	2,091
Total tax charge for the year	年內稅務支出總額	—	2,091

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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:

		2021 二零二一年		2020 二零二零年	
		RMB'000 人民幣千元	% %	RMB'000 人民幣千元	% %
Loss before income tax	除所得稅前虧損	(318,449)		(843,202)	
Tax at the statutory tax rate	按法定稅率計算的稅項	(79,612)	25.0	(210,801)	25.0
Lower tax rate enacted by the local authority	地方政府頒佈的較低稅率	31,711	(10.0)	84,114	(10.0)
Tax effect of unrecognised temporary differences	未確認臨時差異的稅務影響	481	(0.2)	1,667	(0.2)
Tax losses not recognised	未確認稅項虧損	35,564	(11.2)	26,490	(3.1)
Tax effect of expense not deductible for tax purpose	就稅務而言毋須扣稅開支之稅務影響	12,590	(4.0)	100,972	(12.0)
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅收入之稅務影響	(734)	0.2	(2,442)	0.3
Under-provision in respect of prior year	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)

As at the reporting date, the Group has not recognised deferred tax assets in respect of tax losses and deductible temporary differences of approximately RMB652,667,000 (2020: RMB415,576,000) and RMB37,918,000 (2020: RMB34,713,000), respectively. Of the total unrecognised tax losses, approximately RMB652,667,000 (2020: RMB415,576,000) 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.

### 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所得稅前虧損適用的所得稅開支與按實際稅率計算的稅務開支對賬如下：

		2021 二零二一年		2020 二零二零年	
		RMB'000 人民幣千元	% %	RMB'000 人民幣千元	% %
Loss before income tax	除所得稅前虧損	(318,449)		(843,202)	
Tax at the statutory tax rate	按法定稅率計算的稅項	(79,612)	25.0	(210,801)	25.0
Lower tax rate enacted by the local authority	地方政府頒佈的較低稅率	31,711	(10.0)	84,114	(10.0)
Tax effect of unrecognised temporary differences	未確認臨時差異的稅務影響	481	(0.2)	1,667	(0.2)
Tax losses not recognised	未確認稅項虧損	35,564	(11.2)	26,490	(3.1)
Tax effect of expense not deductible for tax purpose	就稅務而言毋須扣稅開支之稅務影響	12,590	(4.0)	100,972	(12.0)
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅收入之稅務影響	(734)	0.2	(2,442)	0.3
Under-provision in respect of prior year	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)

於報告日期，本集團未就分別約人民幣652,667,000元(二零二零年：人民幣415,576,000元)及人民幣37,918,000元(二零二零年：人民幣34,713,000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652,667,000元(二零二零年：人民幣415,576,000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 2021 截至二零二一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:

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Final dividend in respect of the previous financial year of RMB Nil (2020: RMB6.8 cents) per ordinary share	—	39,355

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

年內批准並支付的上一個財政年度的股息：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
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二零一九年期末股息人民幣39,355,000元已經本公司股東於二零二零年六月二十九日舉行的股東週年大會上批准並於二零二零年八月派付。

### 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 (2020: 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(二零二零年：578,750,000股)。

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Loss attributable to ordinary equity holders of the Company (RMB'000)	(318,449)	(845,293)
Weighted average number of ordinary shares in issue (in thousands)	578,750	578,750
Loss per share attributable to ordinary equity holders of the Company — Basic and diluted (RMB)	(0.55)	(1.46)

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2021 and 2020 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

由於截至二零二一年及二零二零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 2021 截至二零二一年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT 17. 物業、廠房及設備

	Notes 附註	Buildings	Machinery and equipment	Furniture and fixtures	Motor vehicles	Leasehold improvements	Construction in progress	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>31 December 2021</b>	二零二一年十二月三十一日							
At 1 January 2021:	於二零二一年一月一日：							
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
At 1 January 2021, net of accumulated depreciation	於二零二一年一月一日， 扣除累計折舊	159,732	98,557	2,321	1,111	6,998	13,768	282,487
Additions	添置	1,925	3,141	68	412	471	13,492	19,509
Disposals	處置	(114)	(1,891)	(181)	(159)	-	-	(2,345)
Depreciation provided during the year	年內折舊撥備	(10,896)	(12,685)	(583)	(545)	(1,554)	-	(26,263)
Transfers	轉撥	2,382	1,462	-	-	-	(3,844)	-
At 31 December 2021, net of accumulated depreciation	於二零二一年 十二月三十一日， 扣除累計折舊	153,029	88,584	1,625	819	5,915	23,416	273,388
At 31 December 2021:	於二零二一年 十二月三十一日：							
Cost	成本	221,665	181,611	7,118	4,292	16,461	23,416	454,563
Accumulated depreciation	累計折舊	(68,636)	(93,027)	(5,493)	(3,473)	(10,546)	-	(181,175)
Net carrying amount	賬面淨值	153,029	88,584	1,625	819	5,915	23,416	273,388

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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	Buildings	Machinery and equipment	Furniture and fixtures	Motor vehicles	Leasehold improvements	Construction in progress	Total
	附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>31 December 2020</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	於二零二零年一月一日， 扣除累計折舊	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 2021 截至二零二一年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT (Continued)

### 17. 物業、廠房及設備(續)

Notes:

- (a) As at 31 December 2021, certain of the Group's buildings and machinery and equipment with an aggregate net carrying amount of approximately RMB235,213,000 (2020: RMB251,511,000) were pledged to secure bank loans and other borrowings granted to the Group (note 29(f)).
- (b) The Group has engaged the Valuer to perform impairment assessment on the property, plant and equipment for the years ended 31 December 2021 and 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 2021 and 2020.
- \* Included in property, plant and equipment as at 31 December 2021 of approximately RMB Nil (2020: RMB37,509,000) 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 property, plant and equipment and lease liabilities under IFRS 16 Leases. During the year ended 31 December 2021, depreciation on the related underlying assets was approximately RMB1,407,000 (2020: RMB1,875,000). The finance lease has been settled during the year ended 31 December 2021.

附註：

- (a) 於二零二一年十二月三十一日，本集團抵押賬面淨值合共約人民幣235,213,000元(二零二零年：人民幣251,511,000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))。
- (b) 本集團已於截至二零二一年及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，截至二零二一年及二零二零年十二月三十一日止年度並無確認減值虧損。
- \* 計入二零二一年十二月三十一日的物業、廠房及設備約人民幣零元(二零二零年：人民幣37,509,000元)為使用權資產，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號租賃計入物業、廠房及設備以及租賃負債。截至二零二一年十二月三十一日止年度，與相關資產有關的折舊為約人民幣1,407,000元(二零二零年：人民幣1,875,000元)。融資租賃已於截至二零二一年十二月三十一日止年度予以結算。

### 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 (2020: 2 and 13 years). Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

### 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(二零二零年：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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 18. LEASES (Continued)

#### The Group as a lessee (Continued)

##### (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 2021	於二零二一年一月一日	50,859	–	50,859
New leases	新租賃	–	3,902	3,902
Depreciation charge	折舊開支	(1,299)	(1,113)	(2,412)
Impairment loss	減值虧損	–	(2,789)	(2,789)
As at 31 December 2021	於二零二一年 十二月三十一日	49,560	–	49,560
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

Leasehold land of the Group with an aggregate carrying amount of approximately RMB49,560,000 (2020: RMB50,859,000) as at 31 December 2021 has been pledged to secure other borrowings (2020: bank loans and other borrowings) granted to the Group (note 29(f)).

本集團於二零二一年十二月三十一日之總賬面值約人民幣49,560,000元(二零二零年：人民幣50,859,000元)的租賃土地已作抵押，以擔保本集團獲授的其他借款(二零二零年：銀行貸款及其他借款)(附註29(f))。

### 18. 租賃(續)

#### 本集團作為承租人(續)

##### (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 2021 截至二零二一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:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	40,563	86,965
New leases	新租賃	3,902	-
Accretion of interest recognised during the year	年內已確認利息增加	2,777	6,066
Payments	付款	(42,513)	(52,468)
Carrying amount at 31 December	於十二月三十一日的賬面值	4,729	40,563
Analysed into:	分析為：		
Current portion	流動部分	1,004	25,696
Non-current portion	非流動部分	3,725	14,867

The following table shows the remaining contractual maturities of the Group's lease liabilities:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Total minimum lease payments:	最低租賃付款總額：		
Due within one year	一年內到期	1,027	28,104
Due in the second to fifth years	第二至第五年到期	3,478	14,603
Due after the fifth year	第五年後到期	1,055	645
Less: Future finance charges on lease liabilities	減：未來租賃負債融資支出	(831)	(2,789)
Present value of lease liabilities	租賃負債的現值	4,729	40,563

### 18. 租賃(續)

#### 本集團作為承租人(續)

##### (b) 租賃負債

年內租賃負債(包括計息銀行及其他借款)的賬面值及變動如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	40,563	86,965
New leases	新租賃	3,902	-
Accretion of interest recognised during the year	年內已確認利息增加	2,777	6,066
Payments	付款	(42,513)	(52,468)
Carrying amount at 31 December	於十二月三十一日的賬面值	4,729	40,563
Analysed into:	分析為：		
Current portion	流動部分	1,004	25,696
Non-current portion	非流動部分	3,725	14,867

下表列示本集團租賃負債餘下合約年期：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Total minimum lease payments:	最低租賃付款總額：		
Due within one year	一年內到期	1,027	28,104
Due in the second to fifth years	第二至第五年到期	3,478	14,603
Due after the fifth year	第五年後到期	1,055	645
Less: Future finance charges on lease liabilities	減：未來租賃負債融資支出	(831)	(2,789)
Present value of lease liabilities	租賃負債的現值	4,729	40,563

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 18. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities (Continued)

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Present value of minimum lease payments:	最低租賃付款現值：		
Due within one year	一年內到期	1,004	25,696
Due in the second to fifth years	第二至第五年到期	2,753	14,283
Due after the fifth year	第五年後到期	972	584
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	(1,004)	(25,696)
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	3,725	14,867

The maturity analysis of lease liabilities is disclosed in note 40.3 to the consolidated financial statements.

As at 31 December 2021, lease liabilities amounting to approximately RMB4,729,000 (2020: RMB40,563,000) 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於綜合財務報表附註40.3中披露。

於二零二一年十二月三十一日，租賃負債約人民幣4,729,000元(二零二零年：人民幣40,563,000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 2021 截至二零二一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 2021, 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 (2020: 9)	1 to 8 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 (二零二零年：9)	1至8年 (二零二零年：1至9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:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	2,777	6,066
Depreciation charge of right-of-use assets	使用權資產折舊開支	3,819	3,813
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)	192	118
Total amount recognised in profit or loss	於損益確認的總額	6,788	9,997

(e) The total cash outflow for leases is disclosed in note 34(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

於二零二一年十二月三十一日，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34(c)中披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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 2021</b>	<b>二零二一年十二月三十一日</b>			
Cost at 1 January 2021, net of accumulated amortisation	於二零二一年一月一日之成本，已扣除累計攤銷	244	1,123	1,367
Addition	添置	–	371	371
Amortisation provided during the year	年內已計提攤銷	–	(306)	(306)
<b>At 31 December 2021</b>	<b>於二零二一年十二月三十一日</b>	<b>244</b>	<b>1,188</b>	<b>1,432</b>
<b>At 31 December 2021</b>	<b>於二零二一年十二月三十一日</b>			
Cost	成本	244	2,031	2,275
Accumulated amortisation	累計攤銷	–	(843)	(843)
Net carrying amount	賬面淨值	244	1,188	1,432
<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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 20. INVENTORIES

### 20. 存貨

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	11,222	9,425
Work in progress	在製品	631,304	663,236
Finished goods	成品	11,085	12,265
		<b>653,611</b>	<b>684,926</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.

During the year ended 31 December 2021, the Group has written off the obsolete inventories of approximately RMB5,705,000 (2020: Nil). At 31 December 2021, the carrying amount of inventories included provision of approximately RMB5,801,000 (2020: RMB4,999,000), which is determined with reference to the net realisable value of the inventory items. Additional provision of approximately RMB802,000 (2020: RMB4,999,000) was made during the year ended 31 December 2021.

At 31 December 2021, the Group's inventories with a carrying amount of RMB612,742,000 (2020: RMB549,212,000) were pledged to secure 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。

截至二零二一年十二月三十一日止年度，本集團已撇銷陳舊存貨約人民幣5,705,000元(二零二零年：無)。於二零二一年十二月三十一日，存貨的賬面值包括撥備約人民幣5,801,000元(二零二零年：人民幣4,999,000元)，其乃參考存貨項目的可變現淨值而釐定。截至二零二一年十二月三十一日止年度，已作出額外撥備約人民幣802,000元(二零二零年：人民幣4,999,000元)。

於二零二一年十二月三十一日，本集團抵押賬面值為人民幣612,742,000元(二零二零年：人民幣549,212,000元)的存貨，作為本集團所獲授其他借款的擔保，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 2021 截至二零二一年十二月三十一日止年度

### 21. TRADE RECEIVABLES

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade receivables, gross	應收貿易款項總額	24,510	24,066
Less: allowance for credit losses	減：信貸虧損撥備	(5,374)	(3,652)
Trade receivables, net	應收貿易款項淨值	19,136	20,414

The Group's trading terms with its customers are mainly on credit. The credit period is generally one to three months.

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.

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。

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。

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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 3 months	3個月以內	15,947	18,532
3 to 6 months	3至6個月	1,775	1,169
6 months to 1 year	6個月至1年	1,414	713
		19,136	20,414

The movements in the loss allowance for impairment of trade receivables are as follows:

應收貿易款項減值虧損撥備變動如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
At beginning of year	年初	3,652	2,194
ECL allowance recognised	確認預期信貸虧損撥備	1,722	3,652
Amount written off (note)	撇銷金額(附註)	-	(2,194)
At the end of the year	年末	5,374	3,652

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 21. TRADE RECEIVABLES (Continued)

Note:

As at 31 December 2020, approximately RMB2,194,000 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 RMB1,722,000 (2020: RMB3,652,000) was mainly due to the increase in the past due balance of trade receivables.

The Group engaged the Valuer to assess the impairment of trade receivables for the years ended 31 December 2021 and 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 2021

#### 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%	3.6%–69.9%	100%	0.0%	18.1%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	11,872	3,309	651	–	15,832
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	–	2,214	651	–	2,865

#### 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%	30.0%	100%	0.0%	11.5%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	1,609	6,517	552	–	8,678
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	–	1,957	552	–	2,509

### 21. 應收貿易款項(續)

附註：

於二零二零年十二月三十一日，應收貿易款項人民幣2,194,000元已悉數撇銷，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。虧損撥備增加人民幣1,722,000元(二零二零年：人民幣3,652,000元)，乃主要由於應收貿易款項逾期結餘增加所致。

本集團委聘估值師評估截至二零二一年及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：

於二零二一年十二月三十一日

#### 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%	3.6%–69.9%	100%	0.0%	18.1%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	11,872	3,309	651	–	15,832
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	–	2,214	651	–	2,865

#### 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%	30.0%	100%	0.0%	11.5%
Gross carrying amount (RMB'000)	賬面總額(人民幣千元)	1,609	6,517	552	–	8,678
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	–	1,957	552	–	2,509

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 21. TRADE RECEIVABLES (Continued)

As at 31 December 2021 (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)	13,481	9,826	1,203	-	24,510
ECLs (RMB'000)	預期信貸虧損(人民幣千元)	-	4,171	1,203	-	5,374

### 21. 應收貿易款項(續)

於二零二一年十二月三十一日(續)

#### 總計

As at 31 December 2020

#### Customers classified as categories A, B and C

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

#### Customers classified as category D

#### 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

#### Total

#### 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Prepayments (note)	預付款項(附註)	6,188	7,952
Less: Impairment	減：減值	(1,160)	(1,230)
Value-added tax recoverable	可收回增值稅	117,220	97,645
Deposits and other receivables (note)	按金及其他應收款項(附註)	20,355	23,309
Less: Allowance for credit losses	減：信貸虧損撥備	(422)	(546)
		142,181	127,130
Less: Portion classified as non-current assets	減：獲分類為非流動資產部份	(6,126)	(15,714)
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份	136,055	111,416

Note:

Details of prepayments, deposits and other receivables as at 31 December 2021 and 2020 are as follows:

附註：

於二零二一年及二零二零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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Prepayments for fixed assets	固定資產的預付款項	2,109	3,463
Prepayments for procurements of condiment products	採購調味品的預付款項	894	2,837
Other prepayments	其他預付款項	3,185	1,652
Deposits and other receivables	按金及其他應收款項	20,355	23,309
		26,543	31,261
Less:	減：		
Portion classified as non-current assets	分類為非流動資產部分	(6,126)	(15,714)
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	20,417	15,547

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

(Continued)

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.

### 23. AMOUNTS DUE FROM RELATED COMPANIES

Details of amounts due from related companies and net of loss allowance, are as follows:

### 22. 預付款項、其他應收款項及其他資產(續)

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。

### 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：

	<b>Maximum balance due during the year</b>	<b>2021</b>	<b>2020</b>
	年內到期的 最大結餘	二零二一年 RMB'000 人民幣千元	二零二零年 RMB'000 人民幣千元
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* (“ <b>Huzhou Wuxing Suhushu</b> ”)	湖州吳興蘇湖熟糧油 機械化專業合作社* (「湖州吳興蘇湖熟」)	20,000	18,780
浙江中味釀造有限公司 Zhejiang Zhongwei Brewery Co., Limited* (“ <b>Zhejiang Zhongwei</b> ”) (note 29(h))	浙江中味釀造有限公司* (「浙江中味」) (附註29(h))	34,888	13,071
		<b>22,238</b>	<b>31,851</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.

\* 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 2021 截至二零二一年十二月三十一日止年度

### 23. AMOUNTS DUE FROM RELATED COMPANIES (Continued)

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 of RMB1,950,000 are regarded as credit-impaired and the remaining 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 7.59% to 100% (2020: ranging from 6.10% to 10.94%) over the gross carrying amounts for the year ended 31 December 2021. As at 31 December 2021, loss allowance amounting to approximately RMB4,600,000 (2020: RMB2,069,000) 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.

Movement in the ECL:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
At the beginning of the year	年初	2,069	-
ECLs recognised	已確認的預期信貸虧損	3,751	2,069
Reversal (note)	撥回(附註)	(1,220)	-
At the end of the year	年末	4,600	2,069

Note:

As at 31 December 2021, an additional loss allowance of approximately RMB3,751,000 (2020: RMB2,069,000) was recognised due to the increase in the past due balance of the receivables and approximately RMB1,220,000 (2020: Nil) of loss allowance was fully reversed because the Group has received the amount during the year ended 31 December 2021.

### 23. 應收關聯公司款項(續)

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，結餘人民幣1,950,000元被視為信貸減值，而餘下結餘被視為無出現信貸減值，且已按個別評估基準評估。截至二零二一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介乎於7.59%至100%(二零二零年：介乎於6.10%至10.94%)。於二零二一年十二月三十一日，約人民幣4,600,000元(二零二零年：人民幣2,069,000元)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。

預期信貸虧損的變動：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
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附註：

於二零二一年十二月三十一日，因應收賬款的逾期結餘增加而確認約人民幣3,751,000元(二零二零年：人民幣2,069,000元)的額外虧損撥備，以及因本集團於截至二零二一年十二月三十一日止年度已收到有關款項而悉數撥回約人民幣1,220,000元(二零二零年：無)的虧損撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Cash and bank balances (note)	現金及銀行結餘(附註)	31,015	8,443
Pledged deposits	已抵押存款	1,205	230
		<b>32,220</b>	<b>8,673</b>
Note:	附註:		
Denominated in RMB	以人民幣計值	29,450	7,744
Denominated in HK\$	以港元計值	1,136	595
Denominated in United States Dollar (USD)	以美元計值	429	104
Cash and cash equivalents	現金及現金等價物	<b>31,015</b>	<b>8,443</b>

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.

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，信貸風險被視為並不重大。

### 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:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 3 months	3個月以內	28,298	18,974
3 to 6 months	3至6個月	4,324	9,054
Over 6 months	6個月以上	5,530	14,711
		<b>38,152</b>	<b>42,739</b>

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.

### 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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
		附註		
Contract liabilities	合約負債	(a)	34,955	25,546
Other tax payables	其他應付稅項	(b)	207,326	211,880
Other payables and accruals	其他應付款項及應計項目	(c)	170,706	117,851
Amount due to a director	應付一名董事款項		11	51
Salary payables	應付薪金		8,447	9,590
			<b>421,445</b>	<b>364,918</b>

Notes:

(a) Details of contract liabilities are as follows:

附註：

(a) 合約負債詳情如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Short-term advances received from customers	自客戶收取的短期墊款		
Sale of goods	銷售貨品	34,955	25,546

Contract liabilities include short-term advances received to deliver products. The increase in contract liabilities in 2021 was mainly due to the increase 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的而收取的短期墊款。合約負債於二零二一年增加，乃主要由於年末就提供貨品銷售所產生而向客戶收取的短期墊款增加所致。

(b) Included in the balances was mainly the value added tax payable of approximately RMB175,328,000 (2020: approximately RMB154,654,000).

(b) 計入結餘主要為應付增值稅約人民幣175,328,000元(二零二零年：約人民幣154,654,000元)。

(c) Included in the balances was mainly the provision of surcharge for overdue tax payment and equipment and construction costs payables of approximately RMB128,200,000 and RMB5,777,000, respectively (2020: RMB70,317,000 and RMB27,254,000).

(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128,200,000元及人民幣5,777,000元(二零二零年：人民幣70,317,000元及人民幣27,254,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
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」)	1,060	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	10,000
湖州湖融供應鏈管理有限公司	湖州湖融供應鏈管理有限公司	6,365	-
		<b>17,425</b>	<b>10,968</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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
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」)	1,060	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	10,000
湖州湖融供應鏈管理有限公司	湖州湖融供應鏈管理有限公司	6,365	-
		<b>17,425</b>	<b>10,968</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 amounts are 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 2021 截至二零二一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 2021 二零二一年十二月三十一日			31 December 2020 二零二零年十二月三十一日		
		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))	4.75-4.90	2022 二零二二年	1,004	4.75-9.98	2021 二零二一年	25,696
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
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
Other borrowings – unsecured <sup>(c)(e)(h)</sup>	其他借款 – 無抵押 <sup>(c)(e)(h)</sup>	7.42-24.00	2022 二零二二年	50,495	7.42-24.00	2021 二零二一年	159,258
Other borrowings – secured <sup>(d)(e)(f)(i)</sup>	其他借款 – 有抵押 <sup>(d)(e)(f)(i)</sup>	10.65-15.32	2022 二零二二年	1,643,223	4.95-15.32	2021 二零二一年	604,199
				1,694,722			1,408,963
<b>Non-current</b>	<b>非即期</b>						
Lease liabilities (note 18(b))	租賃負債(附註18(b))	4.75-4.90	2023-2029 二零二三年至 二零二九年	3,725	4.75-9.98	2022-2029 二零二二年至 二零二九年	14,867
Other borrowings – secured <sup>(d)(e)(f)(i)</sup>	其他借款 – 有抵押 <sup>(d)(e)(f)(i)</sup>	15.32	2023 二零二三年	61,965	12.23-15.32	2022-2023 二零二二年至 二零二三年	71,656
				65,690			86,523
Total	總計			1,760,412			1,495,486
Analysed into:	分析如下:						
Within one year or on demand	於一年內或按要求			1,694,722			1,408,963
In the second year	第二年內			62,432			10,328
In the third year to fifth years, inclusive	第三至第五年內 (首尾兩年包括在內)			2,853			75,790
Beyond five years	五年以上			405			405
				1,760,412			1,495,486

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一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 2021, the Group has no facilities of bank borrowings (2020: RMB619,810,000, of which RMB619,810,000 had been utilised).
- (b) During the year ended 31 December 2021, the Group has repaid the bank loans amounting to approximately RMB462,528,000 that were not in compliance with certain financial loan covenants as at 31 December 2020.
- (c) As at 31 December 2021, included in the balances was other borrowings amounting to approximately RMB50,495,000 (2020: RMB159,258,000) which was unsecured, bearing interest at 7.42%–24% (2020: 7.42%–24%) per annum and repayable within one year (2020: repayable within one year).
- (d) As at 31 December 2021, included in the balances was other borrowings amounting to approximately RMB1,705,188,000 (2020: RMB675,855,000) which was secured, bearing interest at 10.65%–15.32% (2020: 4.95%–15.32%) per annum and repayable within one to two years (2020: repayable within one to three years), in which RMB1,358,534,000, RMB138,736,000 and RMB207,918,000 (2020: RMB594,547,000, Nil and RMB60,738,000) was from 南太湖, 湖州吳興城市 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 the Group, 湖州吳興城市, 南太湖 and 湖盛融資.
- (e) As at 31 December 2021, the Group's other borrowings amounting to approximately RMB983,393,000 (2020: RMB430,000,000) were overdue and the related overdue interest expense of approximately RMB48,600,000 (2020: RMB22,160,000) (note 9) was recognised for the year ended 31 December 2021.

### 29. 計息銀行及其他借款(續)

附註:

- (a) 於二零二一年十二月三十一日,本集團並無銀行借款之融資額度(二零二零年:人民幣619,810,000元,其中人民幣619,810,000元已動用)。
- (b) 於截至二零二一年十二月三十一日止年度,本集團已償還於二零二零年十二月三十一日並不符合若干金融貸款契諾的銀行貸款約人民幣462,528,000元。
- (c) 於二零二一年十二月三十一日,計入結餘為其他借款約人民幣50,495,000元(二零二零年:人民幣159,258,000元),該款項為無抵押、按年利率介乎於7.42%至24%計息(二零二零年:7.42%至24%)並須於一年內償還(二零二零年:須於一年內償還)。
- (d) 於二零二一年十二月三十一日,計入結餘為其他借款約人民幣1,705,188,000元(二零二零年:人民幣675,855,000元),該款項為有抵押、按年利率10.65%至15.32%(二零二零年:4.95%至15.32%)計息並須於一至兩年內償還(二零二零年:須於一至三年內償還),其中人民幣1,358,534,000元、人民幣138,736,000元及人民幣207,918,000元(二零二零年:人民幣594,547,000元、零及人民幣60,738,000元)分別來自南太湖、湖州吳興城市及湖盛融資。陳偉先生為南太湖及湖盛融資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、湖州吳興城市、南太湖及湖盛融資擁有重大影響力。
- (e) 於二零二一年十二月三十一日,本集團其他借款約人民幣983,393,000元(二零二零年:人民幣430,000,000元)已逾期及相關逾期利息開支約人民幣48,600,000元(二零二零年:人民幣22,160,000元)(附註9)於截至二零二一年十二月三十一日止年度確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 29. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

- (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:

			2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Notes 附註			
Property, plant and equipment	17	物業、廠房及設備	235,213	251,511
Right-of-use assets	18(a)	使用權資產	49,560	50,859
Inventories	20	存貨	612,742	549,212
Pledged deposits	24	已抵押存款	-	230
			<b>897,515</b>	<b>851,812</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 37(d)).

- (h) As at 31 December 2021, included in the balances was other borrowings amounting to approximately RMB16,353,000 (2020: RMB13,920,000) that were withdrawn on behalf of a related company, Zhejiang Zhongwei. The amount is unsecured, bore interest at 24% (2020: 24%) per annum and repayable on demand.

### 29. 計息銀行及其他借款(續)

附註：(續)

- (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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Notes 附註		
Property, plant and equipment	17	235,213	251,511
Right-of-use assets	18(a)	49,560	50,859
Inventories	20	612,742	549,212
Pledged deposits	24	-	230
		<b>897,515</b>	<b>851,812</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37(d))。

- (h) 於二零二一年十二月三十一日，計入結餘為代表關聯公司浙江中味提取的其他借款約人民幣16,353,000元(二零二零年：人民幣13,920,000元)。該款項為無抵押、按年利率24%(二零二零年：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 2021 截至二零二一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 1–2 years (2020: 2 year) as at 31 December 2021. 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.

The management assessed the accounting treatment and was of the view that the Group have 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 2021 and 2020:

#### 2021

Date of incurrence 產生日期	Principal amount 本金 (RMB) (人民幣)	Effective interest rate 實際利率	Maturity 到期日	Guarantee deposit 保證金 (RMB) (人民幣)
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
16 August 2021 二零二一年八月十六日	48,000,000	12.45%	15 August 2022 二零二二年八月十五日	4,000,000
20 August 2021 二零二一年八月二十日	18,000,000	12.36%	19 August 2022 二零二二年八月十九日	850,000
8 September 2021 二零二一年九月八日	13,000,000	12.53%	7 September 2022 二零二二年九月七日	1,000,000
22 October 2021 二零二一年十月二十二日	35,000,000	12.43%	21 October 2022 二零二二年十月二十一日	4,000,000
22 October 2021 二零二一年十月二十二日	33,000,000	10.65%	21 October 2022 二零二二年十月二十一日	4,000,000

#### 2020

Date of incurrence 產生日期	Principal amount 本金 (RMB) (人民幣)	Effective interest rate 實際利率	Maturity 到期日	Guarantee deposit 保證金 (RMB) (人民幣)
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) 金額包括截至二零二一年十二月三十一日的餘下租期為1至2年(二零二零年：2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。

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為其他借款。

下表載列於二零二一年及二零二零年十二月三十一日的售後回租安排詳情：

#### 二零二一年

Maturity 到期日	Guarantee deposit 保證金 (RMB) (人民幣)
20 January 2023 二零二三年一月二十日	5,000,000
15 August 2022 二零二二年八月十五日	4,000,000
19 August 2022 二零二二年八月十九日	850,000
7 September 2022 二零二二年九月七日	1,000,000
21 October 2022 二零二二年十月二十一日	4,000,000
21 October 2022 二零二二年十月二十一日	4,000,000

#### 二零二零年

Maturity 到期日	Guarantee deposit 保證金 (RMB) (人民幣)
20 November 2022 二零二二年十一月二十日	4,500,000
20 January 2023 二零二三年一月二十日	5,000,000

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 2021 截至二零二一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 2021 and 2020.

As at 31 December 2021

Creditors	Borrowers	Unauthorised guarantee amount	Unauthorised guarantee amount utilised based on	Provision for loss on unauthorised guarantee
			the court judgement	
債權人	借款人	未經授權擔保金額	根據法院判令動用的未經授權擔保金額	未經授權擔保虧損撥備
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Company A	Zhejiang Zhongwei	30,000	30,000	15,000
公司A	浙江中味			
Company B	Zhejiang Zhongwei	40,000	20,000	–
公司B	浙江中味			
Company C	Zhejiang Ruoxiachun	8,000	8,000	–
公司C	浙江箬下春			
Company D	Huzhou Wuxing Wucheng Wine Co., Ltd. ("Huzhou Wuxing Wucheng")	20,000	20,000	–
公司D	湖州吳興烏程酒業有限公司 (「湖州吳興烏程」)			
Company E	Zhejiang Zhongwei	15,000	15,000	–
公司E	浙江中味			
Company F	The Group	5,000	5,000	2,500
公司F	本集團			
Company G	Zhejiang Zhongwei	10,000	10,000	–
公司G	浙江中味			
		128,000	108,000	17,500

### 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，截至二零二一年及二零二零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。

於二零二一年十二月三十一日

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 30. PROVISION FOR LOSS ON UNAUTHORISED GUARANTEES

(Continued)

As at 31 December 2020

### 30. 未經授權擔保虧損撥備(續)

於二零二零年十二月三十一日

Creditors	Borrowers	Unauthorised guarantee amount	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	Provision for loss on unauthorised guarantee
債權人	借款人	未經授權 擔保金額 RMB'000 人民幣千元	未經授權 擔保金額 RMB'000 人民幣千元	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	Huzhou Wuxing Wucheng 湖州吳興烏程	20,000	20,000	–
Company E 公司E	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
		128,000	108,000	27,500

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 30. PROVISION FOR LOSS ON UNAUTHORISED GUARANTEES

(Continued)

As described in details in the Group's consolidated financial statements for the year ended 31 December 2020, 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. The Group has repaid the Company G of RMB10,000,000 on behalf of Zhejiang Zhongwei during the year ended 31 December 2021, accordingly, the Group is no longer liable to this financial guarantee contract as at 31 December 2021.

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 RMB17,500,000 (2020: 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 2021.

### 30. 未經授權擔保虧損撥備(續)

誠如本集團截至二零二零年十二月三十一日止年度的綜合財務報表所詳細載述，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。本集團於截至二零二一年十二月三十一日止年度代表浙江中味償還公司G人民幣10,000,000元，因此，本集團於二零二一年十二月三十一日不再就該項融資擔保合約承擔任何責任。

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，就暫停之法院聆訊確認截至二零二一年十二月三十一日止年度的未經授權擔保虧損撥備人民幣17,500,000元(二零二零年：人民幣27,500,000元)，該金額為本集團對融資擔保合約項下責任可能產生的現金流出的最佳估計。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 31. OTHER LONG TERM LIABILITIES

### 31. 其他長期負債

		2021	2020
		二零二一年	二零二零年
		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(附註)	100,000	133,000
Provision for long service payment	長期服務付款撥備	6,090	6,214
		<b>106,090</b>	<b>139,214</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.

According to the repayment schedule under the Investment Agreement, RMB33,000,000 was payable on 20 September 2022, RMB33,000,000 was reallocated as current portion included in other liabilities as at 31 December 2021. The remaining balance was payable on 20 September 2023 and 2 February 2024 respectively.

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)與國開發基金有限公司(「國開發基金」)訂立注資協議(「注資協議」)。根據注資協議，國開發基金同意以人民幣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。

根據注資協議項下的還款時間表，於二零二二年九月二十日應付人民幣33,000,000元，人民幣33,000,000元於二零二一年十二月三十一日重新分配至計入其他負債的流動部分。餘下結餘分別於二零二三年九月二十日及二零二四年二月二日支付。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 31. OTHER LONG TERM LIABILITIES (Continued)

Note: (Continued)

The balance of other long term payables was analysed as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Other long-term payables	其他長期應付款項	133,000	133,000
Less:	減：		
Portion classified as current portion included in other liabilities	劃分為流動部分的部分計入其他負債	(33,000)	-
Non-current portion More than 1 but within 5 years	非流動部分 一年以上五年以內	100,000	133,000

### 31. 其他長期負債(續)

附註：(續)

其他長期應付款項結餘的分析如下：

### 32. SHARE CAPITAL

### 32. 股本

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Authorised: 1,000,000,000 ordinary shares of USD0.0005 (RMB0.00305) each	法定： 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: 578,750,000 ordinary shares of USD0.0005 (RMB0.00305) each	已發行及繳足： 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 32. SHARE CAPITAL (Continued)

A summary of movements in the Company's issued share capital and share premium is as follows:

		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 2020	於二零二零年一月一日	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, 1 January 2021 and 31 December 2021	於二零二零年十二月三十一日、 二零二一年一月一日及 二零二一年十二月三十一日	578,750,000	1,767	817,201	818,968

### 32. 股本 (續)

本公司已發行股本及股份溢價變動概述如下：

### 33. 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.

### 33. 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 2021 截至二零二一年十二月三十一日止年度

### 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

During the year ended 31 December 2021, the Group has non-cash additions to right-of-use assets and lease liabilities in respect of lease arrangements for warehouse, plant and equipment of approximately RMB3,902,000 (2020: Nil).

#### (b) Changes in liabilities arising from financing activities are as follows:

2021

### 34. 綜合現金流量表附註

#### (a) 主要非現金交易

截至二零二一年十二月三十一日止年度，本集團就倉庫、廠房及設備租賃安排的使用權資產及租賃負債有非現金增加約人民幣3,902,000元（二零二零年：無）。

#### (b) 融資活動所產生負債的變動如下：

二零二一年

		Lease liabilities	Bank loan and other borrowings	Amounts due to related companies	Amount due to ultimate holding company
		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 2021	於二零二一年一月一日	40,563	1,454,923	10,968	44,755
Changes from financing cash flows	融資現金流量變動	(39,959)	270,378	6,457	(134)
Interest paid	已付利息	(2,554)	(102,397)	-	-
Non-cash:	非現金：				
Interest expense	利息開支	2,777	132,779	-	-
New lease	新租賃	3,902	-	-	-
At 31 December 2021	於二零二一年十二月三十一日	4,729	1,755,683	17,425	44,621

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

(b) Changes in liabilities arising from finance activities are as follows: (Continued)

2020

		Lease liabilities	Bank loan and other borrowings	Amounts due to related companies	Amount due to ultimate holding company
		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 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

### (c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within operating activities	經營活動範圍	192	118
Within financing activities	融資活動範圍	39,959	46,548
		40,151	46,666

### 34. 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)

二零二零年

		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	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
於二零二零年一月一日 (經重列)	於二零二零年一月一日 (經重列)	86,965	1,341,253	18,123	22,002
融資現金流量變動	融資現金流量變動	(46,548)	66,269	(7,155)	22,753
已付利息	已付利息	(5,920)	(42,774)	-	-
非現金:	非現金:				
利息開支	利息開支	6,066	90,175	-	-
於二零二零年 十二月三十一日	於二零二零年 十二月三十一日	40,563	1,454,923	10,968	44,755

### (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:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within operating activities	經營活動範圍	192	118
Within financing activities	融資活動範圍	39,959	46,548
		40,151	46,666

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 35. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans are included in note 29(f) to the consolidated financial statements.

### 35. 資產質押

本集團就銀行貸款所抵押資產的詳情載於綜合財務報表附註29(f)。

### 36. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

### 36. 承擔

本集團於報告期末有下列資本承擔：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Contracted, but not provided for: Plant and machinery	已訂約但未計提撥備： 廠房及機器	9,791	4,982

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 37. 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 Zhejiang Zhongwei	Son of Mr. Chen Weizhong 陳衛忠先生的兒子 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
浙江中味 Key Shine Key Shine 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 Company’s ultimate holding company 本公司的最終控股公司 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:

- (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：

陳偉先生控制或顯著影響的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 湖州吳興城市 南太湖 南太湖 湖盛融資 湖盛融資 湖州湖融供應鏈管理公司 湖州湖融供應鏈管理公司	Company having a security interest in shares of the Company 擁有本公司股份質押權益的公司 Subsidiary of 湖州吳興城市 湖州吳興城市的附屬公司 Subsidiary of 湖州吳興城市 湖州吳興城市的附屬公司 Subsidiary of 湖州吳興城市 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 2021 截至二零二一年十二月三十一日止年度

### 37. 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:

### 37. 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連方及關聯方的交易：

Name of related parties 關聯方名稱	Nature of transactions 交易性質	Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Yilong County Zhongwei 儀隴縣中味	Sales of goods 銷售貨品	(i)	–	10
	Purchase of goods 購買貨品	(i)	2,596	–
湖州吳興城市 湖州吳興城市	Interest expenses 利息開支	(ii)	3,809	–
	Overdue interest expenses 逾期利息開支	(ii)	527	–
南太湖 南太湖	Interest expenses 利息開支	(ii)	89,086	23,928
	Overdue interest expenses 逾期利息開支	(ii)	44,818	19,846
湖盛融資 湖盛融資	Interest expenses 利息開支	(ii)	12,193	7,478
	Overdue interest expenses 逾期利息開支	(ii)	1,616	–
湖州湖融供應鏈管理有限公司 湖州湖融供應鏈管理有限公司	Purchase of property, plant and equipment 購買物業、廠房及設備	(ii)	6,365	–

(i) The sales and purchase 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.

(ii) The interest expenses, overdue interest expenses and purchase of property, plant and equipment were charged in accordance with contractual terms.

(i) 買賣貨品乃根據與受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。

(ii) 利息開支、逾期利息開支及購買物業、廠房及設備乃根據合約條款收取。

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.

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 37. RELATED PARTY TRANSACTIONS (Continued)

(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:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	900	885
Performance related bonuses	表現相關的花紅	375	619
Pension scheme contributions	退休金計劃供款	50	69
<b>Total compensation paid to key management personnel</b>	<b>支付予主要管理人員的酬金總額</b>	<b>1,325</b>	<b>1,573</b>

Further details of directors' emoluments are included in note 12 to the consolidated financial statements.

董事酬金的進一步詳情計入綜合財務報表附註12中。

(d) Provision of guarantees by related parties:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<b>Interest-bearing bank borrowings</b>	<b>計息銀行借貸</b>		
Mr. Chen Weidong, Ms. Xing Liyu and Mr. Chen Jinhao	陳衛東先生、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
Mr. Chen Weizhong and Ms. Xing Liyu	陳衛忠先生及邢利玉女士	-	142,955
Zhejiang Zhongwei	浙江中味	-	55,000
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
		-	367,955

Details of the Group's guarantees to related parties are included in note 30 to the consolidated financial statements.

本集團向關聯方作出的擔保詳情載於綜合財務報表附註30。

### 37. 與關聯方交易 (續)

(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：

(d) 關聯方所提供的擔保：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 38. 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:

2021

#### 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	19,136
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	19,933
Amounts due from related companies	應收關聯公司款項	22,238
Pledged deposits	已抵押存款	1,205
Cash and cash equivalents	現金及現金等價物	31,015
		93,527

#### 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	38,152
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	179,164
Other liabilities	其他負債	33,000
Amounts due to related companies	應付關聯公司款項	17,425
Amount due to ultimate holding company	應付最終控股公司款項	44,621
Financial liabilities included in other long term liabilities	計入其他長期負債的金融負債	100,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,760,412
		2,172,774

### 38. 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：

二零二一年

#### 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	19,136
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	19,933
Amounts due from related companies	應收關聯公司款項	22,238
Pledged deposits	已抵押存款	1,205
Cash and cash equivalents	現金及現金等價物	31,015
		93,527

#### 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	38,152
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	179,164
Other liabilities	其他負債	33,000
Amounts due to related companies	應付關聯公司款項	17,425
Amount due to ultimate holding company	應付最終控股公司款項	44,621
Financial liabilities included in other long term liabilities	計入其他長期負債的金融負債	100,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,760,412
		2,172,774

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 38. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

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

	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

### 38. 按類別劃分的金融工具(續)

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	20,414
Financial assets included in prepayments, other receivables and other assets	22,763
Amounts due from related companies	31,851
Pledged deposits	230
Cash and cash equivalents	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	42,739
Financial liabilities included in other payables and accruals	127,492
Amounts due to related companies	10,968
Amount due to ultimate holding company	44,755
Financial liabilities included in other long term liabilities	133,000
Interest-bearing bank and other borrowings	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 2021 截至二零二一年十二月三十一日止年度

### 39. 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 38 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 2021 and 2020.

### 40. 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.

#### 40.1 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.

### 39. 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38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。

截至二零二一年及二零二零年十二月三十一日止年度，公平值計量之間並無轉移。

### 40. 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。

#### 40.1 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 2021 截至二零二一年十二月三十一日止年度

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 40.1 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.

### 40. 財務風險管理目標及政策(續)

#### 40.1 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 外幣匯率 上升/(下降) %	Increase/ (decrease) in loss before income tax and equity 除所得稅前 虧損及權益 增加/(減少) RMB'000 人民幣千元
<b>2021</b>	<b>二零二一年</b>		
If USD weakens against RMB	倘美元兌人民幣貶值	(5)	(18)
If USD strengthens against RMB	倘美元兌人民幣升值	5	18
<b>2020</b>	<b>二零二零年</b>		
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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 40.2 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 2021 and 2020. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2021

### 40. 財務風險管理目標及政策(續)

#### 40.2 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)以及於二零二一年及二零二零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。

於二零二一年十二月三十一日

		12-month ECLs		Lifetime ECLs		Total
		12個月預期 信貸虧損		全期預期信貸虧損		
		Stage 1	Stage 2	Stage 3	Simplified approach	
		第1階段	第2階段	第3階段	簡化方法	總計
		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*	-	-	-	24,510	24,510
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					
— Normal**	— 一般**	20,355	-	-	-	20,355
Amounts due from related companies	應收關聯公司款項	-	24,888	1,950	-	26,838
Pledged deposits	已抵押存款					
— Not yet past due	— 未逾期	1,205	-	-	-	1,205
Cash and cash equivalents	現金及現金等價物					
— Not yet past due	— 未逾期	31,015	-	-	-	31,015
		52,575	24,888	1,950	24,510	103,923

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 40. 財務風險管理目標及政策(續)

#### 40.2 Credit risk (Continued)

##### Maximum exposure (Continued)

As at 31 December 2020

#### 40.2 信用風險(續)

##### 最大風險(續)

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	計入預付款項、其他應收款項及其他資產的金融資產					
– Normal**	– 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	已抵押存款					
– Not yet past due	– 未逾期	230	-	-	-	230
Cash and cash equivalents	現金及現金等價物					
– Not yet past due	– 未逾期	8,443	-	-	-	8,443
		31,982	33,920	-	24,066	89,968

\* 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 2021 截至二零二一年十二月三十一日止年度

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 40.3 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:

### 40. 財務風險管理目標及政策(續)

#### 40.3 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 flow 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 2021</b>		<b>於二零二一年十二月三十一日</b>				
Trade payables	應付貿易款項	38,152	-	-	38,152	38,152
Lease liabilities	租賃負債	1,027	3,478	1,055	5,560	4,729
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	179,164	-	-	179,164	179,164
Other liabilities	其他負債	33,396	-	-	33,396	33,000
Amounts due to related companies	應付關聯公司款項	17,425	-	-	17,425	17,425
Amount due to ultimate holding company	應付最終控股公司 款項	44,621	-	-	44,621	44,621
Financial liabilities included in other long term liabilities	計入其他長期負債的 金融負債	-	101,200	-	101,200	100,000
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))	1,898,627	73,727	-	1,972,354	1,755,683
		2,212,412	178,405	1,055	2,391,872	2,172,774
Financial guarantees issued (note (b))	已發出財務擔保 (附註(b))	1,750,000	-	-	1,750,000	1,750,000
Maximum amount guaranteed	最高擔保金額	1,750,000	-	-	1,750,000	1,750,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 40. 財務風險管理目標及政策(續)

#### 40.3 Liquidity risk (Continued)

#### 40.3 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 flow 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 2021 截至二零二一年十二月三十一日止年度

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 40. 財務風險管理目標及政策(續)

#### 40.3 Liquidity risk (Continued)

#### 40.3 流動性風險(續)

Notes:

附註：

- (a) As at 31 December 2020, interest-bearing bank borrowings in the amount of RMB462,528,000 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".

- (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」。

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 2021 and 2020 are as follows:

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。此項評估乃經考慮：本集團於報告期末的財務狀況、本集團遵守貸款契約之情況、並無違約事件以及本集團此前已及時如期償還所有款項。根據貸款條款，於二零二一年及二零二零年十二月三十一日的已訂約未貼現付款如下：

		Less than one year 一年內 RMB'000 人民幣千元
<b>At 31 December 2021</b>	<b>於二零二一年十二月三十一日</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)	-
<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

- (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 RMB17,500,000 (2020: RMB27,500,000) was recognised for the year ended 31 December 2021.

- (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全額擔保金額的情況下可能被逼根據該金額的安排結算的最高金額。根據法律意見，於截至二零二一年十二月三十一日止年度確認撥備人民幣17,500,000元(二零二零年：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 2021 截至二零二一年十二月三十一日止年度

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 40.4 Capital management

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.

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, other liabilities, 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:

#### Group

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade payables	應付貿易款項	38,152	42,739
Other payables and accruals	其他應付款項及應計項目	421,445	364,918
Other liabilities	其他負債	33,000	-
Amounts due to related companies	應付關聯公司款項	17,425	10,968
Amount due to ultimate holding company	應付最終控股公司款項	44,621	44,755
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,760,412	1,495,486
Provision for loss on unauthorised guarantees	未經授權擔保虧損撥備	17,500	27,500
Other long term liabilities	其他長期負債	106,090	139,214
Less: Cash and cash equivalents	減：現金及現金等價物	(31,015)	(8,443)
Net debt	淨債務	2,407,630	2,117,137
Total deficit	虧絀總額	(1,317,894)	(1,000,494)
Net debt and total deficit	淨債務及虧絀總額	1,089,736	1,116,643
Gearing ratio	資本負債比率	220.9%	189.6%

### 40. 財務風險管理目標及政策(續)

#### 40.4 資本管理

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，本集團或會調整支予股東的股息、退回股本予股東或發行新股。

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、其他負債、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：

#### 本集團

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 41. 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. A provision of RMB17,500,000 (2020: RMB27,500,000) has been recognised in provision for unauthorised guarantee for the year ended 31 December 2021.

### 42. 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.

### 41. 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。截至二零二一年十二月三十一日止年度已於未經授權擔保撥備中確認撥備人民幣 17,500,000 元 (二零二零年：人民幣 27,500,000 元)。

### 42. 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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 42. EVENTS AFTER THE REPORTING PERIOD (Continued)

#### (a) Impact of new coronavirus pneumonia epidemic (Continued)

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 set out in note 7 to the consolidated financial statement, 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.

#### (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, 南太湖, 湖州吳興城市 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.

### 42. 報告期後事項(續)

#### (a) 新型冠狀病毒性肺炎疫情的影響(續)

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，鑑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，並對其影響進行進一步評估及採取相關措施。

#### (b) 調查

如綜合財務報表附註7所載，本公司已成立獨立調查委員會且委聘FTI Consulting就若干事宜進行調查。FTI Consulting分別於二零二二年五月三十日及二零二二年九月二十八日出具有關其調查結果的報告及補充報告，內容有關其調查結果。

#### (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，將附註29所載計息銀行及其他借款中應付南太湖的部分款項約人民幣19,036,000元，以浙江中味向南太湖轉撥債務權的方式清償。

於二零二二年，南太湖、湖州吳興城市及湖盛融資已確認，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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 43. 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:

### 43. 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：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<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	577	565
Amounts due from subsidiaries	應收多間附屬公司款項	—**	—**
Cash and cash equivalents	現金及現金等價物	165	102
<b>Total current assets</b>	<b>流動資產總額</b>	<b>742</b>	<b>667</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	11,068	4,018
Amount due to ultimate holding company	應付最終控股公司款項	21,102	20,278
Amount due to a director	應付一名董事款項	10	50
<b>Total current liabilities</b>	<b>流動負債總額</b>	<b>32,180</b>	<b>24,346</b>
<b>Net current liabilities and net liabilities</b>	<b>流動負債淨值及負債淨值</b>	<b>(31,438)</b>	<b>(23,679)</b>
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	1,767	1,767
Reserves (note)	儲備(附註)	(33,205)	(25,446)
<b>Total deficit</b>	<b>虧絀總額</b>	<b>(31,438)</b>	<b>(23,679)</b>

\* Less than one thousand.

\*\* Amounts due from subsidiaries of approximately RMB783,105,000 (2020: RMB786,007,000) was fully impaired during the year ended 31 December 2021 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783,105,000元(二零二零年：人民幣786,007,000元)於截至二零二一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 2021 截至二零二一年十二月三十一日止年度

### 43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

### 43. 本公司的財務狀況表(續)

附註：

本公司儲備概要如下：

		Share premium 股份溢價 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌波動儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	856,556	103,436	(1,001,316)	(41,324)
Total comprehensive (loss)/income for the year	年內全面(虧損)/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)
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	817,201	15,620	(858,267)	(25,446)
Total comprehensive loss for the year	年內綜合虧損總額	-	(1,777)	(5,982)	(7,759)
<b>At 31 December 2021</b>	<b>於二零二一年十二月三十一日</b>	<b>817,201</b>	<b>13,843</b>	<b>(864,249)</b>	<b>(33,205)</b>