達利食品集團有限公司
DALI FOODS GROUP COMPANY LIMITED

Stock Code 股份代號 :3799

2020
ANNUAL REPORT
年度報告

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Corporate Information
公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Shihui
(Chairman and Chief Executive Officer)
Mr. Zhuang Weiqiang
Ms. Xu Yangyang
Ms. Huang Jiaying *(appointed on February 8, 2021)*

Non-executive Directors

Ms. Xu Biying
Ms. Hu Xiaoling

Independent Non-executive Directors

Mr. Cheng Hanchuan
Mr. Liu Xiaobin
Dr. Lin Zhijun

AUDIT COMMITTEE

Dr. Lin Zhijun *(Chairman)*
Ms. Hu Xiaoling
Mr. Cheng Hanchuan

REMUNERATION COMMITTEE

Dr. Lin Zhijun *(Chairman)*
Ms. Xu Yangyang
Mr. Liu Xiaobin

NOMINATION COMMITTEE

Mr. Xu Shihui *(Chairman)*
Mr. Liu Xiaobin
Mr. Cheng Hanchuan

JOINT COMPANY SECRETARIES

Ms. Chen Ying
Ms. Mak Sze Man

AUTHORISED REPRESENTATIVES

Ms. Xu Yangyang
Ms. Mak Sze Man

PLACE OF LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 03799

董事會

執行董事

許世輝先生
（主席兼行政總裁）
莊偉強先生
許陽陽女士
黃佳瑩女士*（於二零二一年二月八日獲委任）*

非執行董事

許碧英女士
胡曉玲女士

獨立非執行董事

程漢川先生
劉小斌先生
林志軍博士

審核委員會

林志軍博士*（主席）*
胡曉玲女士
程漢川先生

薪酬委員會

林志軍博士*（主席）*
許陽陽女士
劉小斌先生

提名委員會

許世輝先生*（主席）*
劉小斌先生
程漢川先生

聯席公司秘書

陳穎女士
麥詩敏女士

授權代表

許陽陽女士
麥詩敏女士

上市地及股份代號

香港聯合交易所有限公司
股份代號：03799

HEAD OFFICE IN THE PEOPLE'S REPUBLIC OF CHINA

Linkou, Zishan
Hui'an, Fujian Province
The People's Republic of China

中華人民共和國總部

中華人民共和國
福建省惠安縣
紫山鎮林口村

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2601, 26th Floor
One Harbourfront
18 Tak Fung Street
Hunghom, Kowloon, Hong Kong

香港主要營業地點

香港九龍紅磡
德豐街18號
海濱廣場一座
26樓2601室

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

註冊辦事處

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

COMPANY'S WEBSITE

http://www.dali-group.com

公司網站

http://www.dali-group.com

AUDITORS

Ernst & Young
Certified Public Accountants

核數師

安永會計師事務所
執業會計師

HONG KONG LEGAL ADVISOR

Morgan, Lewis & Bockius

香港法律顧問

摩根路易斯律師事務所

HONG KONG BRANCH SHARE REGISTRAR

Link Market Services (Hong Kong) Pty Limited
Suite 1601, 16/F, Central Tower
28 Queen's Road Central
Hong Kong

香港股份過戶登記分處

Link Market Services (Hong Kong) Pty Limited
香港
皇后大道中28號
中滙大廈16樓1601室

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR

Maples Fund Service (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square, Grand Cayman
KY1-1102, Cayman Islands

開曼群島主要股份過戶登記處

Maples Fund Service (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square, Grand Cayman
KY1-1102, Cayman Islands

Financial Highlights
財務摘要

	For the year ended December 31, 2020 截至二零二零年十二月三十一日止年度	For the year ended December 31, 2019 截至二零一九年十二月三十一日止年度	% Change 百分比變動
REVENUE 收益	20,961,708 RMB Thousand 人民幣千元	21,375,248 RMB Thousand 人民幣千元	–1.9%
GROSS PROFIT 毛利	8,240,896 RMB Thousand 人民幣千元	8,491,463 RMB Thousand 人民幣千元	–3.0%
GROSS PROFIT MARGIN 毛利率	39.3%	39.7%	–0.4% percentage point 個百分點
EBITDA 扣除利息、稅項、折舊及攤銷前盈利	5,897,109 RMB Thousand 人民幣千元	5,889,609 RMB Thousand 人民幣千元	0.1%
NET PROFIT 純利	3,848,653 RMB Thousand 人民幣千元	3,840,571 RMB Thousand 人民幣千元	0.2%
NET PROFIT MARGIN 純利率	18.4%	18.0%	0.4% percentage point 個百分點
EARNINGS PER SHARE 每股盈利	0.28 RMB 人民幣元	0.28 RMB 人民幣元	0.2%

Five-Year Financial Summary
五年財務摘要

CONSOLIDATED RESULTS 綜合業績

		FY2020 二零二零 財政年度 RMB'000 人民幣千元	FY2019 二零一九 財政年度 RMB'000 人民幣千元	FY2018 二零一八 財政年度 RMB'000 人民幣千元	FY2017 二零一七 財政年度 RMB'000 人民幣千元	FY2016 二零一六 財政年度 RMB'000 人民幣千元
Revenue	收益	**20,961,708**	21,375,248	20,863,557	19,799,109	17,841,887
Cost of sales	銷售成本	**(12,720,812)**	(12,883,785)	(12,812,816)	(12,341,484)	(11,001,487)
Gross profit	毛利	**8,240,896**	8,491,463	8,050,741	7,457,625	6,840,400
Other income and gains	其他收入及收益	**1,036,617**	886,733	649,339	665,982	360,210
Selling, distribution and administrative expenses	銷售、經銷及行政開支	**(4,161,329)**	(4,230,482)	(3,949,250)	(3,772,007)	(3,218,966)
Finance costs	融資成本	**(9,574)**	(1,413)	–	–	(4,705)
Profit before tax	除稅前溢利	**5,106,610**	5,146,301	4,750,830	4,351,600	3,976,939
Income tax expense	所得稅開支	**(1,257,957)**	(1,305,730)	(1,033,469)	(917,897)	(840,146)
Profit for the year	**年內溢利**	**3,848,653**	3,840,571	3,717,361	3,433,703	3,136,793
Attributable to:	以下人士應佔：					
Owners of the parent	母公司擁有人	**3,848,653**	3,840,571	3,717,361	3,433,703	3,136,793

CONSOLIDATED ASSETS AND LIABILITIES 綜合資產及負債

		As at December 31, 於十二月三十一日				
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Total assets	資產總值	**22,710,756**	19,947,612	18,245,489	16,326,079	16,480,385
Total liabilities	負債總額	**5,245,320**	3,670,986	2,830,819	2,539,894	2,614,508
Total equity	權益總額	**17,465,436**	16,276,626	15,414,670	13,786,185	13,865,877

Chairman's Statement
主席報告書

Dear respectful shareholders,

In 2020, the COVID-19 pandemic has changed the world economic landscape and profoundly affected the consumer market. In the face of the pandemic, the Group demonstrated its anti-risk capacity and strong resilience of the brand. Through comprehensive product upgrades, brand enhancement and full channel expansion across all industry segments, the Group resumed strong sales growth in the second half of the year, with a growth rate of 5.4%. In particular, the household consumption segment capitalized on the post-pandemic demand for healthy products and grew at a rapid rate of 14.7% at full swing in the second half of the year. Overall, the Group's annual results remained solid, with revenue falling by only 1.9% to RMB20.96 billion for the year. Profitability improved for the fifth consecutive year, with net profit margin rising to a record high of 18.4%. In a complex macro environment, the Group has placed greater emphasis on risk tolerance. Through optimizing sales structure and improving operational efficiency, the Group's net operating cash inflow reached RMB4.22 billion and net cash holdings increased to RMB12.38 billion, putting the Group in a healthier financial position and laying a solid foundation for future growth.

After three years of development, the Group has formed a layout of three major industries, namely household consumption, snack food and ready-to-drink beverage, and has further defined its future development objectives for the medium to long term to consolidate its leading position in the snack food and ready-to-drink beverage industries, expand its presence in the household consumption industry, and develop plant-based protein into a new leading industry for the Group. Based on these strategic objectives, the Group has targeted at consumer demand and promoted product innovation and full channel expansion centering on the two core areas of product healthiness and product quality.

In the wake of the pandemic, consumers' health consciousness has been strengthened and the demand for main meals has been on the rise. Thanks to the Group's foresight and advance planning for the household consumption market, the soy milk and short shelf-life bread business has been presented with significant development opportunities, accounting for 14.1% of the Group's total sales. With the stabilization of the macro economy, the Group's strengths in multi-brand and multi-category operations will be further highlighted. By continuing to strengthen the triple force of brand power, product power and channel power in the household consumption segment, Doubendou and Meibeichen will become the main driving engine for the Group's future growth.

尊敬的各位股東，

二零二零年，新冠疫情的流行改變了世界經濟格局，也深刻地影響消費市場。面對疫情挑戰，集團展現出極強的抗風險能力，展現出品牌強大的韌力。通過各產業板塊的全面產品升級、品牌提升，以及全渠道拓寬，下半年集團整體銷售恢復強勁增長，增速達到5.4%。其中，家庭消費板塊把握疫情後的健康需求，快速發力，下半年增速到14.7%。整體而言，集團年度業績保持穩健，全年收入僅下跌1.9%，到人民幣209.6億元。盈利能力連續第五年得到提升，淨利潤率提升至18.4%，創歷史新高。在複雜的宏觀形勢下，本集團更加重視抗風險能力。通過優化銷售結構、提高運營效率，集團的經營現金流入淨額達到人民幣42.2億元，持有淨現金增加至人民幣123.8億元，財務狀況更加健康，為今後的發展奠定了穩固的基礎。

經過三年的發展，集團已形成了家庭消費、休閒食品和即飲飲料三大產業格局，進一步明確了未來中長期的發展目標，鞏固休閒食品和即飲飲料的行業龍頭地位，壯大家庭消費產業的版圖，致力於將植物蛋白打造成為集團新的龍頭產業。基於上述戰略目標，集團以消費者需求作為出發點，圍繞產品健康和產品品質兩大核心，推進產品創新和全渠道拓展。

疫情後，消費者的健康意識不斷強化，同時正餐場景消費需求日益提升。得益於集團對家庭消費市場的前瞻洞悉和提前佈局，豆奶和短保麵包業務迎來的顯著的發展機遇，在集團總體銷售中佔比已達到14.1%。隨著宏觀經濟的趨穩，集團多品牌、多品類運營的優勢將進一步凸顯，通過持續強化家庭消費板塊品牌力、產品力和渠道力三重合力，豆本豆及美焙辰將成為本集團未來業績增長的主要驅動引擎。

With the increasing health awareness of consumers, the plant-based protein category has attracted widespread attention in the global market and the market has been growing rapidly. Doubendou has become the leading brand in the domestic soy milk market after four years of accumulation. In 2020, Doubendou has maintained its leading market share and has made great progress in product system construction and channel management. In terms of product system, Doubendou has achieved comprehensive coverage of the whole price range, different consumer groups and consumer scenarios. The strategic launch of the first room temperature plant-based yogurt in China has boosted the brand momentum and complemented the soy milk series to further open up the market space. On the other hand, we have implemented differentiated channel management based on product characteristics, which further improved channel execution.

隨著消費者健康意識的不斷提高，植物蛋白品類在全球市場引起廣泛的關注，市場增速迅猛。豆本豆經過四年的積澱，已經成為國內豆奶市場的領軍品牌。二零二零年，豆本豆市場份額持續保持領先，在產品體系構建和渠道管理方面取得了長足的進步。在產品體系上豆本豆已實現對全價格帶、不同消費人群和消費場景的全面覆蓋。戰略性推出國內首款常溫植物酸奶，拔高品牌勢能，與豆奶系列形成互補，進一步打開市場空間。另一方面，根據產品特點實行差異化的渠道管理，渠道執行力進一步提高。

The short shelf-life bread market has been growing rapidly in recent years. After two years of market development, Meibeichen has completed the first phase of nationwide layout, with 18 factories strategically covering the national market. The number of terminals reached about 130,000, and the network coverage continued to increase, establishing its market position as a nationwide brand. Based on its solid infrastructure, in 2020, Meibeichen focused on consolidating sales quality and emphasized five key areas, namely the distributor team, terminal network, distribution network, product portfolio and operational efficiency, to increase the sales scale of individual network and strengthen the cost-efficiency ratio, laying the foundation for the next stage of industry scale-up.

短保麵包市場近年來保持高速增長。美焙辰經過兩年的市場開拓，第一階段的全國性佈局已經完成，18個工廠戰略性地覆蓋全國市場；終端數量達到約13萬個，網點覆蓋深度和廣度持續提升，已確立了全國性品牌的市場地位。基於穩固的基礎建設，二零二零年美焙辰重點夯實銷售質量，在五大重點方面進行發力，從經銷商團隊、終端網點、配送網絡、產品組合及運營效率入手，提高單個網點銷售規模，強化費效比率，為下一階段的產業規模化奠定基礎。

Snack food industry maintains its leading position in the domestic market. With a deep and wide channel network and an extensive product portfolio, the snack food industry has established a strong market barrier. In 2020, our snack food segment followed the market trend and actively introduced new products with different flavors and rich nutrition, thus consolidating our product and brand power. The ready-to-drink beverage industry experienced a certain decline due to the macro-environment as well as some channel adjustment factors, but in the second half of the year, through a series of measures such as channel deepening and brand strengthening, the situation has been turned around to achieve growth. With the further development of new product sales and the results of deep channel development, the snack food industry and ready-to-drink beverage industry will continue to achieve healthy growth.

休閒食品產業在國內市場保持龍頭地位。憑藉兼具深度和廣度的渠道網絡，以及種類豐富的產品組合，休閒食品產業已樹立起強大的市場壁壘。二零二零年，休閒食品把握市場趨勢，積極推陳出新，不斷向消費者提供口味豐富、健康營養的產品，鞏固產品力及品牌力。即飲飲料產業由於宏觀環境的影響疊加渠道調整因素，出現一定下滑，但下半年通過渠道深耕、品牌強化等一系列舉措，已經扭轉局面，實現增長。隨著未來新品銷售的進一步發力，以及渠道深耕成果的顯現，休閒食品及即飲飲料產業將繼續實現健康增長。

In terms of channel construction, the Group has achieved full channel widening in line with the market trend, the advantages of traditional channels have been consolidated, the penetration of modern channels has been further enhanced, e-commerce sales have grown significantly, community group purchase has started to take shape, and channel efficiency has been further improved. Through the refinement of the division of labor within the team and the reorganization of the distribution system, the professionalism and maturity of the sales system continued to improve. The precise matching of channel resources and product characteristics will provide strong support for the scaling-up of new products.

在渠道建設方面，集團順應市場趨勢實現全渠道拓寬，傳統渠道的優勢得到鞏固，現代渠道的滲透度進一步提升，電商銷售顯著增長，社區團購初步成型，渠道效率進一步提高。通過對內部團隊分工的細化，以及對經銷體系的梳理，銷售體系的專業性和成熟度持續提高。渠道資源和產品特性的精準匹配將為新品的規模化提供有力支持。

In 2020, the Group maintained strong profitability and a healthy cash flow. The Group recorded revenue of RMB20.96 billion and gross profit of RMB8.24 billion, with a gross profit margin of 39.3%; Net profit amounted to RMB3.85 billion, representing a year-on-year increase of 0.2%, with a net profit margin of 18.4%, representing an increase of 0.4 percentage point. Cash increased by RMB1.43 billion throughout the year, with net cash reaching RMB12.38 billion, representing an increase of 12.9% as compared with the end of 2019.

二零二零年，本集團保持強大的盈利能力和健康的現金流。實現收入人民幣209.6億元，毛利人民幣82.4億元，毛利率為39.3%；實現淨利潤人民幣38.5億元，同比增長0.2%，淨利潤率為18.4%，增長0.4個百分點。全年現金增加人民幣14.3億元，淨現金達到人民幣123.8億元，較二零一九年年底增長12.9%。

Given the outstanding result performance and ample cash flow of the Company, the Board proposes to distribute a final dividend of HKD0.085 per Share for 2020, and the dividend payout ratio for the year is approximately 50%.

鑒於公司良好的業績和充裕的現金流，董事會建議派發二零二零年末股息每股0.085港元，全年派息比例約為50%。

Looking ahead to 2021, with the further strengthening of domestic demand, the consumption trend during the epidemic will be transformed into new development momentum, driving the iterative evolution of the consumer goods industry and making the trend of the strong gets stronger prominent. The Group will continue to seize the opportunity of development and continue to improve product quality and promote product upgrade in response to the market trend of healthy consumption. In regards to corporate governance, we will further improve the ESG organizational structure and working mechanism, devote ourselves to implementing ESG management requirements into the whole process of business operation, and continuously make the ESG management more scientific and systematic.

展望二零二一年，隨著內需進一步強化，疫情期間的消費趨勢將轉變為新的發展勢能，推動消費品行業的迭代進化，強者恒強的趨勢更加明確。集團將繼續緊抓發展時機，圍繞市場的健康消費趨勢，持續提高產品品質、推動產品升級。在企業治理上，進一步完善ESG組織架構和工作機制，致力於將ESG管理要求貫徹到業務運營的全過程，不斷提升ESG管理的科學化、體系化。

During the past year, the Group achieved significant development, which was inextricably linked with the staunch support of our business partners, the effort made by all of our Group's staff and the trust of consumers. On behalf of the Board, I would like to express our gratitude to all Dali staff, business partners and consumers. In 2021, Dali will adhere to the principle of "Creating Quality with Heart" with a pragmatic yet proactive corporate culture. We will keep our faith to offer more delicious and healthy products for the consumers. We will continue to strive for enormous returns for our shareholders, and forge ahead to new achievements for the Group's business.

過去的一年，本集團取得了長足的發展，這與合作夥伴的大力支持、集團全體員工的努力、廣大消費者的信賴密不可分。本人謹代表董事會向各位達利人、合作夥伴和消費者表示由衷的謝意。二零二一年達利同仁將繼續堅持用心創品質的理念和務實進取的企業文化，不忘初心，繼續為消費者帶來更美味、健康的產品，為股東創造豐厚的回報，使集團的事業穩步邁向新的輝煌。

Management Discussion and Analysis
管理層討論及分析

Management Discussion and Analysis
管理層討論及分析

In 2020, China's economy demonstrated resilience despite the widespread impact of the COVID-19 pandemic on the global economy. In 2020, China's GDP grew by 2.3%, exceeding RMB100 trillion for the first time. Despite a decline of 3.9% for the year, total retail sales of consumer goods resumed positive growth for consecutive months since the third quarter owing to the rapid rebound of China's economy. Although the pandemic has considerably impacted the lifestyle of people and the food industry, consumers' pursuit of food quality, health and nutrition has also been stimulated. This has accelerated industry upgrading and increased industry concentration, thus highlighting the value of the leading brands. As the domestic and foreign political and economic environment stabilizes, domestic demand will further recover, while the consumption pattern during the pandemic will transform into new development momentum, promoting the iterated evolution of consumer goods industry, and the trend of market concentration with strong players getting stronger will be more prominent.

二零二零年，儘管新冠疫情廣泛影響全球經濟，中國經濟仍展現出其韌力。二零二零年，中國國內生產總值增長2.3%，首次突破人民幣100萬億元。社會消費品零售總額雖然全年錄得3.9%下跌，自三季度以來得益於中國經濟的快速回暖，持續多月恢復正增長。雖然疫情對於居民生活方式和食品行業造成一定影響，但是也促進了消費者對於食品質量、健康和營養的追求，加快行業升級、提高行業集中度，使得龍頭品牌價值愈發凸顯。隨著國內國外政治和經濟環境的確定性增強，內需將進一步修復，同時疫情期間消費趨勢將轉變為新的發展勢能，推動消費品行業的疊代進化，強者恒強的趨勢更加明確。

In 2020, the COVID-19 pandemic has profoundly changed the way people live and consume. On one hand, with the prolonged time at home during the pandemic, enormous demands for main meal food were released, bringing huge development opportunities to the short shelf-life bread market, and the market growth prospect has become clearer. Since its launch in 2018, Meibeichen has achieved a nationwide layout of production bases, sales networks and logistics networks. In 2020 Meibeichen built on its existing foundation to comprehensively boost its network coverage and supply chain development, further strengthened its core competitiveness and rapidly increased its market share. On the other hand, the pandemic has enhanced consumers' health consciousness, cementing the pursuit of healthy, green and nutritious food as a long-term trend in the market. Characterized by natural health benefits and suitability for household consumption, plant-based protein products enjoy clear growth drivers and huge market potential in China. Against this market backdrop, the Group is confident in establishing plant-based protein as a new leading segment of the Group. As a leading brand of packaged soy milk, Doubendou continued to promote full channel penetration, multi-scenarios layout and stratified pricing in 2020, laying a solid foundation for further industrialization. As the key players in the household consumption industry, Meibeichen and Doubendou recorded overall sales of RMB2.963 billion, accounting for 14.1% of the total sales of the Group, thereby consolidating their leading position in the industry in 2020.

二零二零年，新冠疫情深刻地改變了人們的生活方式和消費理念。一方面，得益於疫情期間居家時間的延長，正餐需求得到巨大釋放，給短保麵包市場帶來巨大發展機遇，市場增長前景更為明確。美焙辰自二零一八年推出後，已實現生產基地、銷售網絡和物流網絡的全國化佈局。二零二零年，美焙辰在已有基礎上，全面提高網點覆蓋率和供應鏈建設，進一步夯實核心競爭力，快速提升市場份額。另一方面，疫情強化了消費者的健康意識，對健康、綠色和營養食品的追求將成為市場的長期趨勢。具備天然健康優勢、契合家庭消費的植物蛋白品類在中國有明確的增長動力和巨大的市場潛力。在這一市場背景下，集團更具信心將植物蛋白建設成為集團新的龍頭產業。作為包裝豆奶龍頭品牌，豆本豆在二零二零年持續推進全渠道滲透，多場景佈局，多價格帶建設，為實現進一步產業化打下紮實基礎。作為家庭消費產業的重點佈局，美焙辰和豆本豆在二零二零年鞏固行業領先地位，取得人民幣29.63億元整體銷售，佔比集團銷售14.1%。

In response to the growing trend of divergent consumer habits, the Group has accelerated the research and development of new products and enriched its product portfolio, striving to become a leader in the trend of consumption upgrade. In terms of the snack food industry, the Group established a refined business segment in 2020, and upgraded its products to meet the diversified needs of the target groups of high spending power and younger generations with more diverse tastes and flavors and more sophisticated packaging designs. In terms of the household consumption industry, the Group has developed a variety of new products, including short shelf-life bread, soy milk and yogurt to meet the needs of different consumption scenarios through various flavors and packaging. Among them, "Flogurt" is the first domestic room temperature plant-based yogurt which caters for the current demand of consumption upgrade with its outstanding craftsmanship, delicious flavors and healthy ingredients.

集團針對日益顯著的消費習慣分化趨勢，全面加速新品研發，豐富產品矩陣，致力於成為引領消費升級潮流的領導者。在休閒食品產業，集團於二零二零年全面打造休閒精耕產業，進行產品升級，口感和口味更為多樣化、包裝設計更為精緻，旨在滿足高消費力和年輕目標群體的多樣化需求。在家庭消費產業，集團自主研發多款短保麵包、豆奶和酸奶新品，通過多種口味和包裝，滿足不同消費場景的需求。其中「Flogurt植優家」作為國內首款常溫植物酸奶，憑藉先進的工藝、美味的口感、健康的成分，高度契合當下消費升級需求。

In line with market trends, the Group implemented an all-encompassing expansion to consolidate its advantages in traditional channels, increase penetration of modern channels, significantly increase e-commerce sales, establish groundworks for community group purchases and further improve channel efficiency. In particular, the e-commerce segment covered all top e-commerce platforms and accelerated the development on emerging content e-commerce platforms in terms of the channel expansion, and precisely matched products and marketing resources to rapidly increase sales, recording a sales growth of 45.2% in the e-commerce segment, accounting for 6.8% of the Group's overall sales of food and beverage. In the future, the Group will continue optimize its customer resources, enhance its professional team and actively seek for emerging channels development opportunities to inject new momentum into its business development.

集團順應市場趨勢實現全渠道拓寬，傳統渠道的優勢得到鞏固，現代渠道的滲透度進一步提升，電商銷售顯著增長，社區團購初步成型，渠道效率進一步提高。其中電商板塊在渠道拓寬上全面覆蓋頂級電商平台，加速佈局新興的內容電商平台，並且精準匹配產品和營銷資源，快速提升銷售，電商板塊銷售增長高達45.2%，佔比集團食品飲料整體銷售6.8%。未來，集團會持續優化客戶資源，提升專業團隊，積極尋求新興渠道發展機遇，為業務發展注入新動能。

Looking ahead, the application of new consumption scenarios and new models will continue to create tremendous business opportunities, and the Group will also create new growth drivers through continuous improvement. The Group will firmly grasp the huge business opportunities brought by the household consumption industry and promote plant-based protein as the Group's new leading segment. It will consolidate its position in the snack food and ready-to-drink beverage industries, so that the three major segments of snack food, ready-to-drink beverage and household consumption can advance together. The Group will utilize differentiated products and star products under its seven major brands to cultivate channels, strengthen brand building and continuously increase market coverage. The Group will also expand the business team dedicated to emerging channels to continuously explore their market potential. The Group believes that the industry strategy and management system will be clearer after the pandemic, which will lay the foundation for healthy growth of the overall results in the future.

展望未來，消費新場景和新模式的應用將繼續創造巨大的商業機遇，集團亦將通過自身的不斷提升形成新的增長動力。集團會牢牢把握家庭消費產業帶來的巨大商機，推動植物蛋白成為集團新的龍頭產業；鞏固休閒食品和即飲飲料的行業地位，使得休閒食品、即飲飲料、家庭消費三大板塊齊頭並進；借助差異化產品和明星產品，圍繞七大品牌精耕渠道，強化品牌建設，不斷提高市場覆蓋率；並且擴大新興渠道業務隊伍規模，不斷發掘市場潛力。本集團相信疫情之後產業戰略和管理體系將更為明確，將為未來整體業績的健康增長奠定基礎。

In 2020, the Group's revenue reached RMB20.962 billion, representing a year-on-year decrease of 1.9%. Meanwhile, revenue grew significantly in the second half of the year, representing a year-on-year increase of 5.4%. The revenue of household consumption segment increased year-on-year by 11.5% to RMB2.963 billion, while the revenue of snack food segment increased year-on-year by 0.6% to RMB10.213 billion and the revenue of ready-to-drink beverage segment decreased year-on-year by 13.5% to RMB6.176 billion. The gross profit amounted to RMB8.241 billion, representing a year-on-year decrease of 3.0%. The gross profit of household consumption, snack food and ready-to-drink beverage segments were RMB1.391 billion, RMB3.852 billion and RMB2.956 billion, respectively, representing year-on-year increase of 5.7%, increase of 1.5% and decrease of 11.4%, respectively. The Group's overall gross profit margin was 39.3%, representing a decrease of 0.4 percentage point as compared with last year; profit before tax was RMB5.107 billion, representing a year-on-year decrease of 0.8%; and net profit increased by 0.2% year-on-year to RMB3.849 billion, with a net profit margin of 18.4%, representing an increase of 0.4 percentage point. Cash flow remained strong, with cash increasing by RMB1.433 billion for the year and net cash reaching RMB12.375 billion, representing an increase of 12.9% as compared with the end of 2019.

二零二零年，本集團收入同比下降1.9%至人民幣209.62億元，其中下半年收入增長明顯，同比上升5.4%。家庭消費分部收入同比上升11.5%至人民幣29.63億元，休閒食品分部收入同比上升0.6%至人民幣102.13億元，即飲飲料分部收入同比下滑13.5%至人民幣61.76億元。實現毛利人民幣82.41億元，同比下降3.0%；家庭消費、休閒食品及即飲飲料分部的毛利分別為人民幣13.91億元、人民幣38.52億元及人民幣29.56億元，同比分別上升5.7%、上升1.5%、及下降11.4%。集團整體毛利率為39.3%，比去年下降0.4個百分點；稅前利潤為人民幣51.07億元，同比下降0.8%；淨利潤同比上升0.2%至人民幣38.49億元，淨利潤率為18.4%，同比上升0.4個百分點。現金流保持強勁，全年現金增加人民幣14.33億元，淨現金達到人民幣123.75億元，較二零一九年年底增長12.9%。

HOUSEHOLD CONSUMPTION INDUSTRY

In the first half of the year, sales growth in the household consumption industry was sluggish due to the shutdown of factories and logistic systems under the impact of the COVID-19 pandemic in the first quarter, but saw a strong growth momentum in the second half of the year. Overall sales revenue increased by 11.5% to RMB2.963 billion in 2020 from RMB2.657 billion in 2019. In particular, after a year of team building, the sales team, distributor team and key establishments of the household consumption industry have been further strengthened and equipped with strong execution and quick response capabilities, laying the foundation for the next phase of market development.

家庭消費產業

家庭消費產業由於一季度受到新冠疫情影響，工廠及物流系統停運，導致上半年銷售增長緩慢，但是下半年增長勢頭強勁。整體銷售收入由二零一九年的人民幣26.57億元增加11.5%至二零二零年的人民幣29.63億元。特別是經過一年的團隊打造，家庭消費產業的銷售團隊、經銷商團隊、重點建設進一步強化，具備較強的執行力和快速反應能力，為下一階段的市場開拓打下基礎。

- **Short Shelf-life Bread**

  Intensified urbanization and quicker pace of life have boosted the demand for convenient breakfast, driving the sustained rapid growth of the short shelf-life bread market. After two years of market development, Meibeichen has become a leading national brand in the short shelf-life bread market.

- **短保麵包**

  隨著城鎮化的深入和生活節奏加快，人們對於便捷早餐的需求日益提高，推動短保麵包市場持續高速增長。美焙辰經過兩年的市場開拓，已然成為短保麵包市場中領先的全國性品牌。

As of 2020, the Group has established over 130,000 retail terminals by setting up 18 factories to cover markets of all provincial capitals and key prefecture-level cities and a logistic system with countrywide coverage. In 2020, we utilized our capabilities of multiple category operation and cross-region development to focus on increasing our scale, thus achieving rapid market expansion, quality enhancement of terminal outlets and steady improvement in profitability. Five specific measures were implemented: (i) On top of continuous expansion of the size of distributors, we strengthened team building to develop a mature distributor team; (ii) we expanded network coverage, strengthened network penetration rate and improved the quality of network sales; (iii) we optimized delivery network and improved distribution efficiency in order to meet the requirements of distribution frequency and continuously improve return rate; (iv) we optimized product selection and built a diverse product portfolio; and (v) we optimized costs and expenses and steadily improved profitability.

截至二零二零年，集團通過18個工廠覆蓋所有省會和重要地級市市場，物流體系覆蓋全國，建立超過13萬個零售終端。二零二零年我們基於多品類運作和跨區域發展的能力，以提升規模為主線，迅速拓展市場，提升終端網點質量，穩步提高盈利水平。具體包括五方面舉措：第一，在繼續擴大經銷商規模基礎上，強化團隊建設，打造成熟的經銷商團隊；第二，擴大網點覆蓋，強化網點滲透率，提高網點銷售質量；第三，優化配送網絡，提升配送效率，滿足配送頻率的需求，持續改善退貨率；第四，優化產品組合，打造種類豐富的產品矩陣；第五，優化成本費用，穩步提高盈利水平。

Looking forward, we will build on the solid foundation to continue to strengthen our nationwide layout, expand the scale of our infrastructure and achieve rapid and large-scale development, with a view to becoming the most influential short shelf-life food brand in China.

展望未來，我們將在穩固的基礎上，繼續強化全國性佈局，擴大基礎建設規模，實現快速規模化，致力於打造中國最具影響力的短保品牌。

- **Soy Milk**

With natural health benefits and suitability for household consumption, plant-based protein products have once again garnered industry-wide attention this year as consumers' health awareness increased after the pandemic. According to Euromonitor, the market size of plant-based protein beverage in China was RMB53.7 billion in 2019, with soy milk being the fastest growing segment. The market size of packaged soy milk was RMB12.4 billion in 2019, representing a compounded growth of 12% over the past five years. Online sales were particularly encouraging as relevant data showed that sales of plant-based protein beverage on Alibaba's e-commerce platform registered a nearly 10 times growth in 2020, far outperforming other beverage categories.

After about four years of brand building, Doubendou continues to enrich its product portfolio, develop star products, improve its channel network, and provide guidance and education so that consumers know more about the liquid packaged soy milk, which is of high quality, highly nutritious with no additives and can be kept at room temperature. According to Euromonitor, the market share of Doubendou in China's soy milk sector in 2019 was 15%, making it a leading brand in the industry.

- **豆奶**

具備天然健康優勢、契合家庭消費的植物蛋白品類，隨著疫情後消費者健康意識的強化，今年再次成為行業關注的焦點。根據歐睿數據，二零一九年中國植物蛋白飲料的市場規模在人民幣537億，其中豆奶是最亮眼的增長板塊。二零一九年包裝豆奶規模在人民幣124億元，過去五年複合增長12%。線上銷售尤其喜人，數據顯示，二零二零年植物蛋白飲料在阿里電商平台銷售增長接近10倍，遠超其他飲料品類。

經過集團四年多的品牌打造，豆本豆持續豐富產品組合，打造明星產品，完善渠道網絡，引導教育消費者接受常溫無添加、高質量、高營養的液態包裝豆奶。根據歐睿數據，二零一九年豆本豆中國豆奶市場的份額達到15%，已成為行業的主導品牌。

In terms of product portfolio, Doubendou has substantially completed the construction of its product structure to fully cover every price band, different consumer groups and consumption scenarios. The four product series, namely organic soy milk, pure soy milk, original soy milk and Weizhen soy milk, have formed a differentiated price band covering the high-end, mid-range and mass markets to meet the needs of specific consumer groups and consumption scenarios. In particular, Weizhen soy milk has been well received by many consumers for its desirable price/performance ratio and has achieved remarkable results in traditional channels, modern channels and e-commerce channels in 2020. In terms of new product promotion, the Group recognized consumers' demand for plant-based protein beverages in various scenarios and launched Flogurt, the first plant-based yogurt kept at room temperature in China, in early 2021. Through the nationwide rollout and large-scale sales of Weizhen soy milk and Flogurt plant-based yogurt, Doubendou continued to expand its consumer base and strengthen brand education, laying the foundation for other product lines to further open up the market.

在產品組合方面，豆本豆已基本完成產品體系的構建，實現對全價格帶、不同消費人群和消費場景的全面覆蓋。通過四大產品系列，包括有機豆奶、純豆奶、原味豆奶和唯甄豆奶，形成了差異化的價格帶，全面覆蓋高端、中端和大眾化市場，滿足特定消費群體和消費場景的需求。其中，唯甄豆奶以其高性價比受到了廣大消費群體的歡迎，二零二零年在流通渠道、現代渠道以及電商渠道均取得了亮眼的成績。在新品推廣上，集團洞察到消費者對植物蛋白飲品在多種場景下的飲用需求，於二零二一年初推出了國內首款常溫植物酸奶「Flogurt植優家」。通過唯甄豆奶和「Flogurt植優家」植物酸奶的全國化鋪開和規模化銷售，豆本豆持續擴大消費群體，強化品牌教育，為其他產品線進一步打開市場奠定了基礎。

In terms of team and channel building, with four years of experience under its belt, Doubendou's independent sales team has obtained strong execution and quick response capabilities. In 2020, the sales team implemented differentiated channel management for each product line to improve channel control and achieve full channel expansion in line with market trends. In addition, it further developed model markets and key markets in the national market and continuously optimized regional sales quality in order to lay a solid foundation for industrial development.

在團隊和渠道建設方面，豆本豆的獨立銷售團隊通過四年的經驗積累，已具備較強的執行力和快速反應能力。二零二零年，銷售團隊針對各個產品線進行差異化的渠道管理，提高渠道掌控力，順應市場趨勢實現全渠道拓寬。並且進一步在全國市場中打造樣板市場和重點市場，持續優化區域銷售質量，為產業化發展打下堅實基礎。

Looking forward, Doubendou will continue to develop star products and enrich product flavors, packaging and specifications to capture the ever-changing market needs and opportunities, while putting extensive channel resources into suitable products to achieve effective market penetration. In addition, it will continue to expand its consumer base, making quick strides towards the goal of "RMB10 billion revenue" for the brand and building the leading plant-based protein industry in China.

展望未來，豆本豆將持續打造明星產品，豐富產品口味、包裝和規格，把握不斷變化的市場需求和機遇；利用廣闊的渠道資源，結合相應的產品，加大市場有效滲透率；同時繼續擴大消費群體，向品牌的「百億目標」快速邁進，打造中國領先的植物蛋白產業。

SNACK FOOD INDUSTRY

As a leading enterprise in the snack food sector in China, the Group has a leading market share with its rich product portfolio and extensive channel network. There are three categories of snack food products under the Group: bakery, potato puffed food and biscuits. Through a wide range of SKUs (stock keeping units) and continuous product innovation, the Group is capable of catering to product preferences of various local consumer markets and fully satisfying the consumption demands from different groups and various scenarios. In terms of channel network, with the depth and breadth of the Group's channel network, the distribution of its products across the nation extends to town and village level, thereby establishing a strong channel barrier.

With the continuous development of the consumer market, consumer groups are increasingly sophisticated in pursuit of customization and differentiation, showing different consumption patterns and channel preferences. The Group is mindful of this trend and has been refining its channel management and new product launch to further increase its operational efficiency, thereby driving revenue and gross profit growth. Despite the impacts of the pandemic in the first half of the year, the snack food segment saw a significant growth in the second half of the year, with sales revenue from the snack food industry increasing by 0.6% from RMB10.154 billion in 2019 to RMB10.213 billion in 2020. Sales and profit will continue to trend upward as the value of the refined snack food industry becomes more prominent and the channel reform bears greater fruits.

- **Bakery**

  Bakery is the largest category in the snack food industry in China. According to the statistics of Euromonitor, the market capacity of bakery exceeded RMB230 billion in 2019, and Daliyuan was the leading brand in the bakery sector in China with the largest market share in the industry. In terms of products, Daliyuan offers a wide range of products, including bread, cakes, swiss rolls, pies, traditional pastries and novelty pastries. In 2020, the Group carried out product expansion surrounding its core and best-selling products. For instance, a series of additional products, such as pies and cakes, was launched in the fourth quarter. Through unique positioning and packaging of products, the Group was able to satisfy consumers' demand for healthy products, thereby increasing their repeat purchase rate. In terms of channel, the Group further strengthened the advantages of its traditional channels with existing products and achieved excellent sales results through differentiated products and precise positioning in modern channels and e-commerce channels.

休閒食品產業

作為中國休閒食品領域的龍頭企業，集團憑藉豐富的產品組合與廣闊的渠道網絡，擁有領先的市場份額。集團旗下的休閒食品覆蓋烘焙糕點、薯類膨化食品和餅乾三大品類，通過豐富的SKU（存貨單位）和持續的產品創新，能夠滿足各地消費市場的不同產品偏好，全面覆蓋不同人群和多種場景下的消費需求。在渠道網絡方面，集團兼具深度和廣度的渠道網絡能夠將產品覆蓋全國市場、下沉到鄉鎮地區，建立起強大的渠道壁壘。

隨著消費市場的不斷發展，消費群體逐步分化，更加追求個性化和差異化，表現出不同的消費習慣和渠道偏好。集團關注這一趨勢，在渠道管理和新品投放方面更加精細化，進一步增加運營效率，從而推動收入和毛利增長。雖然上半年受到疫情的影響，下半年休閒食品板塊顯著增長，休閒食品產業的銷售收入由二零一九年的人民幣101.54億元上升0.6%至二零二零年的人民幣102.13億元。隨著休閒精耕產業的價值凸顯和渠道變革紅利的進一步彰顯，銷售和利潤的增長趨勢將持續上揚。

- **烘焙糕點**

  烘焙糕點是中國休閒食品行業最大的品類，據歐睿數據統計，二零一九年烘焙糕點市場容量超過人民幣2,300億元，而達利園是中國烘焙糕點領域的龍頭品牌，擁有行業第一的市場份額。在產品方面，達利園產品種類豐富，全面覆蓋麵包、蛋糕、瑞士卷、派、傳統糕點和新式糕點等多種類型。二零二零年，集團圍繞核心和暢銷產品進行產品延伸，比如四季度推出派和蛋糕等多種系列的延伸產品。通過產品的獨特定位和包裝，滿足消費者對健康產品的需求，從而提高複購率。在渠道上，集團利用即有產品進一步鞏固流通渠道優勢，通過差異化產品和精準定位發力現代渠道和電商渠道，取得良好銷售業績。

At present, the domestic bakery market is still relatively fragmented and there is ample room for consolidation. As more and more consumers value brand trustworthiness after the COVID-19 pandemic, top brands are set to expand market share at a faster pace. Due to the dual tailwinds of market environment, Daliyuan will continue to consolidate its existing advantages, promote new products as replacement for old ones and improve channel efficiency in order to continuously boost the revenue scale and gross profit level.

目前，國內烘焙糕點市場仍較為分散，具有廣闊的整合空間。新冠疫情後，隨著越來越多的消費者追求對品牌的信任，市場份額加速向頂級品牌集中。在雙重利好的市場環境下，達利園將繼續鞏固現有優勢，推進新品更疊，提升渠道效率，持續推動收入規模和毛利水平提升。

- **Potato Puffed Food**

As the leading domestic potato chips brand in China, Copico has built strong brand advantages through packaging upgrade and efficient use of various marketing efforts, enjoying a good reputation among young consumers. In 2020, the Group increased its investment in innovative marketing to continuously raise the influence of Copico among young consumers. First, as a supplement to new products, packages featuring Dunhuang elements, which are in line with the current market trend of vintage fashion, have been launched in order to deliver a fun and fashionable brand image. Second, we used a variety of innovative channels to achieve full online and offline coverage, for example, by interacting with young consumers through rap music documentaries that resonate with the brand tone of Copico, hot topics on TikTok and customized songs, thus further playing out the brand value.

Looking forward, Copico will continue to invest in brand marketing to stay vibrant and fresh and adopt differentiated packaging that fits the sales of multiple channels, thereby continuously increasing Copico's market share.

- **薯類膨化食品**

可比克是中國本土薯片品牌的龍頭，通過包裝升級和多種營銷手段的高效運用，構建起強大的品牌優勢，在年輕消費群體中擁有良好口碑。二零二零年集團加大投入創新營銷，持續提高可比克在年輕消費群體中的影響力。首先，從包裝上進行新品補充，例如推出契合當下市場潮流的國潮風敦煌元素外包裝，傳遞有趣、時尚的品牌形象。其次，利用多種創新渠道實現全面線上和線下覆蓋，例如通過說唱音樂紀錄片與可比克的品牌調性的共鳴，抖音話題和定制歌曲與年輕的消費群體互動，從而進一步釋放品牌價值。

展望未來，可比克將持續投入品牌營銷，保持品牌活力，通過差異化包裝適應多種渠道銷售，從而不斷提升可比克的市場份額。

- **Biscuit**

As a household name in China's market, Haochidian has great brand awareness, with a comprehensive product portfolio covering a variety of consumption scenarios and consumption groups. In 2020, Haochidian launched a number of upgraded and original products for young consumers, including but not limited to two-color cookie, an upgrade from Zhenhao cookie, and the newly launched Suda series. The upgraded products and original products met the diversified needs of the target consumer groups in terms of appearance, texture and flavor and were well received by the market. The Group has established a sound collection of sub-brands, including children's snack market, mass consumption group and high-end sub-markets. Through exploration of sub-markets, Haochidian has further improved its product positioning, expanded its consumer base, and provided consumers with more consumption choices.

- **餅乾類**

好吃點作為中國市場家喻戶曉的品牌，具備強大的品牌知名度，豐富的產品矩陣覆蓋各類消費場景和消費人群。二零二零年，好吃點針對年輕消費者推出多款升級產品和獨創產品，比如基於甄好曲奇升級的雙色曲奇和新推出的蘇噠系列等。升級產品和獨創產品在顏值、口感和口味上滿足目標消費群體多樣化的需求，市場反響熱烈。集團目前已經建立完善的子品牌矩陣，包括兒童零食市場、大眾消費群體、高端細分市場等。通過細分市場的挖掘，好吃點進一步提升產品定位，擴大消費人群，為消費者提供更多消費選擇。

Looking forward, Haochidian will work on product positioning, channel and team to strengthen its core competitiveness, promote brand upgrade, increase mid-to-high-end market penetration and bring higher profit margins to the Group.

展望未來，好吃點將圍繞產品定位、渠道和團隊強化核心競爭力，推進品牌升級，提高中高端市場滲透率提升，為集團貢獻更高的利潤率。

READY-TO-DRINK BEVERAGE INDUSTRY

Ready-to-drink beverage industry mainly consists of Hi-Tiger energy drinks, Heqizheng herbal tea and other beverage businesses. In 2020, the COVID-19 pandemic shut down travel and outdoor consumption scenarios and posed certain challenges to the ready-to-drink beverage market. In the face of the pandemic, the Group reacted swiftly and strictly managed the inventory level and controlled the price system. In particular, as the pandemic subsided in the second half of the year, the Group actively explored new channel growth opportunities and innovative marketing tools, resulting in stable sales for the overall segment. The sales revenue of the Group's ready-to-drink beverage industry dropped by 13.5% from RMB7.142 billion in 2019 to RMB6.176 billion in 2020.

即飲飲料產業

即飲飲料產業主要由樂虎品牌的功能飲料、和其正品牌的涼茶和其他飲料業務構成。二零二零年，新冠疫情導致出行、戶外等消費場景缺失，給即飲飲料市場帶來一定的挑戰。面對疫情衝擊，集團反應迅速，嚴格管理庫存水平，穩控價格體系。特別是下半年，隨著疫情有所緩解，集團積極挖掘新的渠道增長點和創新的營銷手段，整體板塊銷售穩定。本集團即飲飲料產業的銷售收入由二零一九年的人民幣71.42億元下滑13.5%至二零二零年的人民幣61.76億元。

In terms of new product launches, the Group launched a new generation of milk tea products — soy milk tea in November to meet the demand for consumption upgrades in view of the huge market potential for milk tea, especially the strong demand for new milk tea from young consumers. Soy milk tea is an innovative tea drink available nationwide and is highly appreciated by consumers. Looking forward, the Group believes that there is still a gap in the per capita consumption of the ready-to-drink beverage industry between China and developed countries. As such, there is still room for improvement in the market in the future. The Group will continue to capture the industry trend of high-end and health-oriented development and push for new innovations to drive sales growth.

在新品推出上，集團基於奶茶廣闊的市場空間，尤其是年輕消費者對新式奶茶強烈需求，於十一月強勢推出旨在滿足消費升級需求的新一代奶茶產品 — 豆乳茶。作為一款創新式茶飲，當前豆乳茶已全國鋪市，並且受到消費者的高度評價。展望未來，集團認為中國人均即飲飲料產業消費量對比發達國家仍有差距，因此市場未來仍具備提升空間。集團將繼續抓住行業高端化、健康化的浪潮，推陳出新，推動銷售增長。

- **Energy Drinks**

  In 2020, although the decline in outdoor activities has brought certain impacts on energy drinks, the Group managed to achieve stable sales in the segment in the second half of the year by strengthening its terminal control and channel efficiency, as well as formulating effective marketing strategies. In terms of channel management, the Group has set up its own team, putting meticulous effort into its terminal sales outlets with a focus on the six major consumption scenarios, i.e., schools, stations, sports venues, entertainment venues, offices and emerging venues. On the other hand, the Group has cemented its market position in high-tier cities through target development in key cities. Riding on the brand effect to facilitate the top-down approach for its channels, the Group has increased its market penetration rate. On account of the professional brand image of Hi-Tiger, the team has participated in developing a thorough sales plan for its terminal network outlets, devised marketing activities and designed product displays to enhance channel efficiency.

- **功能飲料**

  二零二零年，雖然戶外活動減少對功能飲料帶來一定衝擊，集團通過強化終端掌控力和渠道效率，以及制定有效的市場運營策略，下半年實現板塊的銷售穩定。在渠道管理上，集團組建自有團隊，針對學校、車站、運動場館、娛樂場所、辦公場所、新興場所六大重要消費場景，精耕終端銷售網點。另一方面，集團通過打造重點城市，穩固高線城市的市場地位，並借助品牌效應帶動渠道下沉，強化市場滲透率。基於樂虎的專業品牌形象，團隊深度參與制定終端網點銷售計劃，策劃營銷活動，以及設計產品陳列，從而提升渠道效率。

According to data from third parties, the per capita spending on and consumption of energy drinks in China is only one-tenth of that in the United States. With the expansion of consumer base and the top-down approach for its channels, the segment presents great potential for future development. The Group will proactively seize development opportunities and fully exploit the advantages of its channels, together with targeted brand marketing and offline scenario marketing, to continuously drive the growth of sales scale of Hi-Tiger.

第三方數據顯示，功能飲料在中國的人均消費金額及飲用量僅為美國的十分之一。隨著消費群體擴大和渠道下沉，未來發展潛力巨大。集團將積極把握發展機遇，充分挖掘渠道優勢，結合精準的品牌營銷和線下場景化營銷，不斷提高樂虎銷售規模的增長。

- **Herbal Tea**

In 2020, the traditional channel and catering channel of the herbal tea segment were significantly affected by the decline of traffic flow and the number of people dining out after the pandemic.

In response to this challenge, the Group has made proactive adjustments to the herbal tea segment in terms of packaging. The Group recognizes that with the rise of national brands, the vintage fashion is prevalent in the consumer market. In this sense, herbal tea, as a traditional Chinese beverage, is naturally fit for this popular element. Riding on this popular trend, Heqizheng has introduced packagings in vintage style to maintain the novelty of the brand. On the other hand, the Group has strengthened its product promotion by targeting various consumption scenarios such as gifts, single serving and shared use. Underpinned by various marketing efforts, Heqizheng's sales trend improved significantly in the second half of the year as compared with that in the first half of the year.

In the future, Heqizheng will continue to optimize its resource input and explore opportunities in high-growth specialty channels in a bid to achieve healthy sales growth.

- **涼茶**

二零二零年由於疫情後人流出行的下降和外出餐飲人口數量的減少，涼茶板塊在傳統渠道和餐飲渠道受到較大影響。

針對這一挑戰，集團對於涼茶板塊從包裝上進行積極調整。集團洞察到隨著國民品牌的崛起，國潮風盛行消費市場，而涼茶作為傳統中式飲品，天然契合這一流行元素。和其正把握這一潮流趨勢，推出國潮包裝，保持品牌的新鮮度。另一方面，集團針對各個消費場景，例如禮品、單人飲用和分享飲用，強化產品推廣。在多種營銷手段的帶動下，和其正下半年銷售趨勢比較上半年有明顯改善。

未來，和其正將繼續優化資源投放，挖掘高增長特通渠道機遇，力爭實現銷售健康增長。

OTHER FINANCIAL INFORMATION

- **Selling and Distribution Expenses**

Selling and distribution expenses of the Group decreased by 3.3% from RMB3.677 billion in 2019 to RMB3.555 billion in 2020. Such expenses as a percentage of revenue slightly decreased as compared with 2019 to 17.0%, which was mainly attributable to the decrease of advertisement and promotion fee.

- **Administrative Expenses**

Administrative expenses of the Group increased by 9.6% from RMB553 million in 2019 to RMB606 million in 2020. Such expenses as a percentage of revenue increased from 2.6% in 2019 to 2.9% in 2020. This was mainly attributable to the increase in administrative expenses related to the pandemic outbreak in 2020, including donations for prevention and control of the pandemic, as well as the increase in labor costs due to higher average salaries.

其他財務信息

- **銷售及經銷開支**

本集團的銷售及經銷開支由二零一九年人民幣36.77億元減少3.3%至二零二零年人民幣35.55億元。此開支佔收益的百分比較二零一九年略有下降，為17.0%，主要由於廣告宣傳費用的減少。

- **行政開支**

本集團的行政開支由二零一九年人民幣5.53億元上升9.6%至二零二零年人民幣6.06億元。此開支佔收益的百分比由二零一九年的2.6%上升至二零二零年的2.9%。主要由於二零二零年與疫情相關的行政開支增加，包括疫情防控及抗疫捐贈等支出，及平均薪酬上漲導致人工成本上漲。

- **Cash and Borrowings**

The Group meets its liquidity needs mainly through cash flow generated from operation. The total value of the Group's pledged deposits, cash and bank deposits increased from RMB11.092 billion as at December 31, 2019 to RMB13.925 billion as at December 31, 2020. The increase was mainly due to the Group's net operating cash inflow of RMB4.224 billion in 2020, and cash outflow from capital expenditure on acquisition of fixed assets and land of RMB0.759 billion.

As at December 31, 2020, the balance of short-term loans of the Group amounted to RMB1.918 billion, of which 78.2% was denominated in RMB (December 31, 2019: Nil). Such short-term loans of the Group are unsecured bank borrowings with interest rates ranging from 2% to 3% per annum and will mature in 2021. Benefiting from various domestic macroeconomic policies and the supporting policies for the post-pandemic real economy from various financial institutions, the Group obtained corporate phased preferential policies loan to replenish working capital and reserve low-cost cash for potential merger and acquisition opportunities.

As at December 31, 2020, the Group's gearing ratio was 23.1%. The gearing ratio is the total liabilities divided by equity plus total liabilities. The increase in gearing ratio from 18.4% as at December 31, 2019 was mainly due to the addition of short-term loans of the Group in 2020.

- **Inventories**

The Group's inventories decreased by 14.9% from RMB1.262 billion as at December 31, 2019 to RMB1.075 billion as at December 31, 2020. It was mainly because the Group effectively controlled material inventories in response to market sales conditions. The inventory turnover days were 33.1 days in 2020, essentially the same as 33.5 days in 2019.

- **Trade and Bills Receivables**

The Group's trade and bills receivables increased by 22.1% from RMB0.737 billion as at December 31, 2019 to RMB0.900 billion as at December 31, 2020. The increase in receivables was mainly as a result of the impact of the pandemic, the Group eased the credit terms for certain modern channel distributors in order to support distributors. The trade and bills receivables turnover days increased from 12.2 days in 2019 to 14.1 days in 2020.

- **現金及借款**

本集團主要通過經營活動所產生的現金流滿足流動資金需要。本集團的質押存款、現金及銀行存款總值由二零一九年十二月三十一日的人民幣110.92億元增加至二零二零年十二月三十一日的人民幣139.25億元。該提升主要由於二零二零年本集團經營現金淨流入淨額人民幣42.24億元，以及購置固定資產和土地資本開支現金流出人民幣7.59億元。

本集團於二零二零年十二月三十一日的短期借款餘額為人民幣19.18億元，當中78.2%以人民幣計值(二零一九年十二月三十一日：無)，本集團該短期借款為無抵押銀行借款，年利率在2%至3%之間，並將於二零二一年到期。受益於國家各項宏觀經濟政策及各金融機構對疫情後實體經濟的支持政策，本集團獲取了企業階段性優惠政策貸款用於補充營運資金，並為潛在併購機會儲備低成本現金。

於二零二零年十二月三十一日，本集團的資產負債比率為23.1%，資產負債比率乃負債總額除以權益加上負債總額。資產負債比率較二零一九年十二月三十一日的18.4%有所上升，主要由於本集團二零二零年新增短期借款。

- **存貨**

本集團的存貨由於二零一九年十二月三十一日的人民幣12.62億元下降14.9%至於二零二零年十二月三十一日的人民幣10.75億元，主要由於本集團結合市場銷售情況，有效控制了材料庫存。存貨周轉天數二零二零年為33.1天，和二零一九年的33.5天基本持平。

- **貿易應收款項及應收票據**

本集團的貿易應收款項及應收票據由於二零一九年十二月三十一日的人民幣7.37億元上升22.1%至於二零二零年十二月三十一日的人民幣9.00億元，主要由於受疫情影響和扶持經銷商，本集團放寬部分現代渠道經銷商的信用條件，導致應收款項上升。貿易應收款項及應收票據周轉天數由二零一九年的12.2天上升至二零二零年的14.1天。

- **Trade and Bills Payables**

  The Group's trade and bills payables decreased by 27.0% from RMB1.348 billion as at December 31, 2019 to RMB0.984 billion as at December 31, 2020, mainly attributable to the fact that the Group strengthened the control on inventory purchase in response to market sales conditions and the trend of raw material prices, and some of the bank acceptance bills were due for settlement at the end of the year. The trade and bills payables turnover days increased from 32.0 days in 2019 to 33.0 days in 2020.

- **Foreign Currency Risk**

  The Group's businesses are located in Mainland China and as such nearly all transactions are conducted in RMB. As nearly all of the assets and liabilities of the subsidiaries of the Company in Mainland China were denominated in RMB, the subsidiaries of the Company in Mainland China were not subject to significant foreign currency risk. As at December 31, 2020, the Group's assets and liabilities denominated in HKD were mainly held by the Company and certain subsidiaries incorporated outside Mainland China and had currencies other than RMB as their functional currencies.

  The Company and these subsidiaries incorporated outside Mainland China also held bank balances denominated in RMB, from which foreign currency exposures arise. The Group has not undertaken any significant hedging activities.

- **Contingent Liabilities**

  As at December 31, 2020, the Group did not have any significant contingent liabilities.

- **Asset Pledge**

  As at December 31, 2020, the Group's short-term deposits amounting to RMB100 million (December 31, 2019: RMB0.14 million) have been pledged to secure its bills payable and letters of credit.

- **貿易應付款項及應付票據**

  本集團的貿易應付款項及應付票據由於二零一九年十二月三十一日的人民幣13.48億元下降27.0%至於二零二零年十二月三十一日的人民幣9.84億元，主要由於本集團結合市場銷售情況和原材料價格走勢，加強了對存貨採購的管控，以及年末部份銀行承兌匯票已到期結算。貿易應付款項及應付票據周轉天數由二零一九年的32.0天增加至二零二零年的33.0天。

- **外幣風險**

  本集團的業務位於中國內地，故幾乎全部交易以人民幣進行。因為本集團於中國內地的附屬公司幾乎全部資產及負債以人民幣計值，所以本公司的中國內地附屬公司不存在重大外幣風險。於二零二零年十二月三十一日，本集團以港元計值的資產及負債主要由本公司及若干附屬公司（於中國內地以外地區註冊成立）持有，並以人民幣以外的其他貨幣作為功能貨幣。

  本公司及這些附屬公司（於中國內地以外地區註冊成立）亦持有以人民幣計值的銀行結餘，從中產生外幣風險。本集團並未進行任何重大對沖活動。

- **或然負債**

  於二零二零年十二月三十一日，本集團無任何重大或然負債。

- **資產質押**

  於二零二零年十二月三十一日，本集團的應付票據及信用証以質押其短期存款人民幣1.00億元（二零一九年十二月三十一日：人民幣14萬元）作抵押。

- ## Use of Proceeds from the Listing

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on November 20, 2015 with net proceeds from the global offering of approximately HKD8,665 million (after deduction of underwriting fees and commissions and estimated expenses payable in connection with the global offering). According to the intended use as set out in "Future Plans and Use of Proceeds" in the prospectus published on November 10, 2015 (the "**Prospectus**"), the amount utilized and the expected timetable of the use of the unutilized net proceeds as at December 31, 2020 were as follows:

- ## 上市所得款項用途

本公司股份於二零一五年十一月二十日在香港聯合交易所有限公司(「**聯交所**」)主板上市，來自全球發售所得款項淨額約為86.65億港元(扣除本公司因全球發售應付的包銷費用佣金及估計開支)。根據二零一五年十一月十日發佈的招股章程(「**招股章程**」)內「未來計劃及所得款項用途」所載的擬定用途，於二零二零年十二月三十一日的已動用金額及應用未動用所得款項淨額的預期時間表如下：

Use of Proceeds from the Listing

上市所得款項用途

Unit: HKD million

單位：百萬港元

No. 序號	Items 項目	Percentage 佔比	Available 可動用	Utilised during the year ended December 31, 2020 於二零二零年十二月三十一日止年度已動用	Utilised as at December 31, 2020 截至二零二零年十二月三十一日累計已動用	Unutilised as at December 31, 2020 截至二零二零年十二月三十一日未動用	Expected timetable of the use of the unutilised net proceeds[1] 應用未動用所得款項淨額的預期時間表[1]
1	Development, introduction and promotion of new products 開發、推出及推廣新產品	20%	1,733	306	1,501	232	It is expected to be fully utilised on or before December 31, 2021 預期將於二零二一年十二月三十一日或之前全部動用
2	Expansion and upgrade of production facility and manufacturing network 擴充及提升生產設施及生產網絡	20%	1,733	–	1,733	–	N/A 不適用
3	Enhancing presence in sales channels and promoting brands 提升在銷售渠道的地位及推廣品牌	20%	1,733	–	1,733	–	N/A 不適用
4	Potential acquisitions and business cooperation 潛在收購及業務合作	30%	2,600	–	–	2,600	It is expected to be fully utilised on or before December 31, 2024[2] 預期將於二零二四年十二月三十一日或之前全部動用[2]
5	Working capital and other general corporate purposes 營運資金及其他一般公司用途	10%	866	–	866	–	N/A 不適用
Total 合計		100%	8,665	306	5,833	2,832	

(1) The expected timetable of the use of the unutilised net proceeds is subject to the unprecedented uncertainty caused by the prevailing and future market conditions, business developments and supply and demand, owing to the global macro conditions and the COVID-19 pandemic. In light of the significant impact on the economy and business environment, we will continue updating and revisiting our plans.

(1) 應用未動用所得款項淨額之預期時間表受到國際宏觀環境及新冠肺炎疫情對當前及未來市況、業務發展及需求帶來前所未有的不確定性影響。鑒於經濟及商業環境的重大影響，我們將持續更新及重新審視我們的計劃。

(2) In terms of seeking potential acquisitions and business collaborations, since the listing of the Company in November 2015, the Company has been prudently evaluating potential target acquisitions to strengthen our position in the food and beverage industry by leveraging our national sales and distribution network in accordance with the intended use of the net proceeds as stated in the prospectus. The Group adheres to prudent financial management policies to maintain adequate cash flow and a healthy financial position. While strengthening internal growth, the Group will continue to focus on mergers and acquisitions and business collaboration opportunities in a bid to realise such opportunities and fully utilise the net proceeds allocated for such purposes on or before December 31, 2024. As at the date of this report, we have not entered into any legally binding definitive agreements concerning any of these opportunities. The Company will make further announcements in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as and when appropriate.

(2) 就尋求潛在收購及業務合作而言，自本公司於二零一五年十一月上市以來，本公司一直審慎評估潛在收購目標，目標是根據招股章程所述所得款項淨額的擬定用途，利用我們遍佈全國的銷售及分銷網絡，鞏固我們在食品及飲料行業的地位。本集團將堅持審慎的財務管理政策，保持充足的現金流，維持健康的財務狀況。在強化內部增長的同時，本集團將繼續專注併購及業務合作的機會，旨在於二零二四年十二月三十一日或之前落實該等機會及動用全部就該用途分配的所得款項淨額。於本報告日期，我們並無訂立與任何該等機會有關的任何具法律約束力的最終協議。本公司將根據香港聯合交易所有限公司證券上市規則(「**上市規則**」)在適當時作出進一步公告。

The Group will prudently use the balance of the proceeds. Should the Directors decide to substantially revise the intended use of the proceeds and reallocate the proceeds to other business plans and/or new projects of the Group, the Company will make further announcements in accordance with the Listing Rules in due course.

本集團將以保守方法動用所得款項結餘。如董事決定大幅調整所得款項的擬定用途，將其重新分配至本集團其他業務計劃及／或新項目，本公司會在適當時候根據上市規則另行發表公告。

- **Capital Expenditures and Capital Commitments**

The Group had capital expenditures of RMB0.759 billion in 2020, primarily used for (i) the construction of new plant and workshop and land acquisition; (ii) the acquisition of new product's production lines; and (iii) the equipment upgrades and renovation work in every production plant.

As at December 31, 2020, the Group's capital commitments relating to property, plant and equipment were RMB0.297 billion, which were primarily used for (i) the construction of plant and workshop for new factories; and (ii) the equipment upgrades in every production plant.

- **資本開支及資本承擔**

本集團於二零二零年的資本開支為人民幣7.59億元，主要用於(i)新設工廠的廠房及車間建設和土地購置；(ii)用於新產品生產線的購置；(iii)以及各工廠生產車間設備更新和修繕改造。

於二零二零年十二月三十一日，本集團與物業、廠房及設備有關的資本承擔為人民幣2.97億元，主要用於(i)新設工廠的廠房及車間建設；及(ii)各工廠的設備升級。

- **Human Resources and Staff Remuneration**

  The Group always believes that talent is the core competitiveness of enterprises and regards employees as important strategic resources for corporate development. It has made active efforts in establishing a sound talent selection and training mechanism to improve employees' overall competitiveness and their sense of belonging to the Group. In 2020, the Group continued to introduce a large number of professional high-end talents, and actively identified talents from the existing employees and jointly established a training mechanism with key universities and colleges in China on a long-term basis. The Group established a tutor management system and a training management system, and a learning and development model such as visiting external model enterprises, formed a talent selection and promotion mechanism for competition for posts and performance appraisal, maintained the core competitiveness of corporate talents, and cultivated an experienced, stable and reliable management team. Meanwhile, the Group continued to optimise and upgrade our management structure, promote fine management, upgrade information management and strengthen the headquarters' control of the market, laying a solid foundation for the Group's sustainable development.

  As at December 31, 2020, the Group had a total of 39,216 employees (as at December 31, 2019: 37,975 employees). The Group's employees are remunerated with reference to their positions, performance, experience and prevailing salary trends in the market. In addition to basic salaries, the Company provides various staff benefits to its employees. For the year ended December 31, 2020, the total employee benefits expenses (including Directors' remuneration) were RMB2.304 billion (for the year ended December 31, 2019: RMB2.234 billion), which was primarily attributable to the development of short shelf-life bread industry which resulted in the increase of relevant sales and production staff with the corresponding increase in remuneration.

- **人力資源及員工薪酬**

  本集團始終堅信人才是企業的核心競爭力，把員工視為企業發展的重要戰略資源，積極建立完善的人才選拔培養機制，提高員工的整體競爭力和對本集團的歸屬感。二零二零年，本集團持續引進大量專業高端人才，並積極從現有員工中發掘人才，長期與全國重點高校人才聯合建立培養機制。建立導師管理制度和培訓管理體系、外部標桿企業考察等的學習發展模式，形成競聘上崗、績效考核的人才選拔晉升機制，保障企業人才的核心競爭力，並培養出一支經驗豐富、穩定可靠的管理團隊。同時，本集團持續優化升級我們的管理結構，推進精細化管理，升級信息化管理，加強總部對市場的控制，為集團的持續發展打下的堅實的基礎。

  於二零二零年十二月三十一日，本集團僱有員工合共39,216人（於二零一九年十二月三十一日：37,975人）。本集團僱員的薪酬乃參照其職位、表現、經驗及現行市場上的薪金趨勢而釐定。除基本薪金外，本公司為其僱員提供多項員工福利。截至二零二零年十二月三十一日止年度，僱員福利開支總額（包括董事薪酬）為人民幣23.04億元（截至二零一九年十二月三十一日止年度：人民幣22.34億元），主要由於為拓展短保麵包產業，相關的銷售及生產人員增加，薪酬相應增加所致。

PROSPECTS

Although the COVID-19 pandemic posed a short-term impact on consumer products industry, the long-term trend of a positive consumer market remains unchanged. The epidemic has caused the loss of certain consumption scenarios and a decline in consumer demands, but it has fostered new consumption demands and development opportunities. With deep insight into the changes identified in market trends and consumer demands, the Group will focus on consumers' quests for food quality, health and nutrition to seize the opportunities of innovative development in household consumptions and leisure consumptions for higher market shares.

展望

雖然新冠疫情短期內對消費品行業造成衝擊，但是消費市場向好的長期趨勢不會改變。疫情造成了部分消費場景的缺失和消費需求的下滑，但也促生了新的消費需求和發展機遇。集團深刻洞察到市場趨勢與消費者需求的變化，將聚焦消費者對於食品質量、健康和營養的追求，及時把握家庭消費和休閒消費的創新發展機遇，進一步拓展市場份額。

As the economy becomes more stable in 2021, the Group continues to seize the opportunity for development and stimulate the growth momentum in every segment. In household consumption segment, the Group will speed up the large-scale layout process of Meibeichen, improve the quality of sales and increase market penetration. Also, we will strengthen the brand promotion of Doubendou so that consumers' preferences can be cultivated and conversed; star products will be made to facilitate the process of industrialisation of plant-based protein. As for the snack food segment, refined business segment development will be carried out comprehensively so that the prominence of our products and brands in the mid-to-high-end consumption market will be extended, which will further consolidate our leading position in the industry. As for the ready-to-drink beverage segment, the Group will make every effort on its terminal sales outlets and tighten its control on such terminal outlets to improve its brand image. In terms of widening our channels, we strongly support the strategic development of the e-commerce channels and actively expand emerging channels to realise high growth.

二零二一年，隨著經濟環境的確定性增強，集團將繼續緊抓發展時機，大力推進各個板塊的增長。在家庭消費板塊，加快美焙辰的規模化佈局，提升銷售質量，提高市場滲透率；強化豆本豆的品牌推廣，加速消費者培養和轉化，打造明星產品，推動植物蛋白產業化進程。在休閒食品板塊，全方位推進精耕產業的發展，擴大產品和品牌在中高端消費市場的影響力，進一步鞏固行業龍頭地位。在即飲飲料產業，集團將精耕終端銷售網點，強化終端掌控力，持續提高品牌力。在渠道拓寬上，大力支持電商戰略板塊的發展，積極拓展新興渠道，堅定實現高增長的目標。

The Group will adhere to prudent financial management policies, maintain ample cash flow and a healthy financial position. While strengthening our own growth, the Group will continue to explore opportunities for mergers and acquisitions and external cooperation.

本集團會堅持審慎的財務管理政策，保持充沛的現金流，維持健康的財務狀況。在強化內生增長的同時，本集團將繼續關注併購和外部合作的機會。

Looking forward, the Group will continue to produce quality products under a pragmatic yet proactive corporate culture. We will keep our faith to offer more delicious and healthy products for our customers. We will continue to strive for enormous returns for our shareholders.

未來，本集團將繼續堅持用心創品質的理念和務實進取的企業文化，不忘初心，繼續為消費者帶來更美味、健康的產品，繼續為股東創造豐厚的回報。

Report of the Directors
董事會報告

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

董事會欣然提呈截至二零二零年十二月三十一日止年度的董事會報告以及本集團經審核合併財務報表。

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The Group is a leading branded food and beverage company in China with a diversified multi-brand product portfolio focusing on high-growth product categories. The Group is principally engaged in the manufacture and sale of food and beverage in China. The Shares were listed on the Main Board of the Stock Exchange on November 20, 2015.

主要活動及業務回顧

本公司的主要業務為投資控股。本集團是中國領先的品牌食品及飲料公司，擁有豐富、多品牌的產品組合，專注於高增長的產品類別。本集團主要從事於中國製造及銷售食品及飲料。股份於二零一五年十一月二十日於聯交所主板上市。

Segment analysis of the Group for the year ended December 31, 2020 is set out in Note 4 to the consolidated financial statements. A list of the Company's principal subsidiaries, together with their places and dates of incorporation, types of legal entity, principal activities and particulars of their issued shares/registered share capital, is set out in Note 1 to the consolidated financial statements.

本集團截至二零二零年十二月三十一日止年度的分部分析載於合併財務報表附註4。本公司主要附屬公司列表，以及彼等的註冊成立地點及成立日期、法定實體類別、主要活動以及彼等已發行股份／已註冊股本的詳情載於合併財務報表附註1。

A review of the business of the Group during the year and its future development, and an analysis of the Group's performance during the year using financial key performance indicators as required under Schedule 5 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) are set out in the "Chairman's Statement" on pages 6 to 8 and the "Management Discussion and Analysis" on pages 9 to 24 of this annual report which constitute part of this report of the Directors.

本集團年內的業務回顧及其未來發展，以及按照香港法例第622章公司條例附表5的規定，運用財務關鍵表現指標對本集團年內表現進行的分析載於本年報第6頁至第8頁「主席報告書」及第9頁至第24頁「管理層討論及分析」（構成本董事會報告的一部分）內。

There was no material subsequent event undertaken by the Group after the year ended December 31, 2020.

於截至二零二零年十二月三十一日止年度後，本集團並無進行重大期後事項。

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to the market, operational, financial and compliance risks in relation to the industry in which the Group operates and each business division of the Group. With the growth and expansion of our operations, the potential risks to our business increase as well. We have implemented a risk management system that covers each material aspect of our operations, including finance, supply chain, security, technology and compliance. As our risk management is a systematic project, each of our departments is responsible for identifying and evaluating the risks relating to its area of operations. Our Audit Committee is responsible for overseeing and assessing our risk management policy and they supervise the performance of our risk management system. Details of the principal risks during the year are set out in Risk Management and Internal Controls under Corporate Governance Report of the 2020 Annual Report.

主要風險及不確定性

本集團面臨與本集團所處行業有關的及各業務分部有關的市場、經營、財務、合規等風險。隨著我們業務增長及擴張，有關我們業務的潛在風險亦同時增加。我們已實施一套風險管理系統，覆蓋我們業務運營各重大方面，包括財務、供應鏈、安全、科技及合規。由於我們的風險管理為一個系統項目，我們各部門均負責識別及評估有關其營運範疇的風險。我們的審核委員會負責監督及評估我們的風險管理政策及監察我們風險管理系統的表現。有關本年度的主要風險已詳載於二零二零年年報的企業管治報告風險管理及內部監控部分。

FINANCIAL RESULTS

The results of the Group for the year ended December 31, 2020 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 148 to 149.

財務業績

本集團截至二零二零年十二月三十一日止年度的業績載於第148頁至第149頁的合併損益及其他綜合收益表。

DIVIDEND POLICY

On November 19, 2018, the Company adopted a dividend policy for the declaration, payment or distribution of its net profit to shareholders of the Company as dividends. According to the dividend policy, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Board has the discretion to declare and distribute dividends to the Shareholders, subject to the Articles of Association and all applicable laws and regulations and the factors set out below.

The Board shall also take into account the following factors of the Company and its subsidiaries when considering the declaration and payment of dividends:

- financial result;
- cash flow conditions;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of shareholders;
- potential investment, mergers and acquisitions;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

股息政策

於二零一八年十一月十九日，本公司就宣派、派付或分發其純利予本公司股東作為股息制立了股息政策。根據股息政策，在建議或宣派股息時，本公司應維持足夠現金儲備，以應付其資金需求、未來增長以及其股權價值。根據章程細則、所有適用法規及下列因素，董事會有權宣派及分發股息予本公司股東。

董事會在考慮宣派股息時，應同時考慮下列有關本公司及其附屬公司的因素：

- 財務業績；
- 現金流狀況；
- 業務狀況及策略；
- 未來營運及收入；
- 資金需求及支出計劃；
- 股東的利益；
- 潛在的投資併購；
- 任何派付股息的限制；及
- 董事會可能視為相關的任何其他因素。

Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as follows:

- interim dividend;
- final dividend;
- special dividend; and
- any distribution of net profits that the Board may deem appropriate.

Any final dividend for a financial year will be subject to shareholders' approval. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association. The Board will review the dividend policy as appropriate from time to time.

視乎本公司及本集團的財政狀況以及上述條件及因素，董事會可在財政年度或期間建議及／或宣派下列股息：

- 中期股息；
- 末期股息；
- 特別股息；及
- 任何董事會認為合適的純利分發。

任何年度股息均須由股東批准。本公司可以董事會認為合適的形式宣派及派付股息，包括現金或代息股份或其他形式。任何未領取的股息應被沒收及應根據章程細則複歸本公司。董事會將在有需要時檢討股息政策。

DIVIDENDS

An interim dividend of HK$0.075 per ordinary share for the six months ended June 30, 2020 was declared during 2020.

The Board has recommended the payment of a final dividend of HK$0.085 (equivalent to approximately RMB0.072) per ordinary share for the year ended December 31, 2020 (the "**2020 Final Dividend**"), representing a total payment of approximately HK$1,164,000,000 (equivalent to RMB986,228,000). The payment of the 2020 Final Dividend is subject to the approval of the Shareholders at the forthcoming AGM to be held on May 18, 2021.

Upon Shareholders' approval to be obtained at the AGM, the 2020 Final Dividend is expected to be paid on July 15, 2021 to the Shareholders whose names appear on the register of members of the Company on May 28, 2021.

股息

截至二零二零年六月三十日止六個月的中期股息每股普通股0.075港元，已於二零二零年內宣派。

董事會建議就截至二零二零年十二月三十一日止年度派付末期股息每股普通股0.085港元（相等於約人民幣0.072元）（「**二零二零年末期股息**」），付款總額約為1,164,000,000港元（相等於約人民幣986,228,000元）。派付二零二零年末期股息須待股東於二零二一年五月十八日舉行的應屆股東週年大會上批准後，方可作實。

待於股東週年大會上取得股東批准後，二零二零年末期股息預計將於二零二一年七月十五日派付予於二零二一年五月二十八日名列本公司股東名冊的股東。

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years, as set out on page 5 of this annual report, is extracted from the audited consolidated financial statements.

五年財務摘要

載於本年報第5頁的本集團最近五年的業績及資產負債摘要摘錄自經審核合併財務報表。

TAX RELIEF AND EXEMPTION

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

稅務寬減及豁免

本公司概不知悉股東因持有本公司證券而享有任何稅務寬減及豁免。

SHARE CAPITAL

Details of the movement in the share capital of the Company during the year ended December 31, 2020 are set out in Note 27 to the consolidated financial statements.

股本

本公司於截至二零二零年十二月三十一日止年度的股本變動載於合併財務報表附註27。

DISTRIBUTABLE RESERVES

The Company's distributable reserves comprise the share premium and other reserves. As at December 31, 2020, the Company's reserves available for distribution amounted to RMB134.73 million (2019: RMB1.29 million).

分派儲備

本公司的分派儲備由股本溢價及其他儲備組成。於二零二零年十二月三十一日，本公司的可供分派儲備為人民幣13,473萬元(二零一九年：人民幣129萬元)。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements of the Group's property, plant and equipment during the year ended December 31, 2020 are set out in Note 13 to the consolidated financial statements.

物業、廠房及設備

本集團截至二零二零年十二月三十一日止年度的物業、廠房及設備詳情載於合併財務報表附註13。

USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING

The shares of the Company were listed on the Main Board of the Stock Exchange on November 20, 2015. The net proceeds from the Listing were approximately HKD8,665 million (after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the global offering).

For details, please refer to the section headed "Management Discussion and Analysis — Use of Proceeds from the Listing" on page 21 of this annual report.

首次公開發售所得款項淨額用途

本公司股份於二零一五年十一月二十日在聯交所主板上市。上市所得款項淨額約為86.65億港元(經扣除本公司就全球發售應付的包銷費及佣金及估計開支)。

有關詳情，請參閱本年報第21頁「管理層討論及分析－上市所得款項用途」一節。

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors:

Mr. Xu Shihui *(Chairman and Chief Executive Officer)*
Mr. Zhuang Weiqiang
Ms. Xu Yangyang
Ms. Huang Jiaying *(appointed on February 8, 2021)*

Non-executive Directors:

Ms. Xu Biying
Ms. Hu Xiaoling

Independent non-executive Directors:

Mr. Cheng Hanchuan
Mr. Liu Xiaobin
Dr. Lin Zhijun

Each of Mr. Xu Shihui, Mr. Zhuang Weiqiang, Ms. Xu Yangyang, Ms. Xu Biying, Ms. Hu Xiaoling, Mr. Cheng Hanchuan, Mr. Liu Xiaobin and Dr. Lin Zhijun shall retire from the Board by rotation at the forthcoming AGM pursuant to article 16.18 of the Articles of Association or the Listing Rules and, being eligible, will offer themselves for re-election. Ms. Huang Jiaying who has been appointed by the Board shall hold office until the forthcoming AGM pursuant to Article 16.2 of the Articles of Association. Ms. Huang Jiaying, being eligible, will offer herself for re-election at the AGM.

DIRECTORS' SERVICE CONTRACTS

None of the Directors offering for re-election at the AGM has a service contract with the Company which is not determinable within one year without payment of compensation other than statutory compensation.

董事

於本年度及截至本報告日期止的董事為：

執行董事：

許世輝先生*(主席兼行政總裁)*
莊偉強先生
許陽陽女士
黃佳瑩女士*(於二零二一年二月八日獲委任)*

非執行董事：

許碧英女士
胡曉玲女士

獨立非執行董事：

程漢川先生
劉小斌先生
林志軍博士

根據章程細則第16.18條或上市規則，許世輝先生、莊偉強先生、許陽陽女士、許碧英女士、胡曉玲女士、程漢川先生、劉小斌先生及林志軍博士將各自於應屆股東週年大會上從董事會輪席退任，並合資格膺選連任。根據章程細則第16.2條，經董事會委任的黃佳瑩女士將任職至應屆股東週年大會為止。黃佳瑩女士符合資格亦願意於股東週年大會上膺選連任。

董事服務合約

擬於股東週年大會上膺選連任的董事概無與本公司訂有不可於一年內免付賠償(法定賠償除外)而予以終止的服務合約。

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE AND COMPETING BUSINESS

Save as disclosed under the section headed "Continuing Connected Transactions" below and Note 32 "Related Party Transactions" to the consolidated financial statements, no transaction, arrangement or contract of significance (as defined in Appendix 16 to the Listing Rules in relation to the Group's business to which the Company, its holding company or any of its subsidiaries was a party and in which a Director or controlling shareholder (as defined in the Listing Rules) of the Company had a material interest, whether directly or indirectly, subsisted at the end of 2020 or at any time during 2020.

None of the Directors has interests in any businesses apart from the Group's business which competes or is likely to compete with the Group's business, either directly or indirectly or would otherwise require disclosure under Rule 8.10 of the Listing Rules.

董事於重要交易、安排或合約及競爭業務的權益

除下文「持續關連交易」一節及合併財務報表附註32「關聯方交易」所披露者外，概無訂立與本公司、其控股公司或其任何附屬公司與本集團業務有關，而本公司董事或控股股東（定義見上市規則）於當中擁有重大權益（不論直接或間接），並且於二零二零年末或二零二零年內任何時間仍然生效的重要交易、安排或合約（定義見上市規則附錄十六）。

概無董事於本集團業務以外而與本集團業務構成競爭或可能構成競爭的任何業務中直接或間接擁有權益而須根據上市規則第8.10條予以披露。

RELATED PARTY TRANSACTIONS

The related party transactions for the year as disclosed in Notes 32(a)(i) and 32(a)(iii) to the consolidated financial statements constitute continuing connected transactions as defined under the Listing Rules but are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.76(1)(a). Details of such continuing connected transactions are set out in the announcement of the Company dated December 1, 2017.

The related party transaction for the year as disclosed in Note 32(a)(ii) to the consolidated financial statements constitutes a continuing connected transaction as defined under the Listing Rules which is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. The Company has complied with Chapter 14A of the Listing Rules in respect of this related party transaction.

關聯方交易

合併財務報表附註32(a)(i)及32(a)(iii)披露的年內關聯方交易構成上市規則所界定的持續關連交易，惟根據第14A.76(1)(a)條獲豁免遵守申報、公告、年度審核及獨立股東批准規定。有關該等持續關連交易的詳情載於本公司於二零一七年十二月一日的公告。

合併財務報表附註32(a)(ii)披露的年內關聯方交易構成上市規則所界定的持續關連交易，將須遵守申報、公告及年度審核規定，但獲豁免遵守上市規則第十四A章有關取得獨立股東批准的規定。本公司已就有關關聯方交易遵守上市規則第十四A章。

CONTINUING CONNECTED TRANSACTIONS

Property and Land Leasing Agreement

Except for the continuing connected transactions of the Group which are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.76(1)(a), the Company and Fujian Dali Foods Group Co., Ltd. (福建達利食品集團有限公司) ("**Fujian Dali**") entered into a property and land leasing agreement (the "**Property and Land Leasing Agreement**") on December 1, 2017. The transaction under the Property and Land Leasing Agreement is made in the ordinary and usual course of business and on normal commercial terms, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules were more than 0.1% but less than 5% on an annual basis. Fujian Dali is owned as to 100% by Mr. Xu Shihui, Ms. Chen Liling and Ms. Xu Yangyang, who are the controlling shareholders (as defined in the Listing Rules) of the Company and, in the case of Mr. Xu Shihui and Ms. Xu Yangyang, executive directors of the Company. The Group had been using certain properties and land owned by Fujian Dali for general business and ancillary purposes. The Property and Land Leasing Agreement was entered into in order to avoid unnecessary disruptions to our business caused by the relocation and enable us to ensure continuity of the operation of the Group.

Pursuant to the Property and Land Leasing Agreement, the Company agreed to lease the relevant properties and land in the PRC from Fujian Dali for a term of three years from January 1, 2018 to December 31, 2020 on the following principal terms:

(a) the properties and land that were leased to us consist of (i) an office building located at Zishan, Linkou, Hui'an, Fujian Province and occupying a total gross floor area of approximately 21,142.67 sq.m., and (ii) buildings used for manufacturing workshop, warehouse and workers' dormitory as well as for other ancillary purposes located at Zishan, Linkou, Hui'an, Fujian Province and occupying a total gross floor area of approximately 265,643.40 sq.m.;

(b) the monthly rental prices in respect of the office building and other properties for each of the three years ending December 31, 2020 are RMB10.70 per sq.m. and RMB5.40 per sq.m., respectively;

(c) the rental price shall be reviewed and adjusted from the second year of the duration of the Property and Land Leasing Agreement by reference to the GDP growth for the previous year published by the National Bureau of Statistics of the PRC but in any event such increase in the rental price shall not exceed the relevant GDP growth rate;

持續關連交易

物業及土地租賃協議

除根據第14A.76(1)(a)條獲豁免遵守申報、公告、年度審核及獨立股東批准規定的本集團持續關連交易外，本公司與福建達利食品集團有限公司(「**福建達利**」)於二零一七年十二月一日訂立物業及土地租賃協議(「**物業及土地租賃協議**」)。物業及土地租賃協議下的交易乃於日常及一般業務過程中按正常商業條款訂立，為符合上市規則第十四A章的規定，最高適用百分比率為每年高於0.1%但低於5%。福建達利由本公司控股股東(定義見上市規則)許世輝先生、陳麗玲女士及許陽陽女士全資擁有，且許世輝先生及許陽陽女士為本公司執行董事。本集團一直使用由福建達利擁有的若干物業及土地，用作一般業務及配套，訂立物業及土地租賃協議乃為避免我們的業務因搬遷而受到不必要的阻礙，以及確保我們的營運持續性。

根據物業及土地租賃協議，本公司同意按以下主要條款向福建達利租用位於中國的相關物業及土地，自二零一八年一月一日至二零二零年十二月三十一日為期三年：

(a) 出租予我們的物業及土地包括(i)一項位於福建省惠安縣紫山林口總建築面積約21,142.67平方米的辦公室樓宇，及(ii)多項位於福建省惠安縣紫山林口總建築面積約265,643.40平方米用作製造車間、倉庫及員工宿舍以及其他配套用途的建築物；

(b) 截至二零二零年十二月三十一日止三個年度各年，就有關辦公室樓宇及其他物業支付的月租分別為每平方米人民幣10.70元及每平方米人民幣5.40元；

(c) 租金應自物業及土地租賃協議年期的第二年起參考中國國家統計局公佈前一年度的國內生產總值升幅作檢討及調整，惟租金升幅無論如何不得超過相關國內生產總值升幅；

(d) the Company shall pay the rental to Fujian Dali on a quarterly basis on or before the 25th day of the last month of the relevant quarter of the year; and

(e) the Company shall be responsible for all utility charges and other miscellaneous expenses incurred in using the relevant properties and land during the term of the lease, except for national administration fee and property tax that shall be borne by each party in accordance with relevant laws and regulations.

The Company paid Fujian Dali rental expenses in an aggregate amount of RMB19,928,000 pursuant to the terms of the Property and Land Leasing Agreement for the year ended December 31, 2020, which was within the annual cap for the aggregate rental expenses payable under the Property and Land Leasing Agreement of RMB21,000,000 for the year ended December 31, 2020 as set by the Company.

Opinion from the Independent Non-executive Directors and Auditors on the Continuing Connected Transaction

The Company's auditors were engaged to report on the Group's non-exempt continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above and confirmed that nothing has come to their attention that causes them to believe the continuing connected transactions abovementioned:

(a) have not been approved by the Board;

(b) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;

(c) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

(d) have exceeded the annual cap.

(d) 本公司須按季度向福建達利支付租金，於年內相關季度最後一個月第25日或之前支付租金；及

(e) 本公司須承擔在租約期內使用有關物業及土地所產生的所有公用事業費用及其他雜項開支，惟國家行政費及物業稅則須根據相關法律及法規由各方分擔。

本公司於截至二零二零年十二月三十一日止年度根據物業及土地租賃協議的條款向福建達利支付的租金開支總額為人民幣19,928,000元，該金額處於本公司所定截至二零二零年十二月三十一日止年度，物業及土地租賃協議下應付租賃開支人民幣21,000,000元的年度上限。

獨立非執行董事及核數師有關持續關連交易的意見

本公司核數師獲委託根據香港會計師公會所頒佈的香港保證工作準則第3000號*審核或審閱過往財務資料以外之保證工作*(經修訂)並參照實務說明第740號「關於香港《上市規則》所述不獲豁免持續關連交易的核數師函件就本集團的持續關連交易」編製報告。核數師已就上述披露的持續關連交易發出載有彼等的調查結果及結論的無保留意見函件並確認並不知悉有任何事宜致使其相信與上述持續關連交易：

(a) 未獲董事會批准；

(b) (倘交易涉及本集團提供貨品或服務的交易)在所有重大方面並無按照本集團的定價政策；

(c) 於任何重大方面均並非根據規管有關交易的有關協議訂立；及

(d) 超過年度上限。

The independent non-executive Directors of the Company have reviewed these transactions and confirmed that the non-exempt continuing connected transactions have been entered into:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Directors confirm that the Company has complied with the requirements of Chapter 14A of the Listing Rules in respect of all of its continuing connected transactions.

本公司的獨立非執行董事已審閱該等交易及確認不獲豁免的持續關連交易已在：

(a) 本集團的日常及一般業務過程中訂立；

(b) 按正常商業條款進行；及

(c) 根據有關協議的條款屬公平合理且符合股東的整體利益。

董事確認本公司已就其全部持續關連交易遵照上市規則第十四A章的規定。

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE

As at December 31, 2020, the interests of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

董事及最高行政人員的權益及淡倉

於二零二零年十二月三十一日，本公司董事及最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，擁有根據證券及期貨條例第352條須予備存的登記冊所記錄的權益及淡倉；或根據標準守則須知會本公司及聯交所的權益及淡倉如下：

I. Interest in shares or underlying shares of the Company

I. 於本公司股份或相關股份的權益

Name of Directors 董事姓名	Capacity/Nature of interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of interest in the Company 於本公司權益概約百分比
Mr. Xu Shihui[(1)] 許世輝先生[(1)]	Interest in controlled corporation 於受控法團的權益	11,640,000,000	85%
Ms. Xu Yangyang[(1)] 許陽陽女士[(1)]	Beneficiary of a discretionary trust[(1)] 酌情信託的受益人[(1)]	11,640,000,000	85%

II. Interest in shares of associated corporations of the Company

II. 於本公司相聯法團股份的權益

Name of Directors 董事姓名	Name of associated corporation 相聯法團名稱	Capacity/Nature of interest 身份／權益性質	Number of shares in the associated corporation 於相聯法團的股份數目	Approximate percentage of interest in the associated corporation 於相聯法團的權益概約百分比
Mr. Xu Shihui[(1)] 許世輝先生[(1)]	Divine Foods Limited ("**Divine Foods**")	Interest in controlled corporation 於受控制法團的權益	50	50%

Note:

(1) Divine Foods is 50%, 10% and 40% legally owned by Divine Foods-1 Limited, Divine Foods-2 Limited and Divine Foods-3 Limited respectively. Divine Foods-1 Limited is 98% and 2% legally owned by Mr. Xu Shihui and Hi-Tiger Limited respectively. Divine Foods-2 Limited and Divine Foods-3 Limited are in turn wholly-owned by Hi-Tiger Limited. Hi-Tiger Limited is an investment holding company incorporated in the BVI wholly-owned by Cantrust (Far East) Limited (the "**Trustee**"), and Hi-Tiger Limited holds 2%, 100% and 100% shareholdings in Divine Foods-1 Limited, Divine Foods-2 Limited, and Divine Foods-3 Limited respectively. The Trustee is a company incorporated in the BVI and the trustee of the Xu's Family Trust which is a discretionary trust established by Ms. Chen Liling as the settlor and Ms. Chen Liling, Mr. Xu Shihui and Ms. Xu Yangyang as the beneficiaries.

附註：

(1) Divine Foods由Divine Foods–1 Limited、Divine Foods–2 Limited及Divine Foods–3 Limited分別合法擁有50%、10%及40%。Divine Foods–1 Limited由許世輝先生及Hi-Tiger Limited分別合法擁有98%及2%。而Divine Foods–2 Limited及Divine Foods–3 Limited由Hi-Tiger Limited全資擁有。Hi-Tiger Limited為一家於英屬維京群島註冊成立的投資控股公司，由Cantrust (Far East) Limited（「**受託人**」）全資擁有。Hi-Tiger Limited分別持有Divine Foods–1 Limited、Divine Foods–2 Limited及Divine Foods–3 Limited的2%、100%及100%控股權益。受託人為一家於英屬維京群島註冊成立的公司，亦為許氏家族信託的受託人，許氏家族信託為陳麗玲女士作為財產授予人成立的酌情信託，而陳麗玲女士、許世輝先生及許陽陽女士為受益人。

Save as disclosed above, as at December 31, 2020, none of the Directors and the chief executive of the Company had or were deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified under Divisions 7 and 8 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零二零年十二月三十一日，概無本公司董事或主要行政人員擁有或視為擁有本公司或其相聯法團（定義見證券及期貨條例第XV部）股份、相關股份或債券的任何權益及淡倉，而須根據證券及期貨條例第XV部第7及8分部作出通知或根據標準守則須知會本公司及聯交所。

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at December 31, 2020, the interests or short positions of the following persons (other than the Directors and chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

主要股東的權益及淡倉

於二零二零年十二月三十一日，下列人士(本公司董事及最高行政人員除外)於本公司根據證券及期貨條例第336條須予備存的登記冊所記錄的本公司股份或相關股份中擁有的權益或淡倉如下：

Name of Shareholders 股東姓名	Capacity/Nature of interest 身份／權益性質	Number of Shares (long positions) 股份數目(好倉)	Approximate percentage of interest in the Company 於本公司權益概約百分比
Divine Foods	Beneficial owner 實益擁有人	11,640,000,000	85%
Divine Foods-1 Limited[1] ("**Divine Foods-1**")	Interest in controlled corporation 於受控制法團的權益	11,640,000,000	85%
Divine Foods-2 Limited[1] ("**Divine Foods-2**")	Deemed interest as an associate of a substantial shareholder 作為一名主要股東聯繫人的視作權益	11,640,000,000	85%
Divine Foods-3 Limited[1] ("**Divine Foods-3**")	Interest in controlled corporation 於受控制法團的權益	11,640,000,000	85%
Ms. Chen Liling[1] [2] 陳麗玲女士[1] [2]	Interest of spouse 配偶權益	11,640,000,000	85%
Cantrust (Far East) Limited ("**Trustee**")[1] Cantrust (Far East) Limited (「**受託人**」)[1]	Trustee; Interest in controlled corporation 受託人；於受控制法團的權益	11,640,000,000	85%

Notes:

(1) Divine Foods is 50%, 10% and 40% legally owned by Divine Foods-1, Divine Foods-2 and Divine Foods-3 respectively. Divine Foods-1 is 98% and 2% legally owned by Mr. Xu Shihui and Hi-Tiger Limited respectively. Divine Foods-2 and Divine Foods-3 are in turn wholly-owned by Hi-Tiger Limited. Hi-Tiger Limited is an investment holding company incorporated in the BVI wholly-owned by the Trustee, and Hi-Tiger Limited holds 2%, 100% and 100% shareholdings in Divine Foods-1, Divine Foods-2, and Divine Foods-3 respectively. The Trustee is a company incorporated in the BVI and the trustee of the Xu's Family Trust which is a discretionary trust established by Ms. Chen Liling as the settlor and Ms. Chen Liling, Mr. Xu Shihui and Ms. Xu Yangyang as the beneficiaries.

(2) Mr. Xu Shihui and Ms. Chen Liling are spouses. Accordingly, each of Mr. Xu Shihui and Ms. Chen Liling is deemed, or taken to be, interested in all shares and underlying shares in which their spousal counterpart is interested in for the purpose of the SFO.

附註：

(1) Divine Foods由Divine Foods–1、Divine Foods–2及Divine Foods–3分別合法擁有50%、10%及40%。Divine Foods–1由許世輝先生及Hi-Tiger Limited分別合法擁有98%及2%。 而Divine Foods–2及Divine Foods–3由Hi-Tiger Limited全資擁有。Hi-Tiger Limited為一家於英屬維京群島註冊成立的投資控股公司，由受託人全資擁有。Hi-Tiger Limited分別持有Divine Foods–1、Divine Foods–2及Divine Foods–3的2%、100%及100%控股權益。受託人為一家於英屬維京群島註冊成立的公司，亦為許氏家族信託的受託人，許氏家族信託為陳麗玲女士作為財產授予人成立的酌情信託，而陳麗玲女士、許世輝先生及許陽陽女士為受益人。

(2) 許世輝先生及陳麗玲女士為配偶。因此，就證券及期貨條例而言，許世輝先生及陳麗玲女士各自被視為或被當作於對方擁有權益的所有股份及相關股份中擁有權益。

EQUITY-LINKED AGREEMENTS

Save for the share option scheme as set out below, the Company has not entered into any equity-linked agreement for the year ended December 31, 2020.

SHARE OPTION SCHEME

Purpose of the Share Option Scheme

The Company has adopted the Share Option Scheme on August 25, 2015 to enable the Company to grant share options to Qualified Participant (as defined below) as incentive for their commitment towards enhancing the value of the Company and its Shares for the benefit of the Shareholders, and to maintain or attract business relationship with the Qualified Participant whose contributions are or may be beneficial to the growth of the Group.

Qualified Participant

The Board may, at its absolute discretion, offer to grant an option to subscribe for such number of Shares as the Board may determine to:

(a) any executive Director, or employee (whether full time or part time) of the Company, any subsidiary or any entity in which the Company or any subsidiary holds any equity interest;

(b) any non-executive Directors (including independent non-executive Directors) of the Company, any subsidiary or any entity in which the Company or any subsidiary holds any equity interest;

(c) any customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent or service provider of the Company, any subsidiary or any entity in which the Company or any subsidiary holds any equity interest who is an individual; or

(d) any full-time employee of any customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent, customer or service provider of the Company or any subsidiary or an entity in which the Company or any subsidiary holds any equity interest,

who the Board considers, in its sole discretion, has contributed or will contribute to the Company, any subsidiary or any entity in which the Company or any subsidiary holds any equity interest (collectively, the "**Qualified Participant**").

股票掛鈎協議

除下文載列的購股權計劃外，截至二零二零年十二月三十一日止年度，本公司並無訂立任何股票掛鈎協議。

購股權計劃

購股權計劃的目的

本公司已於二零一五年八月二十五日採納購股權計劃，旨在向合資格參與者(定義見下文)授出購股權，作為獎勵，以鼓勵彼等就提升本公司及其股份的價值及股東利益用心工作，以及維持或吸引與對本集團發展作出或可能作出有益貢獻的合資格參與者的業務關係。

合資格人士

董事會可全權酌情決定向其認為曾對或將對本公司、任何附屬公司或本公司或任何附屬公司於其中持有任何股權的任何實體作出貢獻的下列人士(統稱為「**合資格參與者**」)授出購股權，以認購董事會可能釐定的有關數目的股份：

(a) 本公司、任何附屬公司或本公司或任何附屬公司於其中持有任何股權的任何實體的任何執行董事或全職或兼職僱員；

(b) 本公司、任何附屬公司或本公司或任何附屬公司於其中持有任何股權的任何實體的任何非執行董事(包括獨立非執行董事)；

(c) 本公司、任何附屬公司或本公司或任何附屬公司於其中持有任何股權的任何實體的任何客戶、企業或合營夥伴、顧問、諮詢顧問、承包商、供應商、代理或服務供應商，且屬個別人士；或

(d) 本公司、任何附屬公司或本公司或任何附屬公司於其中持有任何股權的實體的任何客戶、業務或合營夥伴、顧問、諮詢顧問、承包商、供應商、代理、客戶或服務供應商的任何全職僱員。

Maximum number of Shares in respect of which options may be granted

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed the number of Shares that shall represent 10% of the total number of Shares in issue as at the Listing Date (such total number of Shares being 13,694,117,500 Shares) (the "**Scheme Mandate**", being 1,369,411,750 Shares), excluding for this purpose options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company. As at the date of this report, the total number of shares available for issue under the Share Option Scheme is 1,369,411,750 Shares, representing approximately 10% of the total issued share capital of the Company.

有關或會授出的購股權的最高股份數目

根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的最高股份數目，合共不可超過佔於上市日期已發行股份總數（該等股份總數為13,694,117,500股）的10%的股份數目（「**計劃授權**」，即1,369,411,750股股份），就此而言不包括根據本公司購股權計劃及任何其他購股權計劃的條款失效的購股權。於本年報日期，購股權計劃項下可供發行的股份總數為1,369,411,750股，佔本公司已發行股本總額約10%。

Maximum entitlement of each Qualified Participant

Unless approved by Shareholders in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any grantee if the acceptance of those options would result in the total number of Shares issued and to be issued to that grantee on exercise of his options (including both exercised and outstanding options) during any 12 month period exceeding 1% of the total Shares then in issue.

各合資格參與者的獲授權益上限

倘任何承授人接受購股權會導致該承授人於任何12個月期間行使其購股權（包括已行使及尚未行使購股權）時向該承授人已發行及將發行的股份總數超過當時已發行股份總數的1%，則董事會不可向該承授人授予購股權，惟按照上市規則規定的方式於股東大會獲得股東批準則除外。

Grant of options to connected persons

Any grant of options to a Director, chief executive or substantial Shareholder (as defined in the Listing Rules) of the Company or any of their respective associates under the Share Option Scheme must be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is also a grantee of the options).

Any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates (as defined in the Listing Rules) must be approved by the Shareholders in general meeting if the Shares issued and to be issued upon exercise of all options already granted and proposed to be granted to him (whether exercised, cancelled or outstanding) in the 12 month period up to and including the proposed date of grant:

(i) would represent in aggregate more than 0.1% of the Shares then in issue; and

(ii) would have an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HKD5,000,000 (or such other amount as shall be permissible under the Listing Rules from time to time).

The grant of options shall be subject to approval by Shareholders in the General Meeting.

向關連人士授出購股權

根據購股權計劃向本公司董事、最高行政人員或主要股東（定義見上市規則）或任何彼等各自的聯繫人授出任何購股權，須經所有獨立非執行董事（不包括亦為購股權承授人的任何獨立非執行董事）批准。

如向主要股東或獨立非執行董事或任何彼等各自的聯繫人（定義見上市規則）授出任何購股權，以致截至建議授出日期（包括該日）止的12個月期間所有已授予及擬授予彼的所有購股權（無論是否已行使、已註銷或尚未行使）獲行使後所發行及將發行的股份：

(i) 合共超過當時已發行股份的0.1%；及

(ii) 按股份於各授出日期的收市價計算的總值將超過5,000,000港元或上市規則不時規定的其他金額。

則該等購股權的授出須經股東於股東大會上批准。

Acceptance of an offer of options

An offer of the grant of an option shall be made to a Qualified Participant by written offer letter in such form as the Board may from time to time determine, requiring the Qualified Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme. The offer shall remain open for such period (not exceeding 30 days, inclusive of, and from, the date of offer) as the Board may determine and notify to the Qualified Participant. There is no minimum period for which any option must be held before it can be exercised unless the Board otherwise determined and stated in the offer letter of the grant of options.

An option shall be deemed to have been accepted and to have taken effect when the duplicate letter comprising acceptance of the option duly signed by the grantee together with a remittance in favour of the Company of HKD1 by way of consideration for the grant of the option shall have been received by the Company on or before the last day for acceptance as set out in the offer letter. The remittance is not in any circumstances refundable. Once accepted, the option is considered to be granted as from the date on which it was offered to the relevant Qualified Participant. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years from the offer date.

接納購股權要約

授出購股權的要約須按董事會不時釐定的格式以書面要約函件向合資格參與者作出，要求合資格參與者承諾按將授出的條款持有購股權，並受購股權計劃的條文約束。要約須於董事會或會釐定及通知合資格參與者的該期間（自要約日期包括該日起計不超過30日）仍可供接納。除非董事會另行釐定並在授出購股權的要約函件中列明，否則任何購股權於行使前並無最短持有期限。

倘於要約函件所載的接納截止日期或之前，本公司接獲經承授人正式簽署的包括接納購股權的函件副本，連同以本公司為收款人的1港元匯款，作為授予購股權的對價，則購股權應被視為已獲接納且已生效。在任何情況下，有關匯款均不予退還。購股權一經接納，將視為於向有關合資格參與者提出要約日期起授出。購股權可予行使的期間將由董事會全權酌情釐定，惟購股權於要約日期起計10年後不得行使。

Subscription Price

The subscription price shall be a price determined by the Board but in any event shall be at least the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date of offer;

(ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of offer; and

(iii) the nominal value of the Shares.

認購價

認購價將由董事會釐定，惟無論如何不得低於下列三者中的最高者：

(i) 股份於要約日期聯交所每日報價表所列的收市價；

(ii) 緊接要約日期前五個營業日，股份於聯交所每日報價表所列的平均收市價；及

(iii) 股份面值。

Duration of the Share Option Scheme

Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption.

Since the listing of the Company and up to the date of this report, no share option had been granted under the Share Option Scheme.

購股權計劃的期限

除非由本公司於股東大會上或由董事會提早終止，否則購股權計劃自採納日期起計有效及生效10年。

自本公司上市以來至此報告日期，概無根據購股權計劃授出任何購股權。

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Mr. Xu Shihui, Ms. Chen Liling, Ms. Xu Yangyang, Divine Foods, Divine Foods-1, Divine Foods-2 and Divine Foods-3 (collectively, the "**Controlling Shareholders**") entered into a deed of non-competition in favor of the Company dated August 25, 2015 (the "**Deed of Non-Competition**") as set out in section headed "Relationship with Our Controlling Shareholders — Non-Competition Undertaking" under the Prospectus. The independent non-executive Directors had reviewed and the Controlling Shareholders had confirmed their compliance with all the undertakings provided under the Deed of Non-Competition as of March 29, 2021. The independent non-executive Directors had reviewed the compliance of the Controlling Shareholders with the Deed of Non-Competition and there are no matters required to be deliberated by them in relation to the compliance with and enforcement of the Deed of Non-Competition and considered that the terms of the Deed of Non-Competition have been complied with by the Controlling Shareholders.

控股股東的不競爭承諾

如招股章程「與我們控股股東的關係 — 不競爭承諾」一節所述，許世輝先生、陳麗玲女士、許陽陽女士、Divine Foods、Divine Foods-1、Divine Foods-2及Divine Foods-3（統稱為「**控股股東**」）以本公司為受益人訂立日期為二零一五年八月二十五日的不競爭契據（「**不競爭契據**」）。經獨立非執行董事審核及控股股東確認，於截至二零二一年三月二十九日止，控股股東已遵守不競爭契據下的所有承諾。經獨立非執行董事審核控股股東遵守不競爭契據的情況，概無與遵守及執行不競爭契據有關的事項須經獨立非執行董事論斷，並認為控股股東已遵守不競爭契據的條款。

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

During the year ended December 31, 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

購回、出售或贖回本公司的上市證券

截至二零二零年十二月三十一日止年度，本公司及其任何附屬公司概無購回、出售或贖回任何本公司的上市證券。

MINIMUM PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained the prescribed public float as approved by the Stock Exchange during the year ended December 31, 2020.

最低公眾持股權

於本年報日期，根據本公司所得悉的公開資料及就董事所知，本公司於截至二零二零年十二月三十一日止年度一直維持聯交所批准所訂明之公眾持股量。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the laws of the Cayman Islands (place of incorporation of the Company) or under the Articles of Association which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

優先購買權

根據開曼群島（本公司註冊成立地點）法例或章程細則，並無條文規定本公司須按比例向其現有股東發售新股份。

SIGNIFICANT INVESTMENT, ACQUISITIONS AND DISPOSALS

Save as disclosed in this annual report, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorized by the Board for other material investments or additions of capital assets during the year ended 31 December 2020.

重大投資、收購及出售

除本年報所披露者外，本集團於截至二零二零年十二月三十一日止年度並無持有其他重大投資，亦無重大收購或出售附屬公司、聯營公司及合營企業，亦無任何董事會就其他重大投資或添置本資產授權的計劃。

CORPORATE GOVERNANCE

The Company has adopted the code provisions as set out in the Corporate Governance Code. The Board considered that during the year ended December 31, 2020, the Company has complied with the code provisions set out in the CG Code, save and except for code provision A.2.1, details of which are set out in the "Corporate Governance Report".

企業管治

本公司已採納企業管治守則所列的守則條文。董事認為，於截至二零二零年十二月三十一日止年度，本公司已遵守企業管治守則所載的守則條文，惟守則條文第A.2.1條除外，有關詳情載於「企業管治報告」。

SENIOR MANAGEMENT'S EMOLUMENTS

The annual remuneration of the members of the senior management (other than the Directors) by bands for the year ended December 31, 2020 is set out below:

高級管理層的薪酬

高級管理層成員（董事除外）於截至二零二零年十二月三十一日止年度按薪酬等級劃分的年度薪酬載列如下：

Remuneration bands	薪酬等級	Number of Individuals 人數
HKD1 to HKD500,000	1港元至500,000港元	0
HKD500,001 to HKD1,000,000	500,001港元至1,000,000港元	2
HKD1,000,001 to HKD1,500,000	1,000,001港元至1,500,000港元	0
HKD1,500,001 to HKD2,000,000	1,500,001港元至2,000,000港元	1
HKD2,000,001 to HKD2,500,000	2,000,001港元至2,500,000港元	1
HKD2,500,001 to HKD3,000,000	2,500,001港元至3,000,000港元	0
HKD3,000,001 to HKD3,500,000	3,000,001港元至3,500,000港元	1

Details of the remuneration of each of the Directors for the year ended December 31, 2020 are set out in Note 8 to the consolidated financial statements.

有關各董事於截至二零二零年十二月三十一日止年度的薪酬詳情載於合併財務報表附註8。

EMOLUMENT POLICY

The emoluments of the Directors are reviewed and recommended to the Board by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market trends.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in the paragraph headed "Share Option Scheme" in this report.

薪酬政策

董事的薪酬乃經薪酬委員會審閱及向董事會推薦，並已參考本集團的經營業績、個人表現及可資比較的市場趨勢。

本公司已採納一項購股權計劃作為給予董事及合資格僱員的獎勵，該計劃詳情載於本報告「購股權計劃」一段。

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or substantial part of the business of the Company were entered into or existed during the year.

管理合約

概無關於管理層及經營本公司全部或任何重大部分業務的合約於年內訂立或維持。

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

獲准許的彌償條文

根據細則，每位董事均有權就其任期內，或因執行其職務而可能遭致或發生與此相關的一切損失或責任從本公司資產中獲得賠償。

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's five largest customers was 6.2% by value of the Group's total goods sales during the year ended December 31, 2020, with the largest customer accounting for 1.9%. The five largest suppliers of the Group comprised 10.2% by value of the Group's total purchases during the year, with the largest supplier accounting for 3.3%.

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

主要客戶及供應商

按本集團於截至二零二零年十二月三十一日止年度總商品銷售價值計算，來自本集團五大客戶的總收益為6.2%，而最大客戶則佔1.9%。按本集團於本年度的總採購價值計算，本集團的五大供應商佔10.2%，而最大供應商則佔3.3%。

概無董事、彼等的緊密聯繫人或股東（就董事所知擁有本公司已發行股本5%以上）於本集團任何五大客戶及供應商當中擁有任何權益。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Apart from the Share Option Scheme, at no time during the year ended December 31, 2020 was the Company or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

購買股份或債券的安排

除購股權計劃外，本公司或其任何控股公司、附屬公司或同系附屬公司於截至二零二零年十二月三十一日止年度內任何時間均無參與任何安排，致使本公司董事可藉購入本公司或任何其他法人團體的股份或債券而獲益。

ENVIRONMENTAL POLICIES AND PERFORMANCE

It is our corporate and social responsibility in promoting a sustainable and environmental friendly environment, we strive to minimise our environmental impact by saving electricity and to build our corporation in a sustainable way.

We have adopted a set of emergency planning, response and control procedures as counter-measures for unexpected environmental pollution accidents to minimise our impact on the environment and the adverse effect on our business. We incurred RMB14.14 million (2019: RMB13.8 million) in environmental compliance costs for the year ended December 31, 2020.

環保政策及表現

促進可持續發展及有利保育的環境是我們的企業及社會責任，我們致力節省電力，並以可持續方式推動企業事務，將對環境的影響減至最少。

我們採納一套緊急規劃、應變及控制程序，作為發生出乎意料環境污染意外時的抵禦措施，儘量減少對環境的衝擊及我們業務的不利影響。截至二零二零年十二月三十一日止年度，我們錄得環境合規成本人民幣1,414萬元（二零一九年：人民幣1,380萬元）。

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in China while the Company itself is listed on the Stock Exchange. Our operations shall comply with relevant laws and regulations in China and Hong Kong. During the year ended December 31, 2020 and up to the date of this report, we have complied with all the relevant laws and regulations in China and Hong Kong in all material respects.

遵守法律法規

本集團的營運主要由本公司於中國的附屬公司進行，而本公司本身則在聯交所上市。我們的營運須遵守中國及香港的有關法律法規。於截至二零二零年十二月三十一日止年度內及直至本報告日期，我們於所有重大方面已遵守中國及香港的所有有關法律法規。

RELATIONSHIPS WITH KEY STAKEHOLDERS

Relationship with our distributors

Consistent with market practice in our industry, the customers of the Group are primarily distributors. This network penetrates a wide range of points-of-sale, enabling us to sell products at all levels of the market, from provinces to counties, villages and towns throughout China. As at December 31, 2020, we had more than 5,779 distributors covering all provinces, cities and most of the county-level divisions in China, and had over 12,302 dedicated sales personnel to maintain and support approximately two million points-of-sale.

1. **Standard for selecting distributors**

   We select our distributors in each region based on factors including their business qualifications, marketing capabilities, reputation, breadth and quality of sales network, number of personnel, and logistics and transport capabilities.

2. **Comprehensive support**

   In order to enhance our relationship with distributors and to provide adequate support to the distributors in meeting sales targets, the Group provides comprehensive support to its distributors. The Group develops and executes strategic and tactical sales plans with the distributors, provides support and implements incentive measures to promote sales.

   Further, our sales team provides comprehensive support coverage in various counties and cities. They contact and cooperate with local distributors closely to enhance and maintain the relationship with the distributors. A sustainable relationship with our distributors also helped to expand the network of points-of-sales in China and the number of products being sold in different outlets.

與主要利益相關人士的關係

與我們分銷商的關係

與我們行業市場慣例一致，本集團的客戶主要為經銷商。該網絡滲透大範圍銷售點，讓我們可在全中國各級市場（從省到縣、村莊及城鎮）銷售產品。截至二零二零年十二月三十一日止年度，我們擁有超過5,779名經銷商，銷售網絡涵蓋中國所有省市及大部分縣級行政區域，擁有12,302名專職銷售人員維持及支持大約兩百萬個銷售點。

1. **甄選經銷商的標準**

   我們在各地區甄選經銷商所根據的因素包括其業務資格、營銷能力、聲譽、銷售網絡的寬度及質素、人員數目、及物流及運輸能力。

2. **全面的支援**

   為鞏固我們與經銷商的關係及向經銷商提供充份支援以致其符合銷售目標，本集團向其經銷商提供全面的支援。本集團與經銷商發展及制定策略及戰略銷售計劃、提供支援及履行獎勵措施以推廣銷售。

   而且，我們的銷售團隊提供的全面支援覆蓋不同縣市。銷售團隊會與當地的經銷商密切聯繫及合作，以鞏固及維持與經銷商的關係。與經銷商維持可持續的關係亦有助擴展中國的銷售點網絡以及在不同門店出售的產品數目。

3. Inventory management

We closely monitor the distributors' inventory policies and movement and ensure their policies and practices are in compliance with the agreed requirements. The requirements include (a) the maintenance of an adequate inventory level that equals to the estimated monthly sales volume; (b) first-in-first-out policy; (c) evaluation of inventory based on its aging and expiration; (d) age of inventory shall be kept within one third of the shelf life; (e) if the age of inventory exceeds one third of the shelf life, sales personnel shall cooperate with the distributors to carry out sales plan to promote the sales of the specific products; and (f) if age of inventory exceeds half of the shelf life, it must be reported to the headquarters and the sales personnel shall cooperate with distributors to undergo promotions in specialty channels to promote sales of the specific products. We also conduct periodic stock taking and our sales representative, sales manager and region manager undertake specific responsibilities in respect of stock taking with the distributors.

Maintaining effective management of the sales team and distribution network is crucial to sustainable development of the Company. We established systems to enhance the management of personnel on the basis of relationship development, and placed the development of effective management as the core policy of the Company. With the combined effect of systematic management and personalized management, we have improved the cohesion and the capability of the Company through systematic division of labor and effective cooperation.

3. 存貨管理

我們密切注視經銷商的存貨政策及變動，以及確保其政策及活動符合協定的要求。該等要求包括(a)維持相當於估計每月銷量的充足存貨水平；(b)先入先出政策；(c)按其老化及到期評估存貨；(d)貨齡年期須為保質期的三分之一；(e)倘貨齡超過保質期的三分之一，則銷售人員須與經銷商合作進行銷售計劃以推廣指定產品的銷售；及(f)倘貨齡超過保質期的一半，其必須向總部匯報，而銷售人員須與經銷商合作以在特殊渠道推廣指定產品的銷售。我們亦會定期進行盤點，而我們的銷售代表、銷售經理及地區經理與經銷商承擔有關盤點的指定責任。

維持銷售團隊及經銷網絡的有效管理對本公司的可持續發展至關重要。我們以關係發展為基準建立制度加強高級人員的管理，並以發展有效管理為本公司的核心政策。憑藉系統化管理與個人化管理的合併影響，我們已透過有系統的區分勞動及有效合作，改善本公司的凝聚力及能力。

Relationship with our suppliers

We generally centralise the procurement of packaging materials and the raw materials used in the production of our food and beverage products to take advantage of economies of scale and to increase our bargaining power with suppliers. We believe that our centralized procurement system enables us to obtain more competitive prices and avoid regional or other price variation. Our raw materials are generally available from a number of domestic suppliers, and we normally have various source of supply for each type of raw materials to reduce our dependency on a single supplier. Our suppliers grant us payment terms that vary depending on a number of factors including our relationship with the suppliers and the size of the transactions.

與我們供應商的關係

我們一般中央化採購我們食品及飲料生產所用的包裝物料及原材料，以利用規模效益以及提升我們與供應商的議價能力。我們相信我們的中央化採購系統有助我們取得更具競爭力的價格及避免地區或其他價格變化。我們一般可自多名當地供應商取得原材料，而我們一般可就各類原材料取得不同供應來源以減低依賴單一供應商。我們的供應商向我們提供的付款期視乎多項因素而定，包括我們與供應商的關係及交易規模。

We uphold the principle of equality and cooperation for mutual benefit and maintain a sustainable and long-term relationship with various suppliers. To ensure the quality of the procurement, we typically work with large reputable domestic suppliers to secure the key raw materials used in our production process, based on criteria like product quality, reputation, scale of production, price and ability to meet our delivery schedule. Further, we established and maintained a mechanism and database of suppliers to perform a detailed evaluation and audit on the suppliers, which takes into account of comprehensive indicators like food safety, quality control, financial strength, technology research and development ability, environmental protection and reputation in the industry. These indicators reflect the criteria we look for in our suppliers under the long term development goal of the Company. We also require the suppliers to comply with the commercial code of conduct of the Group.

我們秉承互惠互利的平等合作原則，與不同供應商維持可持續長期發展的關係。為確保採購質素，我們一般與大型具聲譽的當地供應商以取得我們生產過程所用的重要原材料，基準包括產品質素、聲譽、生產規模、價格及符合交付進度的能力。而且，我們已建立及維持一個機制及供應商數據庫，以對供應商進行詳盡的評估及審核，而這已考慮到食品安全、質量監控、財務能力、技術研發能力、環保及行內聲譽等全面指標。該等指標反映我們根據本公司長期發展目標甄選供應商的準則。我們亦會要求供應商遵守本集團的商業行為守則。

Relationship with our employees

We embrace our employees as the most valuable assets of the Group, the objective of the Group's human resources management is to reward and recognise outstanding employees by providing competitive remuneration packages and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression within the Group by providing adequate training and opportunities.

與我們僱員的關係

我們認為僱員是本集團最寶貴的資產，本集團人力資源管理的目標是，以具競爭力的薪酬待遇回饋及肯定傑出僱員的貢獻，以及實施具有適當獎勵的良好表現評估制度，並且藉提供足夠的培訓及機會，推動本集團內服務人士的事業前途與發展。

AUDITORS

The consolidated financial statements for the year ended December 31, 2020 have been audited by Ernst & Young, who will retire at the conclusion of the AGM and offer themselves for re-appointment. A resolution for the re-appointment of Ernst & Young as the auditors of the Company will be proposed at the AGM.

核數師

截至二零二零年十二月三十一日止年度的合併財務報表，已由安永會計師事務所審核，而其將於股東週年大會結束時退任，惟符合資格且願意再獲任命。股東週年大會將提呈一項決議案重新委任安永會計師事務所為本公司核數師。

On behalf of the Board

Xu Shihui
Chairman

Hong Kong
March 29, 2021

代表董事會

主席
許世輝先生

香港
二零二一年三月二十九日

Biographies of Directors and Senior Management
董事及高級管理層簡歷

DIRECTORS

Xu Shihui (許世輝)

Chairman, executive Director and chief executive officer

Mr. Xu Shihui (許世輝), aged 63, is the founder of the Group, Chairman, executive Director and chief executive officer of the Company and was appointed as a Director on November 4, 2014. He is also the chairman of the nomination committee of the Company. Mr. Xu has been the chairman and the president of Fujian Dali since its establishment in 1992 and has served as the chairman of all subsidiaries of the Group since their establishment. Under Mr. Xu's leadership, the Group's business has grown from a local food manufacturing company in Fujian province to a nationwide food and non-alcoholic beverage company in China with a diversified multi-brand product portfolio focusing on high-growth product categories. Mr. Xu has accumulated 33 years of experience in food manufacturing industry. Mr. Xu has been a representative of the eleventh and twelfth National People's Congress of the People's Republic of China (中華人民共和國全國人民代表大會) in 2008 and 2013. Mr. Xu was also the News Figure of China Food Industry Elite Forum of the 30th Anniversary of the Reform and Opening Up (改革開放30週年中國食品行業精英論壇新聞人物) in September 2009. Mr. Xu was appointed as a senior consultant of the third session of the board of Quanzhou Food Industry Association (泉州市食品行業協會) by the association in January 2016. During 2017, Mr. Xu was also recognized as a Hui'an Philanthropist for the year 2015–2016 (二零一五年至二零一六年度惠安慈善家) and awarded a Special Outstanding Contribution Charity Award for the year 2015–2016 (二零一五年至二零一六年度慈善事業特別突出貢獻獎). Mr. Xu is the father of Ms. Xu Yangyang, the brother of Ms. Xu Biying and the brother-in-law of Mr. Chen Baoguo. Mr. Xu is a director of Dali Foods and Divine Foods-1, the controlling shareholders of the Company.

Zhuang Weiqiang (莊偉強)

Executive vice president and executive Director

Mr. Zhuang Weiqiang (莊偉強), aged 43, was appointed as an executive Director of the Company on June 14, 2015. Mr. Zhuang joined the Group in 1998 and has more than 20 years of experience in management with the Group. Mr. Zhuang has been the executive vice president of the Group in charge of overall marketing and distribution of products of the Group since 2006. Prior to this, Mr. Zhuang had been the general manager of Jinan Dali Foods Co., Ltd. (濟南達利食品有限公司) from 2004 to 2006 and the general manager of Chengdu Dali Foods Co., Ltd. (成都達利食品有限公司) ("**Chengdu Dali**") from 2000 to 2004. He had been a financial specialist of Chengdu Dali from 1998 to 2000. Mr. Zhuang graduated from the continuing education course of Sichuan Agricultural Management Cadre Institute (四川農業管理幹部學院) with a certificate in business administration in January 2007. Mr. Zhuang obtained a professional title as senior economist in Jilin province in January 2010.

董事

許世輝

主席、執行董事兼行政總裁

許世輝先生，63歲，為本集團創辦人、本公司主席、執行董事兼行政總裁，於二零一四年十一月四日獲委任為董事。彼亦為本公司提名委員會主席。許先生自福建達利於一九九二年成立起一直擔任其董事長兼總裁，同時自本集團各附屬公司成立起出任其董事長。在許先生的領導下，我們的業務從福建省一家地方食品製造公司發展為擁有豐富、多品牌的產品組合，專注於高增長的產品類別的全國性食品及非酒精飲料公司。許先生在食品製造行業累積33年經驗。許先生於二零零八年及二零一三年為第十一屆及第十二屆中華人民共和國全國人民代表大會代表。許先生於二零零九年九月亦獲評選為改革開放30週年中國食品行業精英論壇新聞人物。許先生於二零一六年一月被泉州市食品行業協會聘任為泉州市食品行業協會第三屆理事會高級顧問。許先生亦於二零一七年獲評選為二零一五年至二零一六年度惠安慈善家並獲得二零一五年至二零一六年度慈善事業特別突出貢獻獎。許先生為許陽陽女士的父親、許碧英女士的胞弟及陳寶國先生的姐夫(brother-in-law)。許先生為Dali Foods及Divine Foods-1(本公司控股股東)的董事。

莊偉強

常務副總裁兼執行董事

莊偉強先生，43歲，於二零一五年六月十四日獲委任為本公司執行董事。莊先生於一九九八年加入本集團，在本集團擁有逾20年的管理經驗。莊先生自二零零六年起擔任本集團常務副總裁，負責本集團產品的整體營銷及分銷。於此之前，莊先生自二零零四年至二零零六年曾擔任濟南達利食品有限公司總經理，自二零零零年至二零零四年曾擔任成都達利食品有限公司(「**成都達利**」)總經理。自一九九八年至二零零零年莊先生曾擔任成都達利財務專員。莊先生於二零零七年一月畢業於四川農業管理幹部學院繼續教育課程，並取得工商企業管理證書。莊先生於二零一零年一月獲得吉林省高級經濟師專業職稱。

Xu Yangyang (許陽陽)

Vice president and executive Director

Ms. Xu Yangyang (許陽陽), aged 37, is the vice president and executive Director of the Company in charge of making corporate and operational decisions and managing the day-to-day operation of the Group. Ms. Xu was appointed as a Director on November 4, 2014. She is also a member of the remuneration committee of the Company. She joined the Group in 2008 and has worked as a director and the vice president of Fujian Dali from 2009 to date and is also the supervisor of various subsidiaries of the Group. With more than 10 years of experience in the Group, Ms. Xu has held various positions in Fujian Dali from July 2008 to date, including the chairman of the labour union, workshop director and deputy factory manager. Outside the Group, Ms. Xu Yangyang also holds various important positions, including serving as: (i) the vice president of Fujian Association of Health Care Products and Cosmetics (福建省保化協會) since September 2012; (ii) the representative of the twelfth and thirteenth People's Congress of Fujian Province (福建省第十二屆及第十三屆人大代表) since March 2013; (iii) the honorary president of the third session of Quan Zhou Food Industry Association (泉州市食品行業協會) since January 2016; (iv) vice president of the fourteenth Quanzhou Federation of Industry and Commerce (第十四屆泉州市工商業聯合會副主席) since January 2017; (v) standing committee member of the eleventh Fujian Provincial Federation of Industry and Commerce (福建省工商業聯合會第十一屆常委委員) since August 2017; (vi) standing vice president of the sixth session of the Standing Committee of Youth Chamber of Commerce of the Youth Entrepreneurs Association of Quanzhou (泉州市青年企業家協會青年商會) since July 2018; and (vii) committee member of the twelfth Fujian Youth Federation Committee (第十二屆福建省青年聯合會委員會委員) since November 2018. Ms. Xu Yangyang was awarded the honorary title of the 16th Fujian Provincial Excellent Entrepreneur (第十六屆福建省優秀企業家榮譽稱號) in 2016, the Bearer of Red Flag March 8 (全國三八紅旗手榮譽稱號) in 2017, and elected as the Ten Outstanding Young Entrepreneurs of Quanzhou (泉州市十大傑出青年企業家) in 2018. Ms. Xu Yangyang graduated from Xiamen University (廈門大學) with a bachelor's degree in international economy and trade in 2005. Ms. Xu is the daughter of Mr. Xu Shihui, the niece of Ms. Xu Biying and the nephew of Mr. Chen Baoguo. Ms. Xu is a director of Dali Foods and Divine Foods-3, the controlling shareholders of the Company.

許陽陽

副總裁兼執行董事

許陽陽女士，37歲，為本公司副總裁兼執行董事，負責作出本集團的企業和運營決策及管理本集團的日常運營。許女士於二零一四年十一月四日獲委任為董事。彼亦為本公司薪酬委員會成員。彼於二零零八年加入本集團，並於二零零九年至今擔任福建達利的董事兼副總裁，亦出任本集團多家附屬公司的監事。許女士在本集團擁有逾10年的經驗，自二零零八年七月至今在福建達利擔任多個職位，包括工會主席、車間主任及副廠長。在本集團外，許陽陽女士亦出任多個重要職務，包括(i)自二零一二年九月起擔任福建省保化協會副會長；(ii)自二零一三年三月起擔任福建省第十二屆與第十三屆人大代表；(iii)自二零一六年一月起擔任泉州市食品行業協會第三屆名譽會長；(iv)自二零一七年一月起擔任第十四屆泉州市工商業聯合會副主席；(v)自二零一七年八月起擔任福建省工商業聯合會第十一屆常委委員；(vi)自二零一八年七月起出任泉州市青年企業家協會青年商會第六屆理事會常務副會長；以及(vii)自二零一八年十一月起擔任第十二屆福建省青年聯合會委員會委員。許陽陽女士於二零一六年獲得第十六屆福建省優秀企業家榮譽稱號，於二零一七年獲得全國三八紅旗手榮譽稱號，於二零一八年獲評選為泉州市十大傑出青年企業家。許陽陽女士於二零零五年畢業於廈門大學，獲得國際經濟與貿易學士學位。許女士為許世輝先生的女兒、許碧英女士的侄女(niece)及陳寶國先生的外甥女(nephew)。許女士為Dali Foods及Divine Foods-3(本公司控股股東)的董事。

Huang Jiaying (黃佳瑩)

Executive Director

Ms. Huang Jiaying (黃佳瑩), aged 42, was appointed as an executive Director of the Company on February 8, 2021. Ms. Huang joined the Group as investor relations director in September 2020. Ms. Huang has extensive experience in the area of investment banking and investor relations. Prior to joining the Group, Ms. Huang worked as the Vice President of investor relations at Hong Kong Exchanges and Clearing Limited from 2018 to 2020. Before that, she worked at investment banks, securities firm and accounting firm from 2001 to 2018, including serving as a director at Bank of China International Limited; as a vice president at Barclays Capital Asia Limited and Nomura International (Hong Kong) Limited; as a research analyst at Lehman Brothers Asia Limited; as a manager at BNP Paribas Peregrine Limited; as an analyst at Platinum Holdings Limited Shanghai Representative Office; and as an auditor at Deloitte Touche Tohmatsu (Shanghai) (德勤會計師事務所(上海)), specializing in the research of China's consumer sector. Ms. Huang obtained her bachelor's degree in English for Finance and Trade from Shanghai Jiao Tong University in the People's Republic of China in July 2001.

黃佳瑩

執行董事

黃佳瑩女士，42歲，於二零二一年二月八日獲委任為本公司執行董事。黃女士於二零二零年九月加入本集團，擔任投資者關係總監。黃女士在投資銀行及投資者關係領域擁有豐富經驗。於加入本集團前，黃女士於二零一八年至二零二零年擔任香港交易及結算所有限公司的投資者關係副總裁。在此之前，彼於二零零一年至二零一八年期間於投資銀行，證券公司及會計師事務所工作，包括於中銀國際有限公司擔任董事，於巴克萊亞洲有限公司以及野村國際(香港)有限公司擔任副總裁，於美國雷曼兄弟亞洲投資有限公司擔任證券分析師，於法國巴黎百富勤有限公司擔任經理，於百得能控股有限公司上海代表處擔任分析員，以及於德勤會計師事務所(上海)擔任審計師，專門從事中國消費領域研究。黃女士於二零零一年七月在中華人民共和國上海交通大學獲得英語(金融，商務)學士學位。

Xu Biying (許碧英)

Non-executive Director

Ms. Xu Biying (許碧英), aged 65, was appointed as a non-executive Director of the Company on June 14, 2015. With 32 years of experience in the food manufacturing industry, Ms. Xu Biying has been the vice president of the Group, participating in the formulation of the corporate and business plans of the Group, since the establishment of the Group in 1992 until 2010, and has rich experience in the food industry and corporate management. Ms. Xu Biying has over 20 years of experience in financial management. Ms. Xu received the Certificate for Qualified Accountant (會計師任職資格證書) from Department of Human Resources and Social Security of Fujian Province (福建省人力資源和社會保障廳) (previously known as the Personnel Department of Fujian Province (福建省人事廳)) in December 1998. Ms. Xu Biying is the sister of Mr. Xu Shihui, the aunt of Ms. Xu Yangyang. She is also the sister-in-law of Ms. Chen Liling and the cousin-in-law of Mr. Chen Baoguo.

許碧英

非執行董事

許碧英女士，65歲，於二零一五年六月十四日獲委任為本公司非執行董事。許碧英女士在食品製造行業擁有32年的經驗，自一九九二年本集團成立以來至二零一零年一直擔任本集團副總裁，參與制訂本集團的企業及業務規劃，並且擁有豐富的食品行業及企業管理經驗。許碧英女士擁有逾20年財務管理經驗。許女士於一九九八年十二月取得福建省人力資源和社會保障廳(前稱福建省人事廳)頒發的會計師任職資格證書。許碧英女士為許世輝先生的胞姐，許陽陽女士的姑母。她亦為陳麗玲女士的大姑子及陳寶國先生的姻姐。

Hu Xiaoling (胡曉玲)

Non-executive Director

Ms. Hu Xiaoling (胡曉玲), aged 51, is a non-executive Director of the Company. She was appointed as a Director on May 4, 2015. She is also a member of the audit committee of the Company. Ms. Hu is responsible for providing advice on investment activities of the Group. Ms. Hu joined CDH Investments in 2002 and is currently a managing director of CDH Investments Management (Hong Kong) Limited, which is a Hong Kong company incorporated under the Hong Kong Companies Ordinance on April 22, 2003. Ms. Hu is also currently a director and general manager of CDH Investments Management (Xiamen) Limited (鼎暉投資管理(廈門)有限公司), a manager of CDH Investments (Tianjin) Limited (鼎暉投資(天津)有限公司) and a director and manager of CDH Hetai Investments Management (Xiamen) Limited (鼎暉和泰投資管理(廈門)有限公司). Ms. Hu is currently a director of Belle International Holdings Limited (a company delisted on the Stock Exchange since July 28, 2017, stock code: 1880), a non-executive director of Baroque Japan Limited (a company listed on the Tokyo Stock Exchange, stock code: 35480) and Topsports International Holdings Limited (a company listed on the Stock Exchange, stock code: 6110) and director of Hangzhou Beika Industrial Co., Ltd.. Ms. Hu had also been a director of Anhui Yingliu Electronmechanical Co., Limited (a company listed on the Shanghai Stock Exchange, stock code: 603308) from March 2011 to April 2017; a director of Midea Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000333) from August 2012 to July 2017; and a director of Beijing Motie Book Corporation Company from July 2010 to December 2017. Prior to joining CDH Investments Management (Hong Kong) Limited, Ms. Hu had worked at the direct investment department of China International Capital Corporation Limited and Arthur Andersen. Ms. Hu graduated from Beijing Jiaotong University (北京交通大學), previously known as Northern Jiaotong University (北方交通大學), with a master's degree in Economics and Accounting and a bachelor's degree in Economics. Ms. Hu has also been a fellow member of the Association of Chartered Certified Accountants.

胡曉玲

非執行董事

胡曉玲女士，51歲，為本公司非執行董事。彼於二零一五年五月四日獲委任為董事。彼亦為本公司審核委員會的成員。胡女士負責為本集團投資活動提供意見。胡女士於二零零二年加入鼎暉投資，目前為CDH Investments Management (Hong Kong) Limited的董事總經理，該公司是於二零零三年四月二十二日根據香港公司條例註冊成立的香港公司。胡女士現亦擔任鼎暉投資管理(廈門)有限公司董事兼總經理、鼎暉投資(天津)有限公司經理以及鼎暉和泰投資管理(廈門)有限公司董事兼經理。胡女士現為百麗國際控股有限公司(一家自二零一七年七月二十八日起於聯交所撤銷上市的公司，股份代號：1880)的董事、Baroque Japan Limited(一家於東京證券交易所上市的公司，股份代號：35480)和滔搏國際控股有限公司(一家於聯交所上市公司，股份代號：6110)的非執行董事及杭州貝咖實業有限公司的董事。胡女士亦自二零一一年三月至二零一七年四月擔任安徽應流機電股份有限公司(一家於上海證券交易所上市的公司，證券代碼：603308)的董事；及自二零一二年八月至二零一七年七月擔任美的集團股份有限公司(一家於深圳證券交易所上市的公司，證券代碼：000333)的董事。胡女士亦自二零一零年七月至二零一七年十二月擔任北京磨鐵圖書有限公司的董事。在加入CDH Investments Management (Hong Kong) Limited前，胡女士曾於中國國際金融有限公司的直接投資部門及安達信會計師事務所工作。胡女士畢業於北京交通大學(前稱為北方交通大學)，並分別取得經濟學及會計碩士學位以及經濟學學士學位。胡女士亦是英國特許會計師公會的資深會員。

Cheng Hanchuan (程漢川)

Independent non-executive Director

Mr. Cheng Hanchuan (程漢川), aged 67, was appointed as an independent non-executive Director of the Company on August 25, 2015. He is also a member of the audit committee and the nomination committee of the Company. Mr. Cheng had been the head of factory of the Hui'an Huiquan Beer Brewery (惠安縣惠泉啤酒廠) from August 1991 to February 1997 and the chairman, vice chairman, director and general manager of Huiquan Brewage Group Inc. Fujian China (福建省惠泉啤酒集團股份有限公司) (now known as FuJian YanJing HuiQuan Brewery Co., Ltd (福建省燕京惠泉啤酒股份有限公司), a company listed on the Shanghai Stock Exchange, stock code: 600573) from January 1997 to August 2013. Mr. Cheng had been the vice chairman of the specialised committee of beer of China Food Industry Association (中國食品工業協會啤酒專業委員會) from March 2008 to May 2013. Mr. Cheng had also been the vice chairman of the seventh session committee of Fujian Federation of Enterprises and Entrepreneurs (福建省企業與企業家聯合會) and Fujian Federation of Industrial Economic (福建省工業經濟聯合會) from April 2012 to May 2013. Mr. Cheng graduated from Fujian Normal University (福建師範大學) with a diploma in Business Administration in July 2010 and was awarded the professional qualification as a senior economist by the Personnel Department of Fujian Province (福建省人事廳) (now known as "Department of Human Resource and Social Security of Fujian Province" (福建省人力資源及社會保障廳）) in August 1997. Mr. Cheng has been an expert who enjoys the special allowance of the State Council since June 2000.

程漢川

獨立非執行董事

程漢川先生，67歲，於二零一五年八月二十五日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會及提名委員會的成員。程先生分別於一九九一年八月至一九九七年二月以及於一九九七年一月至二零一三年八月先後擔任惠安縣惠泉啤酒廠廠長以及福建省惠泉啤酒集團股份有限公司（現稱福建省燕京惠泉啤酒股份有限公司，一家於上海證券交易所上市的公司，證券代碼：600573）的董事長、副董事長、董事及總經理。程先生於二零零八年三月至二零一三年五月曾擔任中國食品工業協會啤酒專業委員會的副會長。程先生亦自二零一二年四月至二零一三年五月擔任福建省企業與企業家聯合會及福建省工業經濟聯合會第七屆理事會副會長。程先生於二零一零年七月畢業於福建師範大學並取得工商管理文憑，且於一九九七年八月獲福建省人事廳（現稱「福建省人力資源和社會保障廳」）頒發高級經濟師的專業資格。程先生自二零零零年六月起一直是享有國務院特殊津貼的專家。

Liu Xiaobin (劉小斌)

Independent non-executive Director

Mr. Liu Xiaobin (劉小斌), aged 55, was appointed as an independent non-executive Director of the Company on August 25, 2015. He is also a member of the remuneration committee and the nomination committee of the Company. Mr. Liu has been engaged in teaching Chinese in Xiamen University (廈門大學) since September 1989. He was an assistant professor of Chinese language and literature from August 2007 to July 2010, and currently holds the position of a lecturer at the Overseas Education College of Xiamen University. Mr. Liu graduated from Xiamen University in July 1986 with a bachelor's degree in Arts (Chinese Literature) and Northwest University in China in June 1989 with a master's degree in Arts (Classic Chinese Literature).

劉小斌

獨立非執行董事

劉小斌先生，55歲，於二零一五年八月二十五日獲委任為本公司獨立非執行董事。彼亦為本公司薪酬委員會及提名委員會的成員。劉先生自一九八九年九月起一直於廈門大學從事漢語教學工作。於二零零七年八月至二零一零年七月，彼曾擔任漢語及文學助理教授。目前於廈門大學海外教育學院擔任講師職務。劉先生於一九八六年七月畢業於廈門大學，並取得文學學士學位，主修漢語言文學，並於一九八九年六月畢業於中國西北大學，取得文學碩士學位，主修中國古典文學。

Lin Zhijun (林志軍)

Independent non-executive Director

Dr. Lin Zhijun (林志軍), aged 66, was appointed as an independent non-executive Director of the Company on August 25, 2015. He is also the chairman of the audit committee and the remuneration committee of the Company. Dr. Lin is currently an independent non-executive director of Sinotruk (Hong Kong) Limited (a company listed on the Stock Exchange, stock code: 3808), China Everbright Limited (a company listed on the Stock Exchange, stock code: 0165), CITIC Dameng Holdings Limited (a company listed on the Stock Exchange, stock code: 1091) and BOCOM International Holdings Company Limited (a company listed on the Stock Exchange, stock code: 3329). Dr. Lin had been an independent non-executive director of Springland International Holdings Limited (a company delisted on the Stock Exchange since March 2, 2020, stock code: 1700) from February 2008 to March 2020. Dr. Lin is an Associate Vice President of the Macau University of Science and Technology, and served as the Dean of the Business School until August 2020. From August 1998 to January 2015, he was a Professor and Head of the Department of Accountancy and Law in Hong Kong Baptist University. Prior to these positions, Dr. Lin also taught at The University of Hong Kong from August 1996 to June 1998, Lethbridge University in Canada from September 1990 to August 1998 and Xiamen University (廈門大學) from September 1982 to August 1990. Dr. Lin worked at the Toronto office of an international accounting firm from December 1982 to November 1983.

Dr. Lin holds a master's degree in Science in Accounting from University of Saskatchewan in Canada in October 1991 and a Doctorate's degree in Economics (Accounting) from Xiamen University in December 1985. Dr. Lin is also a member of the American Institute of Certified Public Accountants since August 1995, the Chinese Institute of Certified Public Accountants since June 1995, the Washington Institute of Certified Management Accountants since May 1995 and the Australian Institute of Certified Management Accountants since 2003. He is a member of various educational accounting associations including the American Accounting Association.

林志軍

獨立非執行董事

林志軍博士，66歲，於二零一五年八月二十五日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會及薪酬委員會的主席。林博士現於中國重汽(香港)有限公司(一家於聯交所上市的公司，股份代號：3808)、中國光大控股有限公司(一家於聯交所上市的公司，股份代號：0165)、中信大錳控股有限公司(一家於聯交所上市的公司，股份代號：1091)及交銀國際控股有限公司(一家於聯交所上市的公司，股份代號：3329)擔任獨立非執行董事。林博士曾於二零零八年二月至二零二零年三月擔任華地國際控股有限公司(一家自二零二零年三月二日起於聯交所撤銷上市的公司，股份代號：1700)的獨立非執行董事。林博士為澳門科技大學副校長，並兼商學院院長(至二零二零年八月)。自一九九八年八月至二零一五年一月，彼曾擔任香港浸會大學會計及法律系教授及系主任。在出任以上職位前，林博士亦曾任教於香港大學(一九九六年八至一九九八年六月)、加拿大萊斯布里奇大學(Lethbridge University)(一九九零年九月至一九九八年八月)及廈門大學(一九八二年九月至一九九零年八月)。林博士曾於一九八二年十二月至一九八三年十一月任職於一家國際會計師事務所多倫多分行。

林博士於一九九一年十月獲得加拿大薩省大學(University of Saskatchewan)會計學理學碩士學位及於一九八五年十二月獲得廈門大學經濟學(會計學)博士學位。林博士自一九九五年八月為美國註冊會計師協會會員、自一九九五年六月為中國註冊會計師協會會員、自一九九五年五月為華盛頓註冊會計師協會會員及自二零零三年起為澳大利亞註冊管理會計師協會會員。彼亦為美國會計學會等多個會計學術團體之會員。

SENIOR MANAGEMENT

Chen Baoguo (陳寶國)

Vice president in charge of production

Mr. Chen Baoguo (陳寶國), aged 51 is the vice president of the Group. Mr. Chen is responsible for overseeing and managing overall production activities and quality control of the Group. With over 28 years of experience in the Group, Mr. Chen has served in Fujian Dali as the head of production technology development department from 1992 to 2010. He is the brother-in-law of Mr. Xu Shihui, uncle of Ms. Xu Yangyang and the brother of the sister-in-law of Ms. Xu Biying.

Mr. Chen graduated from the Professional Online Education Program in Food Science and Engineering (Bakery) of Jiangnan University (江南大學) in 2011 and further obtained a bachelor's degree in Engineering with a major in Food Science and Engineering (Bakery) from Jiangnan University (江南大學) in January 2017. Mr. Chen was awarded the professional qualification of Grade 1 Senior Technician by the Ministry of Labour and Social Security of the PRC (中華人民共和國勞動和社會保障部) in December 2008. Mr. Chen was awarded the Certificate of Professional Technology Training by the Technology Training Center of the China Food Industry Association (中國食品工業協會技術培訓中心) in December 2007, and was appointed as a member of the Expert Committee of the China National Food Industry Association (中國食品工業協會專家委員會委員) during the same period. He was awarded the certified qualification of senior baker by the Bakery Food and Confectionary Expert Committee of the Society of Food Science of Shanghai (上海市食品學會) in April 2004.

Wu Xinchuan (吳欣川)

Chief financial officer

Mr. Wu Xinchuan (吳欣川), aged 40, is the chief financial officer of the Group and has held the current post since 2008. Mr. Wu is responsible for overseeing and managing overall finance of the Group. With over 19 years of experience within the Group, Mr. Wu had held various positions at the Group from 1999 to 2008, including head of the finance department of the Group, financial director of Jinan Dali Foods Co., Ltd., accountant of Quanzhou Dali Foods Co., Ltd., and financial specialist of Hubei Dali Foods Co., Ltd.. Mr. Wu graduated from the Accounting Department of the School of Modern Distance Education (現代遠程教育學院) of Beijing University of Aeronautics and Astronautics (北京航空航天大學) with a diploma in Accounting in 2015.

高級管理層

陳寶國

副總裁(負責生產)

陳寶國先生，51歲，為本集團副總裁。陳先生負責監察及管理本集團整體生產活動及質量控制。陳先生在本集團擁有逾28年的經驗，自一九九二年至二零一零年一直擔任福建達利生產技術開發部部長。彼為許世輝先生的妻弟(brother-in-law)、許陽陽女士的舅舅(uncle)及許碧英女士的弟媳的胞弟。

陳先生於二零一一年畢業於江南大學，修完食品科學與工程(焙烤)專業網絡教育課程，並進而在二零一七年一月獲得了江南大學的工學學位，主修食品科學與工程(焙烤方向)。陳先生於二零零八年十二月獲中華人民共和國勞動和社會保障部頒發一級高級技師的專業資格。陳先生於二零零七年十二月獲中國食品工業協會技術培訓中心頒發專業技術培訓證書，並在同期被委任為中國食品工業協會專家委員會委員。於二零零四年四月，陳先生獲上海市食品學會烘焙食品糖製品專業委員會頒發的高級烘焙師資格證書。

吳欣川

財務總監

吳欣川先生，40歲，為本集團財務總監，自二零零八年起一直擔任現任職位。吳先生負責監察及管理本集團的整體財務。吳先生在本集團擁有逾19年的經驗，於一九九九年至二零零八年間在本集團擔任多項職務，包括本集團財務部部長、濟南達利食品有限公司財務主管、泉州達利食品有限公司會計員、湖北達利食品有限公司財務專員。吳先生於二零一五年畢業於北京航空航天大學現代遠程教育學院會計學專業，並取得會計文憑。

Huang Zhiqing (黃志清)

Chief procurement officer

Mr. Huang Zhiqing (黃志清), aged 54, is the chief procurement officer of the Group and has held the current post since 2008. Mr. Huang is responsible for supervising and managing the overall purchasing and supply of the Group. With over 27 years of experience within the Group, Mr. Huang had served as the head of the procurement department in the Group from 2006 to 2008, as a purchasing manager in Fujian Dali from 1998 to 2006 and as a purchasing specialist in Fujian Dali from 1993 to 1998. Mr. Huang was awarded the professional title of senior economist by the Human Resources and Social Security Department of Jilin province in 2012. Mr. Huang was elected as a representative of the sixteenth People's Congress of Quanzhou Municipality (第十六屆泉州市人大代表) and recognized as one of the Top 10 Professional Managers in 2016 for Food Industry in Quanzhou (泉州市食品行業二零一六年度十佳職業經理人) in 2017.

黃志清

物資採供總監

黃志清先生，54歲，為本集團物資採供總監，自二零零八年起一直擔任現任職位。黃先生負責監督及管理本集團整體物資的採購及供應。黃先生在本集團擁有逾27年的經驗。彼於二零零六年至二零零八年出任本集團採供部部長，於一九九八年至二零零六年出任福建達利採購主管並於一九九三年至一九九八年出任福建達利採購專員。黃先生於二零一二年獲吉林省人力資源和社會保障廳授予高級經濟師專業職稱。黃先生於二零一七年當選第十六屆泉州市人大代表並被評選為泉州市食品行業二零一六年度十佳職業經理人。

Le Zhenqiao (樂振竅)

Head of product research and development department

Mr. Le Zhenqiao (樂振竅), aged 43, senior engineer, is the head of product research and development department of the Group and has held the current post since 2007. Mr. Le is responsible for research and development of new products and supervising the quality control of the products of the Group. Mr. Le has over 17 years of experience within the Group.

Mr. Le graduated in 2001 from Shaanxi University of Science and Technology (陝西科技大學), previously known as Northwest Institute of Light Industry (西北輕工業學院), with a bachelor's degree in Biochemical Engineering, with a minor in Computer Application and Maintenance. Mr. Le completed the food safety capacity building program organized by the Department of Human Resources and Social Security (人力資源和社會保障部) and China Food Industry Association in 2014. Mr. Le was awarded the professional qualification of Engineer of Biochemistry by the Human Resources and Social Security Department of Fujian Province in 2009. Mr. Le was awarded the Certificate of Professional Qualification in Quality Specialization (質量專業技術人員職業資格證書) by the Ministry of Personnel of the PRC (中華人民共和國人事部) and the AQSIQ in 2005. Mr. Le was engaged by the Committee of Standardization Administration of the PRC (中國國家標準化管理委員會) as a member for the National Committee of Snack Food Technology Standardization (SAC/TC490) (全國休閒食品標準化技術委員會) in 2009 and as a member for the National Committee of Baked Product Technology Standardization (SAC/TC488) (全國焙烤製品標準化技術委員會) in 2004. Mr. Le was awarded the honorary title of National Advanced Worker for Quality Works (全國質量工作先進工作者) by the China Quality Inspection Association (中國質量檢驗協會) in 2014.

樂振竅

產品研發部部長

樂振竅先生，43歲，高級工程師。為本集團產品研發部部長，自二零零七年起一直擔任現任職位。樂先生負責本集團新產品的研發及監督產品品質控制。樂先生在本集團擁有逾17年經驗。

樂先生於二零零一年畢業於陝西科技大學（前稱西北輕工業學院），取得生物工程學學士學位，輔修計算機應用與維修。樂先生於二零一四年完成了人力資源和社會保障部及中國食品工業協會合辦的《食品安全能力建設》高級研修課程。樂先生於二零零九年獲福建省人力資源和社會保障廳頒發的生物化工工程師專業資格。樂先生於二零零五年獲中華人民共和國人事部及國家質檢總局頒發的《質量專業技術人員職業資格證書》。樂先生於二零零九年由中國國家標準化管理委員會聘請為全國休閒食品標準化技術委員會(SAC/TC490)委員，並於二零零四年被聘請為全國焙烤製品標準化技術委員會(SAC/TC488)委員。樂先生於二零一四年獲中國質量檢驗協會授予的全國質量工作先進工作者榮譽稱號。

Chen Ying (陳穎)

Joint company secretary

Ms. Chen Ying (陳穎), aged 35, joined the Group in 2016. Prior to joining the Group, Ms. Chen was a lawyer at Shanghai Llinks Law Offices from 2011 to 2016, specializing in capital market with extensive professional experience in securities issuance, merger and acquisition, corporate assets reorganization, equity investing and financing and post-listing legal and compliance matters. Ms. Chen graduated from Xiamen University with a master's degree in law in 2011 and graduated from Southwest University of Political Science and Law with a bachelor's degree in law in 2008, as well as a bachelor's degree (dual degree) in English literature from Sichuan International Studies University in the same year. Ms. Chen obtained her practicing certificate in Law in the PRC issued by China Ministry of Justice. Ms. Chen is also a member of the Chinese Institute of Certified Public Accountants.

JOINT COMPANY SECRETARIES

Chen Ying (陳穎), was appointed as a joint company secretary on March 18, 2018. Please refer to "Biographies of Directors and Senior Management — Senior Management" for details of her biography.

Mak Sze Man (麥詩敏), has served as a joint company secretary of the Company since May 29, 2019. Ms. Mak is currently a senior manager of Corporate Services Division of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Ms. Mak has over 23 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Mak is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute in the United Kingdom (formerly Known as "The Institute of Chartered Secretaries and Administrators" in the United Kingdom). Ms. Mak holds a master degree in corporate governance from the Graduate School of Business of The Hong Kong Polytechnic University.

陳穎

聯席公司秘書

陳穎女士，35歲，於二零一六年加入本集團。加入本集團前，陳女士於二零一一年至二零一六年為上海市通力律師事務所的律師，專攻資本市場，在證券發行、收購兼併、企業資產重組、股權投融資及上市後法律與合規事宜方面具有豐富專業經驗。陳女士於二零一一年畢業於廈門大學，並取得法學碩士學位，於二零零八年畢業於西南政法大學，並取得法學學士學位，同年自四川外國語大學取得英語文學學士學位（雙學位）。陳女士在中國取得中國司法部頒發的法律職業資格證書。陳女士亦爲中國註冊會計師協會會員。

聯席公司秘書

陳穎，於二零一八年三月十八日獲委任為聯席公司秘書。有關彼簡歷詳情，請參閱「董事及高級管理層簡歷 — 高級管理層」。

麥詩敏，自二零一九年五月二十九日起獲委任為本公司的聯席公司秘書。麥女士現為卓佳專業商務有限公司企業服務部高級經理。卓佳是全球性的專業服務公司，為客戶提供商務、企業及投資者綜合服務。麥女士於企業服務範疇擁有逾23年經驗，一直為香港上市公司，以及跨國公司、私人公司及離岸公司提供專業的企業服務。麥女士為特許秘書、特許企業管治專業人員，以及香港特許秘書公會及英國特許公司治理公會（前稱為「英國特許秘書及行政人員公會」）的會士。麥女士持有香港理工大學工商管理研究院公司管治碩士學位。

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to achieving good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders and enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules on Stock Exchange and the Company has adopted the CG code as its own code of corporate governance.

The Board is of the view that throughout the year ended December 31, 2020 the Company has complied with the code provisions as set out in the CG Code, save for code provision A.2.1 of the CG Code, detail of which is explained in the relevant paragraph in this report.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

企業管治常規

本公司董事會致力達致良好企業管治標準。董事會相信良好的企業管治標準為本公司提供框架以捍衛股東利益、提升企業價值、制定其業務策略與政策，以及提高其透明度與問責性而言屬至關重要。

本公司的企業管治常規乃根據聯交所上市規則附錄十四企業管治守則載列的原則及守則條文為基礎，而本公司已採納企業管治守則為其自身企業管治守則。

董事會認為本公司於截至二零二零年十二月三十一日止年度已遵守企業管治守則載列的守則條文，惟企業管治守則第A.2.1條除外，其詳情於本報告相關段落中作解釋。

董事會將定期檢討及提升其企業管治常規以確保本公司繼續符合企業管治守則的規定。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the transactions of securities of the Company by the directors and the relevant employees who, because of their office or employment in the Group, are likely to possess inside information of the Company, the Securities Dealing Code, on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and all of them have confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the year ended December 31, 2020.

No incident of non-compliance of the Securities Dealing Code by the employees was noted by the Company.

董事進行證券交易

本公司已就董事及相關僱員(因其職務或工作而有可能掌握本公司內幕資料)進行本公司證券交易採納一套不低於上市規則附錄十所載的上市公司董事進行證券交易的標準守則的證券買賣守則。

已向全體董事進行具體查詢，而彼等已確認於截至二零二零年十二月三十一日止年度已遵守標準守則及證券買賣守則。

本公司並不知悉僱員不遵守證券買賣守則的任何事件。

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time in performing them.

The Board of the Company comprises the following directors:

Executive Directors:
Mr. Xu Shihui *(Chairman and Chief Executive Officer)*
Mr. Zhuang Weiqiang
Ms. Xu Yangyang
Ms. Huang Jiaying *(appointed on February 8, 2021)*

Non-executive Directors:
Ms. Xu Biying
Ms. Hu Xiaoling

Independent non-executive Directors:
Mr. Cheng Hanchuan
Mr. Liu Xiaobin
Dr. Lin Zhijun

The biographical information of the Directors are set out in the section headed "Biographies of Directors and Senior Management" on pages 45 to 53 of this annual report.

The relationships between the members of the Board are disclosed under "Biographies of Directors and Senior Management" on pages 45 to 53 of this annual report.

董事會

董事會統籌本集團的業務、策略決策及表現，並須客觀作出符合本公司最佳利益的決策。

董事會須定期檢討董事履行其對本公司的責任而須作出的貢獻，以及其是否投入足夠時間履行其對本公司的責任。

本公司董事會由以下董事組成：

執行董事：
許世輝先生*(主席及行政總裁)*
莊偉強先生
許陽陽女士
黃佳瑩女士*(於二零二一年二月八日獲委任)*

非執行董事：
許碧英女士
胡曉玲女士

獨立非執行董事：
程漢川先生
劉小斌先生
林志軍博士

董事的履歷資料載列於本年報第45頁至第53頁「董事及高級管理層簡歷」一節。

董事會成員間之關係於本年報第45頁至第53頁「董事及高級管理層簡歷」中披露。

Insurance for Directors

The Company has arranged appropriate insurance cover in respect of any legal action against its directors.

董事保險

本公司已就針對其董事的任何法律訴訟作出適當的投保安排。

Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

The Chairman and Chief Executive Officer of the Company are held by Mr. Xu Shihui who is the founder of the Company and has extensive experience in the industry. The Board believes that vesting the roles of the Chairman and Chief Executive Officer in the same individual would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. The Board believes that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors and independent non-executive Directors.

主席及行政總裁

守則條文A.2.1訂明，主席與行政總裁的角色應有區分，並不應由一人同時兼任。

本公司的主席及行政總裁由許世輝先生擔任，而許世輝先生為本公司的創辦人，擁有豐富行業經驗。董事會相信由同一人擔任主席兼行政總裁角色，有助本公司以更快的反應速度、更高效率及更有效制定業務策略及執行業務計劃。董事會相信，由執行董事及獨立非執行董事組成的董事會足以平衡其權力與權限。

Independent Non-executive Directors

During the year ended December 31, 2020, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors (representing not less than one-third of the Board) with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

獨立非執行董事

於截至二零二零年十二月三十一日止年度，董事會已於任何時間遵守上市規則有關委任最少三名獨立非執行董事（不少於董事會人數三分之一）的規定，其中一人擁有適當的專業資格或會計或相關財務管理專業知識。

本公司已就獨立非執行董事根據上市規則第3.13條載列的獨立性指引自各獨立非執行董事接獲年度書面確認。本公司認為全體獨立非執行董事均屬獨立。

Appointment and Re-election of Non-executive Directors

The non-executive Directors (including independent non-executive Directors) of the Company are appointed for a specific term of one year, and the term is renewable for one year automatically upon approval by the Shareholders in general meeting.

委任及重選非執行董事

本公司非執行董事（包括獨立非執行董事）已獲委任，為期一年，而年期可於股東在股東大會上批准後自動續期一年。

Responsibilities of the Directors

The Board is responsible for leadership and control of the Company and oversees the businesses, strategic decisions and performance of the Group and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each director to perform his/her responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

董事職責

董事會負責領導及控制本公司並監督本集團的業務、決策及表現，並為促進本公司的成功而指導及監管其事務集體負責。董事會各董事為本公司利益作出客觀決定。

董事會直接及間接通過其委員會制定策略並監督執行情況來領導管理層並為其提供指導，監察本集團的營運及財務業績，並確保實施完善的內部監控及風險管理系統。

全體董事(包括非執行董事及獨立非執行董事)均為董事會的效率及有效運作帶來廣泛的寶貴商業經驗、知識及專業。

全體董事均可於任何時間取覽本公司所有資料。董事可應要求在適當時尋求獨立專業意見，其因履行本公司職務的開支由本公司承擔。

董事須向本公司披露彼等擔任的其他職務的詳情，而董事會亦會定期審閱各董事向本公司履行其職責時作出的貢獻。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易(特別是或會涉及利益衝突的事宜)、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理的職責轉授予管理層。

Continuous Professional Development of Directors

Directors keep abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate.

During the year ended December 31, 2020, the following Directors participated in the following trainings:

董事持續專業發展

董事不斷留意作為本公司董事的責任及操守，以及有關本公司業務活動及發展的事宜。

每名新任董事均於首次獲委任時獲提供正式、全面及度身訂造的入職培訓，確保新董事可適當掌握本公司業務及營運，並充分明白上市規則及相關法規下其須承擔的董事職責及責任。

董事應參與適當的持續專業發展，發展並更新其知識及技能，以確保向董事會持續提供全面和相關的貢獻。本公司將在適當時候在公司內部為董事安排簡介會並向董事發放相關課題的閱讀材料。

於截至二零二零年十二月三十一日止年度，下列董事已出席下列培訓：

Directors	Type of Training [Note]
Executive Directors	
Mr. Xu Shihui	***A,B***
Mr. Zhuang Weiqiang	***A,B***
Ms. Xu Yangyang	***A,B***
Non-executive Directors	
Ms. Xu Biying	***A,B***
Ms. Hu Xiaoling	***A,B***
Independent non-executive Directors	
Mr. Cheng Hanchuan	***A,B***
Mr. Liu Xiaobin	***A,B***
Dr. Lin Zhijun	***A,B***

Note:
Types of Training
A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops
B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

董事	培訓類別[附註]
執行董事	
許世輝先生	***A,B***
莊偉強先生	***A,B***
許陽陽女士	***A,B***
非執行董事	
許碧英女士	***A,B***
胡曉玲女士	***A,B***
獨立非執行董事	
程漢川先生	***A,B***
劉小斌先生	***A,B***
林志軍博士	***A,B***

附註：
培訓類型
A： 出席培訓課程，包括但不限於簡報、研討會、會議及講習班
B： 閱讀相關新聞快訊、報紙、期刊、雜誌及相關出版物

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the website of the Company and of Hong Kong Exchanges and Clearing Limited ("**HKEX**") and are available to Shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under "Corporate Information" on pages 2 to 3 of this annual report.

Audit Committee

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting system, internal control and risk management systems, effectiveness of the internal audit function, relationship with external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee held two meetings during the year to discuss the audit process and accounting issues with the external auditors and to review, among other things, (i) the annual financial results for the year ended December 31, 2019 and the interim results for the six months ended June 30, 2020 and the relevant reports prepared by the external auditors relating to 2020 annual audit and interim review plans and major findings in the course of audit/review, (ii) significant issues on the financial reporting, operational and compliance controls, (iii) the effectiveness of the risk management and internal control systems and internal audit function, (iv) appointment of external auditors and their relevant scope of work, as well as (v) continuing connected transactions.

During the year, the Audit Committee also met the external auditors twice without the presence of the management of the Company to discuss the audit procedures and accounting issues.

董事委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司具體事務。本公司所有董事委員會均按書面界定的職權範圍履行工作。董事委員會的職權範圍已刊載於本公司網站及香港交易及結算所有限公司(「**港交所**」)網站，並可應要求時供股東查閱。

各董事委員會的大部份成員為獨立非執行董事，而各董事委員會主席及成員名單載於本年報第2頁至第3頁「公司資料」內。

審核委員會

審核委員會的主要職責為協助董事會審閱財務資料及申報系統、內部監控及風險管理制度、內部審核職能效率、與外聘核數師之關係以及檢討安排致使本公司僱員可舉報本公司財務申報、內部監控或其他方面的可能不當行為。

審核委員會於年內已召開兩次會議與外部核數師討論審計程序及會計事宜，並審閱(其中包括)(i)截至二零一九年十二月三十一日止年度的年度財務業績及截至二零二零年六月三十日止六個月的中期業績以及外部核數師所編製有關二零二零年年度審核的相關報告以及中期審閱計劃及在審核／審閱過程中的主要發現；(ii)有關財務申報、營運及合規監管的重大事宜；(iii)審閱風險管理及內部監控系統及內部審核職能的效率；(iv)委聘外部核數師及其相關工作範疇；及(v)持續關連交易。

年內，審核委員會亦在公司管理層不在場的情況下與外部核數師會談了兩次，討論審計程序及會計事宜。

Remuneration Committee

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

During the year, the Remuneration Committee met once to review and make recommendation to the Board on the remuneration policy and structure of the Company and the remuneration packages of the Directors and senior management and other related matters.

Details of the remuneration of the senior management by band are set out under "Report of the Directors — Senior Management's Emoluments" on page 40 of this annual report.

薪酬委員會

薪酬委員會的主要職責包括審閱個別執行董事及高級管理層的薪酬待遇、全體董事及高級管理層的薪酬政策及架構並就此向董事會提供意見；及設立透明的程序以制定薪酬政策及架構，從而確保概無董事或任何彼等的聯繫人士可參與釐定彼等自身的薪酬。

年內，薪酬委員會已召開一次會議，以檢討本公司的薪酬政策及架構、董事和高級管理層的薪酬組合以及其他相關事宜並向董事會提出建議。

有關高級管理層按組別劃分的薪酬詳情，載於本年報第40頁「董事會報告 — 高級管理層的薪酬」內。

Nomination Committee

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning for directors, and assessing the independence of independent non-executive Directors.

The Board has adopted a "Board Diversity Policy" to achieve and maintain diversity on the Board in order to strengthen the performance of the Board, promote effective decision-making and better corporate governance and monitoring. The Company considered that diversity of board members can be achieved through consideration of a number of aspects, including but not limited to skills, experience and cultural and educational background, geographical, industry and professional experience, ethnicity, gender, age, knowledge and length of service.

Based on the business needs of the Group, the Nomination Committee has recommended and the Board has adopted the following measurable objectives:

(a) at least one-third of the Board members shall be independent non-executive Directors; and

(b) at least one of the independent non-executive Directors shall have obtained accounting or appropriate professional qualifications.

The Nomination Committee shall monitor the implementation of the Board Diversity Policy and review the progress of its measurable objectives from time to time.

提名委員會

提名委員會的主要職責包括審閱董事會的組成、制定及擬定提名及委任董事的相關程序、就董事委任及繼任計劃向董事會提供意見，以及評估獨立非執行董事的獨立性。

董事會已採納「董事會多元化政策」以達致及維持董事會多元化以加強董事會表現。本公司認為董事會成員多元化可通過考慮多方面(其中包括技能、經驗及文化及教育背景、地理位置、行業及專業經驗、種族、性別、年齡、知識及服務年期)而達致。

根據本集團的業務需要，提名委員會建議而董事會已採納下列計量指標：

(a) 至少三分之一的董事會成員須為獨立非執行董事；及

(b) 至少有一名獨立非執行董事擁有會計或適當的專業資格。

提名委員會須監察董事會多元化政策的實施並不時檢討其計量指標的發展。

The Company has also adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

本公司亦採納董事提名政策，其載列有關提名及委任本公司董事的篩選條件及程序以及董事會繼任計劃的考慮，旨在確保董事會在切合本公司、董事會延續及董事會層面合適領袖所需的技能、經驗、不同觀點方面取得平衡。

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

董事提名政策載列評估提名候選人的合適性及對董事會的潛在貢獻之因素，包括但不限於以下各項：

- Candidate's age, skills, knowledge, experience, expertise, professional qualifications, academic qualifications, background and other personal qualities
- Impact on the composition of the board and the diversity of its members
- Commitment by the candidate to devote sufficient time and effectively perform his or her duties
- The number and nature of the positions of candidates in public companies or organizations or other administrative appointments or other important work commitments
- Potential/actual conflict of interests with the Company upon appointment of candidates
- Candidate's independence
- Length of service of the proposed re-election of independent non-executive director who has been serving to the Company
- Other factors that the Nominating Committee considers to be relevant on a case-by-case basis

- 候選人的年齡、技能、知識、經驗、專長、專業資格、學歷、背景及其他個人素質
- 對董事會的組成及成員多元化的影響
- 候選人投入充足的時間且有效地履行其職責的承諾
- 候選人於公眾公司或組織或其他行政委任或其他重要工作承擔的數量及性質
- 候選人因獲選而引發與本公司的潛在／實際利益衝突
- 候選人的獨立性
- 就建議續任獨立非執行董事而言，彼已在任之服務年期
- 提名委員會按個別情況認為有關係的其他因素

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. During the year ended December 31, 2020, there was no change in the composition of the Board.

董事提名政策亦載列在股東大會挑選及委任新董事及重選董事的程序。截至二零二零年十二月三十一日止年度，董事會組成並無變動。

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

提名委員會將於適當時候檢討董事提名政策，以確保成效。

During the year, the Nomination Committee met once to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring directors standing for election at the 2020 Annual General Meeting. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

年內，提名委員會已召開一次會議，以檢討董事會的架構、規模及組成以及獨立非執行董事的獨立性，並考慮於二零二零年股東週年大會上候選的退任董事的資格。提名委員會認為董事會多元化觀點的合適平衡已得以維持。

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

During the year, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Securities Dealing Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

企業管治職能

董事會負責履行企管守則的守則條文第D.3.1條所載的職能。

年內，董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法例及監管規定的政策及常規、遵守標準守則及證券買賣守則以及遵守企管守則及於本企業管治報告中作出的披露。

ATTENDANCE RECORDS OF DIRECTORS

The attendance records of each Director at the Board and Board Committees meetings and the general meeting of the Company held during the year ended December 31, 2020 is set out in the table below:

董事的出席會議記錄

下表載列各董事出席截至二零二零年十二月三十一日止年度內舉行的董事會及董事委員會會議以及本公司股東大會的記錄：

		Attendance/Number of Meetings 出席次數／會議次數				
Name of Directors 董事姓名		**Board 董事會**	**Audit Committee 審核委員會**	**Remuneration Committee 薪酬委員會**	**Nomination Committee 提名委員會**	**General Meeting 股東大會**
Executive Directors	*執行董事*					
Mr. Xu Shihui	許世輝先生	4/4	N/A 不適用	N/A 不適用	1/1	1/1
Mr. Zhuang Weiqiang	莊偉強先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Ms. Xu Yangyang	許陽陽女士	4/4	N/A 不適用	1/1	N/A 不適用	1/1
Non-executive Directors	*非執行董事*					
Ms. Xu Biying	許碧英女士	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Ms. Hu Xiaoling	胡曉玲女士	4/4	2/2	N/A 不適用	N/A 不適用	1/1
Independent non-executive Directors	*獨立非執行董事*					
Mr. Cheng Hanchuan	程漢川先生	4/4	2/2	N/A 不適用	1/1	1/1
Mr. Liu Xiaobin	劉小斌先生	4/4	N/A 不適用	1/1	1/1	1/1
Dr. Lin Zhijun	林志軍博士	4/4	2/2	1/1	N/A 不適用	1/1

The Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the year.

主席於年內亦在其他董事沒有出席的情況下與獨立非執行董事召開一次會議。

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2020.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 141 to 242.

董事有關財務報表的責任

董事確認其編製本集團截至二零二零年十二月三十一日止年度合併財務報表的責任。

本公司獨立核數師有關其財務報表的報告責任聲明載於第141頁至第242頁獨立核數師報告內。

AUDITORS' REMUNERATION

An analysis of the remuneration paid/payable to the external auditors of the Company, Messrs. Ernst & Young, in respect of audit services and non-audit services for the year ended December 31, 2020 is set out below:

核數師的薪酬

就截至二零二零年十二月三十一日止年度的審核服務及非審核服務向本公司外聘核數師安永會計師事務所的已付／應付薪酬分析載列如下：

Service Category	服務類別	Fees Paid/Payable 已付／應付費用 RMB 人民幣
Audit Services	審核服務	4,500,000
Non-audit Services (including Tax compliance service, Tax advisory, ESG reporting advisory and Risk management reporting advisory)	非審核服務（包括稅務合規服務、稅務諮詢、環境、社會及管治報告諮詢及風險管理報告諮詢）	778,000
Total	合計	5,278,000

COMPANY SECRETARIES

The Company has engaged Tricor Services Limited ("**Tricor**"), external service provider. Ms. Mak Sze Man, a senior manager of Corporate Services Division of Tricor, has been appointed as the Company's joint company secretary since May 29, 2019. Its primary contact person at the Company is Ms. Chen Ying, the joint company secretary of the Company.

公司秘書

本公司已委聘外部服務提供者卓佳專業商務服務有限公司（「**卓佳**」）。麥詩敏女士，卓佳企業服務部高級經理，由二零一九年五月二十九日起獲委聘為本公司聯席公司秘書。其於本公司的主要聯絡人為本公司的聯席公司秘書陳穎女士。

SHAREHOLDERS' RIGHTS

To safeguard shareholder 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 general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of HKEX after each general meeting.

股東的權利

為保障股東的利益及權利，本公司會就各項獨立重大問題（包括選舉個別董事）於股東大會提呈獨立決議案。根據上市規則，所有於股東大會上提呈的決議案須以投票方式表決，投票結果將於進行投票表決的各股東大會舉行後在本公司及港交所的網站上刊登。

Convening an Extraordinary General Meeting by Shareholders

Pursuant to Article 12.3 of the Articles, any two or more shareholders or any one shareholder which is a recognised clearing house (or its nominee(s)) (the "**Requisitionist(s)**") 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 at all times have the right, by written requisition, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the Requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

股東召開股東特別大會

根據細則第12.3條，兩名或以上股東或為獲認可結算所（或其代理人）的任何一名股東（「**遞呈請求人士**」）於遞呈請求當日持有不少於本公司有權於股東大會上投票的繳足股本十分之一，於任何時候均有權提呈書面請求，以要求董事會就該請求書所指定的任何事務交易召開股東特別大會。倘自遞呈日期起21日內董事會未有恰當地召開該大會，則遞呈請求人士或任何遞呈請求人士持有當中遞呈請求人士總投票權的過半數，則可以以董事會召開股東大會同等方式盡快召開股東大會，惟該有關股東大會必須由接獲請求書日期起計三個月內召開，及因董事會的不合作而遞呈請求人士所有產生的合理開支可向本公司報銷。

Putting Forward Proposals at General Meetings

There are no provisions in the Articles or the Cayman Islands Companies Law for shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph. As regards proposing a person for election as a director of the Company, please refer to the "Procedures for Shareholders to Propose a Person for Election as a Director of the Company" which is posted on the Company's website.

於股東大會上提呈議案

細則或開曼群島公司法並無有關股東於股東大會上提呈新決議案的條文。欲提呈新決議案的股東可根據前一段所載程序向本公司提出召開股東大會的要求。就考慮建議一位人士參選本公司董事選舉，請參閱刊載於本公司網頁的「股東提名人選參選本公司董事的程序」。

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

向董事會作出查詢

關於向本公司董事會作出任何查詢，股東可將書面查詢發送至本公司。本公司通常不會處理口頭或匿名的查詢。

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room 2601, 26th Floor, One Harbourfront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong
(For the attention of the Joint Company Secretaries)

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

聯絡資料

就上述而言，股東可發送其查詢或要求到下列的聯絡方法：

地址： 香港九龍紅磡德豐街18號
海濱廣場一座26樓2601室
（註明收件人為聯席公司秘書）

為免生疑，股東須發出正式簽署的書面要求、通知或聲明或查詢（視情況而定）的正本到上述地址，並提供彼等全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Company's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

The Company maintains a website at www.dali-group.com as a communication platform with shareholders of the Company and investors, where the financial information and other relevant information of the Company are available for public access.

與股東溝通及投資者／投資者關係

本公司深信，與股東保持有效溝通，對促進投資者關係及加深投資者對本公司業務表現及策略瞭解至為重要。本公司盡力保持與股東之間的對話，尤其是透過股東週年大會及其他股東大會。於股東週年大會上，董事（或其受委人，如適用）可與股東會面並回答其查詢。

本公司維持網站www.dali-group.com作為與本公司股東及投資者的溝通平台，公眾亦可於網站取得本公司的財務資料及其他相關資料。

Constitutional Documents

During the year under review, the Company has not made any changes to its Articles. An up-to-date version of the Articles is also available on the Company's website and HKEX's website.

憲章文件

於回顧年度，本公司並無對其細則進行任何更改。最新版本的細則亦可於本公司網頁及港交所網頁上閱覽。

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board's Responsibility for Risk Management and Internal Control

The Board of Directors, as the supreme leading organ in risk management of the Group, undertakes ultimate responsibility for construction and effective operation of the overall risk management system, takes charge of the establishment, improvement and efficient operation of the overall risk management system and has the discretion to delegate senior management and operational division of each department in the risk management system.

The Board of Directors is responsible for evaluating and determining the nature and extent of the risks the Group is prepared to take in achieving its strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board has an audit committee which is responsible for overseeing the appropriateness of the risk management and internal supervision procedure and the effectiveness of the internal audit function of the Group, as well as providing a confirmation to the Board on the effectiveness of these systems.

風險管理與內部監控部分

董事會風險管理與內部監控責任

董事會是本集團風險管理的最高領導機構，對整體風險管理體系的建設和有效運行負最終責任，其負責整體風險管理體系的建立、健全和有效運轉，並負責明確高級管理層、各部門在風險管理體系中的職責分工。

董事會負責評估及釐定本集團達成戰略目標時所願意接納的風險性質及程度，並確保本集團設立及維持合適且有效的風險管理及內部監控系統。董事會下設審核委員會，負責監察本集團風險管理系統及內部監督程序的合適性及內部審計職能的有效性，並向董事會提供有關系統是否有效的確認。

Characteristics of Risk Management and Internal Control Systems

The Group's internal control system is formulated according to the principles of the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in the United States. With the philosophy of risk management at all levels consistently adopted according to the framework, the Group has been implementing the risk management work to the group headquarters and all the subsidiaries with intensive management against critical risks therein. The components of the framework are shown as follows:

風險管理及內部監控系統的特點

本集團的內部監控系統根據美國Committee of Sponsoring Organizations of the Treadway Commission (「COSO」) 的內部監控框架的原則制定。集團按照框架始終貫徹全員風險管理理念，將風險管理工作覆蓋集團總部及下屬子公司，並對其中關鍵風險實施重點管理。框架的組成部分如下所示：

Internal control framework 內部監控框架

Risk assessment
風險評估

Identify and evaluate the risks associated with achieving internal control objectives in the operating activities, thereby establishing risk management objectives in light of specific businesses.
識別和評估經營活動中與實現內控目標相關的風險，以制定與具體業務相結合的風險管理目標。

Control activities
控制活動

Establish control measures through policies and procedures to help ensure that management directives to mitigate risks are carried out for achievement of objectives.
通過政策及程序設立控制措施，有助確保管理指令減輕風險以達成目標。

Information and communication
信息及溝通

Conduct internal and external information communication to provide the Group with the information required for daily control.
進行內外信息交流，為本集團提供日常監控所需的信息。

Environmental control
控制環境

Provide enterprise discipline and structure, create corporate culture and raise employees' internal control awareness, which lay the foundation of all other internal control elements.
提供企業紀律與架構、塑造企業文化、影響員工的內控意識，是其他所有內控組成要素的基礎。

Internal supervision
內部監督

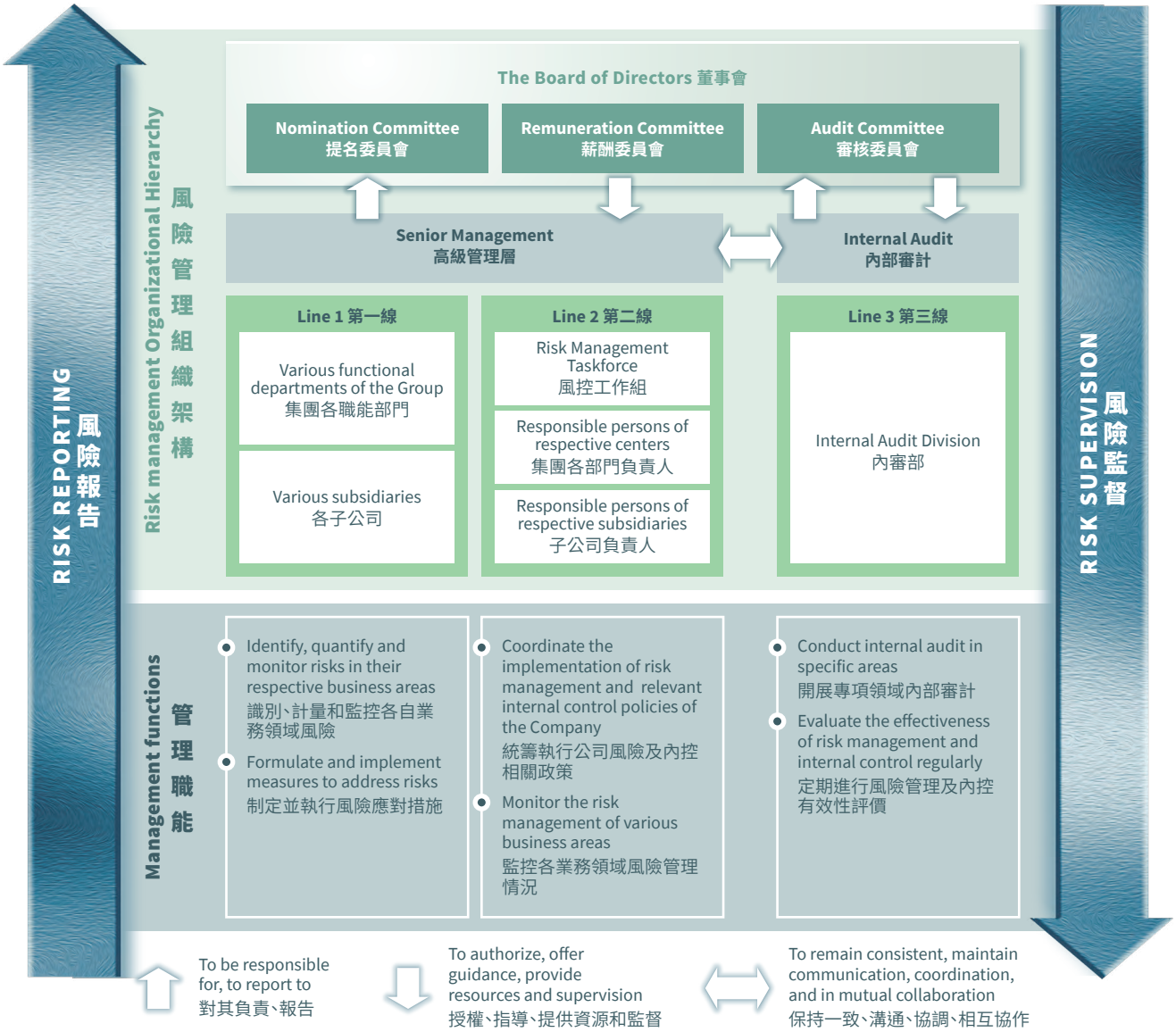
Supervise and inspect the establishment and implementation of corporate internal control to evaluate the effectiveness of internal controls, identify internal control defects, and rectify them in a timely manner.
監督與檢查企業內部控制的建立與實施情況，評價內部控制的有效性，發現內部控制缺陷，及時加以改進。

The risk management and internal control systems adopted by the Group are designed to manage rather than eliminate the risks associated with its failure to fulfill business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

本集團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，而且只能就不會有重大的失實陳述或損失做出合理而非絕對的保證。

Risk Management Organizational System 風險管理組織體系

Risk management organizational system 風險管理組織體系



Based on the respective responsibilities of the Board of Directors, the Audit Committee and the management for risk management, the Group has set up a three-line system regarding its risk management and internal control:

集團根據董事會、審核委員會及管理層在風險管理工作中的職責，對風險管理及內部監控工作設置了風險管理三線體系：

Line 1 serves as a risk bearer for various functional departments as well as subsidiaries of the Group, undertaking the primary and direct responsibilities for the risks in business activities. Its main functions include identifying, quantifying and overseeing the risks within each business area as well as formulating and implementing risk countermeasures linked to daily operation.

第一線由集團各職能部門、各子公司作為風險的承擔者，對各項經營活動承擔的風險負有首要、直接的責任，主要職責為識別、計量和監控各自業務領域的風險，制定並執行與日常運營相關聯的風險應對措施。

Line 2 is composed of the Risk Management Taskforce and responsible persons of various centers and subsidiaries of the Group who assist the Group in the implementation of its risk monitoring and control. The Risk Management Taskforce is staffed by professionals from the Legal Department, Human Resources Department and Financial Operation Center, facilitating the improvement and execution of risk management and control measures through the transfer and accumulation of professional knowledge and skills as well as the coordination, integration and monitoring of risk exposures and management in each business area. The primary duties of responsible persons of various centers and subsidiaries of the Group are coordinating and formulating the Group's risk management and internal control policies and systems as well as implementing major risk countermeasures and pivotal internal control processes.

第二線由風控工作組、集團各中心負責人與子公司負責人組成，協助集團開展風險監督及控制工作。其中，風控工作組由法務部、人事部、財務運營中心專業人士組成，通過專業知識與技能的傳輸和積累，協調、匯總和監控各業務領域的風險暴露及管理情況，推動風險管控措施的執行與完善。集團各中心負責人與子公司負責人主要負責統籌制定本集團的風險管理與內部監控制度，監督落實重大風險應對措施與關鍵內部控制點的執行。

Line 3 comprises the Audit Committee and the Internal Audit Division. The Internal Audit Division is responsible for carrying out specific tests, verification and evaluation on the integrity and effectiveness of the risk management framework and internal control system and providing independent and objective appraisal. The Audit Committee reviews the process and findings of the Internal Audit Division's evaluation on the risk management framework and internal control system on a regular basis and reports to the Board of Directors.

第三線為審核委員會與內審部，內審部負責對風險管理框架、內部監控體系的完整性和有效性進行專項領域的測試、驗證和評估，並提供獨立、客觀的評價。審核委員會定期審閱內審部對風險管理框架、內部監控體系的評價過程及結果，並向董事會進行匯報。

Management Procedure for Risk Management and Internal Control

The Group has set up a cycle of risk management and internal control system in line with the characteristics of our management. It continually operates at regular intervals to manage and monitor the Group's risks for this financial year. Main processes are as follows:

風險管理與內部監控管理流程

集團已建立一套符合集團管理特徵的風險管理與內部控制體系循環，並定期持續運行，對集團本財年的風險進行管理與監控，其主要流程如下：

1

- External industry-related information collection and industry benchmarking;
  外部行業信息收集、行業對標分析。
- Internal risk management interview, questionnaire survey and risk identification.
  內部風險管理訪談、問卷調查、風險識別。

2

- Application of cause-and-effect analysis in conducting risk assessment;
  運用因果分析法進行風險評估。
- In-depth exploration of the implication of and quantitative analysis on risks by all staff members.
  全員參與，深入挖掘風險內涵，多維度定量分析風險。

3

- Refining countermeasures so that they are integrated into daily operation and delegating responsible departments and posts;
  細化應對措施，與日常運營相結合，落實責任部門和崗位。
- Establishing a top-down reporting channel and fulfilling the role of risk management under "Line 1".
  細化應對措施，與日常運營相結合，落實責任部門和崗位。

4

- Enhancing the development of the three-line system for risk control management and performing duties of daily supervision;
  深化風控三線建設，發揮日常監督職責。
- Conducting audit in special areas to ensure "Line 1" has been set up properly.
  開展專項領域審計，確保「第一線」風控實施到位。

5

- Scientific and systematic analysis of inherent logical relations between risks;
  科學、系統分析風險內在邏輯關係。
- Effective control of key risks;
  有效把握關鍵風險。
- Continuous improvement of the internal control system readily.
  持續更新及改進內控體系。

1. Collection of risk information

The Group collects and updates risk information both internally and externally. The Group collects external industry-related information, conducts industry benchmarking and analyzes industry risks. At the same time, the Group has collected internal risk management information through various channels such as internal visits and questionnaires, effectively identified and analyzed various risk points as well as updated the *Comprehensive Risk Database*.

2. Analysis of risk assessment

The Group reviews the prevailing conditions about its risk management on a regular basis, mobilizes all members of the Group to participate in risk assessment, and thoroughly explores the implications of risks by means of interviews and scoring of risks along with the cause-and-effect analysis approach. Quantitative analysis and comprehensive assessment of the risks are conducted from two aspects, namely the possibility of occurrence and the degree of impacts of risks, to determine the major risks of the Group for the relevant year which constitute the *List of Major Risks*.

3. Implementation of risk countermeasures

The management of the Group discusses and decides on contingency plans for major risks, refines countermeasures, and links such risk countermeasures with day-to-day business operations for the proper implementation by responsible departments and functionaries and make clear the crucial contingency arrangement. The Group has established a bottom-up reporting channel to ensure effective monitoring of risk countermeasures and give full play to the role of risk management under "Line 1".

4. Continuous supervision of risk

The Group conducts continuous supervision of risks through various means to ensure the effectiveness of risk management and internal control system. The Group further enhances the development of the three-lines system for risk control, conducts daily supervision duties for risks, explicitly defines the relevant responsible departments for various risks, and conducts normal supervision over the content and frequency of its risk management implementation. In addition, the Group regularly conducts audit in special areas and evaluation of internal control procedure according to the work plan for annual internal audit and evaluation on internal control, so as to ensure that the risk control under "Line 1" has been put in place.

1. 風險信息收集

集團從內外部兩方面開展風險信息的收集更新工作。集團從外部收集行業相關信息，開展行業對標，分析行業風險；同時，集團通過內部走訪、調查問卷等多種渠道，收集集團內部風險管理相關信息，有效識別並分析各風險點，持續更新《全面風險數據庫》。

2. 風險評估分析

集團定期梳理當前的風險管理情況，調動集團全員參與風險評估，通過訪談、風險評分等形式，結合因果分析法，深入挖掘風險內涵，從風險發生可能性及影響程度兩個維度對風險進行定量分析、綜合評估，確定集團當年的重大風險，形成《重大風險清單》。

3. 落實風險應對措施

集團管理層共同討論並確定重大風險應對方案，細化應對措施，將風險應對措施與日常業務運營相掛鈎，並具體落實到責任部門及崗位中，明確應對工作的節點安排。集團確立了自下而上的匯報渠道，確保風險應對措施的實施受到有效監控，充分發揮第一線風控職責。

4. 風險持續監督

集團通過多種手段開展風險的持續監督，確保風險管理及內部控制體系的有效性。集團進一步深化風險管理三線體系建設，發揮風險日常監督職責，明確各風險的相關責任部門，並對風險管理實施的內容與頻率進行常態化監督。此外，集團按照年度內部審計及內控評價工作計劃，定期開展專項領域審計及內部控制評價工作，保證第一線風控實施到位。

5. Optimization of risk management

The management of the Group integrates the results of risk assessment with those of internal audit for the update and improvement of the Group's internal control and risk management system. By further enriching and improving its risk database, the Group conducted systematic analysis on the causes, impacts and internal logic of various risks, traced the root causes of risks, grasped the core factors of risks, enhanced risk countermeasures so as to realize the efficient management and control of risks and the optimization and upgrade of the internal control system.

5. 風險管理優化

集團管理層結合風險評估及內部審計結果，對集團內部控制和風險管理體系進行更新改進。通過進一步充實完善風險數據庫，對各項風險的成因、影響及其內在邏輯關係進行系統性分析，追溯風險根本成因，把握風險關鍵因素，優化風險應對措施，實現風險高效管控，內部控制體系優化升級。

Major Risks and Management Measures in 2020

Major risk management achievements of the year

- To conduct a comprehensive risk assessment in an orderly manner. The Group's Risk Control Taskforce took the lead in carrying out a comprehensive review of businesses of the Group and its subsidiaries. The Risk Control Taskforce understood the potential risks of the Group's business processes and the countermeasures adopted through field visits to and questionnaire surveys with various functional departments. The Risk Control Taskforce led the employees from various departments to score risks in the risk database from the two dimensions of the possibility of occurrence and the degree of impacts of risks, in order to identify the risks that the Group is exposed or will be exposed.

- To continue to advance risk control management. The Group's Food Safety Center has been expanded, the R&D team and quality control team are growing by the day, and cooperation with professional institutions and institutions of higher education has been actively pursued, so as to attract more professional talents into the Group and extend quality control and risk control to the front end. In addition, the Group regularly conducts specific internal audits on food safety, and the Regional Production Division manages production bases nationwide on a regional basis, thus strengthening front-end risk control through the "Group-Region-Subsidiary" three-tier supervision model.

2020年重大風險及管理措施

本年度風險管理主要建設成果

- 有序開展全面風險評估。集團風控工作組牽頭開展集團及子公司業務全面梳理工作。風控工作組通過各職能部門現場走訪、問卷調研等形式，了解集團各業務流程中存在的潛在風險以及所採取的應對措施。此外，風控工作組牽頭各部門員工從風險發生的可能性和影響程度兩個維度，對風險數據庫中風險進行評分，評選出集團所面臨或即將面臨的風險。

- 持續向前推進風控管理。集團食品安全中心擴建，研發隊伍和品控隊伍日益壯大，並積極開展與專業機構和高等院校的合作，為集團注入更多專業人才，將品控和風控向前端延伸。此外，集團定期開展食品安全專項內部審計，由區域生產事業部對全國範圍內的生產基地進行區域管理，通過「集團－區域－子公司」三級監管模式加強前端風險管控。

- To actively respond to emergency risk events. The Group actively responded to the national policies related to the prevention and control of the COVID-19 pandemic, formulated emergency response plans and issued epidemic prevention guidelines as soon as possible. Each company promptly established an emergency management team, and under the premise of ensuring employee safety and production and operation safety, actively assumed the social responsibility of food production enterprises during special periods in organizing the resumption of work and production in an orderly manner, and ensuring an adequate supply of epidemic prevention materials. The Group responded to public health emergencies efficiently and successfully achieved both "risk control" and "ensuring production".

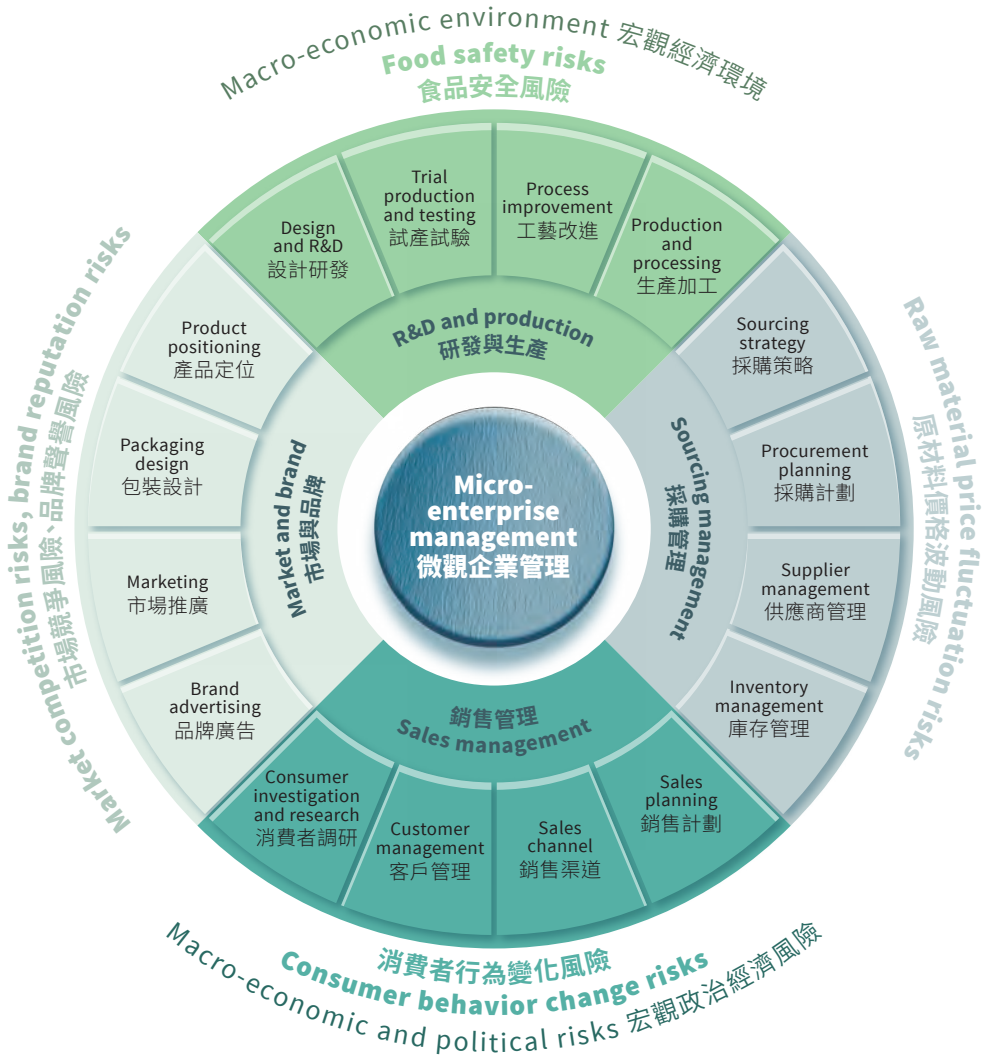
- 積極應對突發風險事件。集團積極響應國家新冠疫情防控相關政策，第一時間制定疫情應急處置預案並下發疫情防護指南，各公司迅速成立應急管理小組，在確保員工安全及生產經營安全的前提下，主動承擔食品生產企業在特殊時期的社會責任，有序組織復工復產，並保證防疫物資供應充足。集團高效應對突發公共衛生事件，成功實現「控風險」與「保生產」並舉。

- To strive to raise awareness of risk control for all staff members. The risk control culture is the assurance of soft power of the Group's comprehensive risk control system. Guided by the overall strategies, giving priority to production and operation, as well as requiring the commitment of everyone, the Group continued to increase awareness of risk control among all staff members and enhance the execution of risk control by staff members at all levels. The Group carried out the promotion of risk control awareness through multiple channels, fully utilizing platforms such as WeChat groups, TV rolling screens and online education, and advocated the risk control culture from multiple angles, channels and levels through the promotion of risk control knowledge, briefings on risk control work and experience exchange sessions, fully fostering a culture of risk control within the Group and continuously raising the risk awareness of staff members, in order to play a positive role in accelerating the construction of the Group's risk control system, promoting the normal operation of the system, as well as further enhancing and standardizing the Group's operation and management activities.

- 著力培育全員風控理念。風控文化是集團全面風控體系的軟實力保障。集團以企業整體策略為綱領，以生產經營為中心，以全員參與為原則，持續加強培育全員風控意識，提升各級人員的風控執行力。集團多渠道開展風控意識宣貫，充分運用微信群、電視滾動屏幕、網絡教育等平台，通過風控知識宣傳、風控工作簡報、經驗交流會等形式，多角度、多渠道、多層次的進行風控文化宣貫，充分營造集團內風控文化氛圍，促進員工風險意識不斷提高，為加快推進集團風控體系建設，促進體系常態化運行，進一步提升和規範集團經營管理活動起到積極推動作用。

After the process of risk assessment, the Group has identified six major risks and potential risks in the industry. By integrating them with the characteristics of the value chains in the food industry, and gaining an understanding of the potential impacts of the major risks on the Company's core processes and the logical relationship among them, the Group proactively pressed ahead with the comprehensive rectification of risk, specifically formulated and effectively implemented risk countermeasures, so as to fully support the healthy operation and development of the Group.

經過風險評估程序，集團識別出了六項重大風險以及行業潛在風險，結合食品行業的價值鏈特點，把握重大風險對公司核心流程的潛在影響和相互間的邏輯關係，積極推動風險綜合整治，有針對性地制定並高效執行風險應對措施，全面支撐集團平穩健康運營發展。



In respect of its risk exposures, the Group has designed and monitored the implementation of the following countermeasures through collation of business processes.

1. Market competition risk

In recent years, the food and beverage industry has shown steady growth. Due to an overwhelming number of market products and fragmented industry landscape, market competition continues to be intensified. If the Group fails to react timely to the increasing health awareness of consumers, lead the new trend of healthy diet or inject new momentum to the growth of mature brands, or is unable to strike a balance between the expansion of new channels and the maintenance of traditional channels or focus on increase in market share, or fails to respond to the overall changes in the market environment or implement reasonable resource allocation, it may lead to a decrease in the efficiency of the Group's management and operation and its resilience to risks, which may affect the Group's competitiveness in the market.

Countermeasures:

1) Upgrade of branded product lines and continuous development of new products:

The Group has been following its strategies on industry-oriented positioning and multi-brand strategy, so as to meet the needs of different consumer groups. In 2020, products under the Doubendou and Meibeichen brands performed well in household consumption industry. Flogurt plant yogurt, launched under the brand of Doubendou, features with the value of "threefold plant power and fat-free yogurt with good taste", with the purpose of meeting the new consumption demand for healthy nutrition in the market. Meibeichen launched new short shelf-life bread including raw toast, soft baguettes and others, providing consumers with fresh, delicious and diversified breakfast offerings with dozens of products in five series. With regard to snack food, Copico introduced a new hollow corrugated puffed snack named "Kayixia", which is quite popular among young consumers. Taking full advantage of the plant protein industry chain, the Group launched its latest milk tea product — SOYDO Soymilk Tea, which was highly regarded by consumers. In addition, the Group actively explored e-commerce business, selected competitive products to expedite its online setup, and used online promotion to attract offline consumption, realizing the synergy between traditional and new channels.

針對集團所面臨的風險，集團通過梳理業務流程，設計並監督執行以下應對措施：

1. 市場競爭風險

近年來，食品飲料行業呈現出穩步增長態勢，市場產品百花齊放，行業格局分散複雜，市場競爭持續加劇。若集團未能及時關注消費者日益提升的健康意識，引領健康飲食新風潮，為成熟品牌注入增長新動能，未能兼顧新渠道拓展和傳統渠道維護，著力提升市場份額，或未能順應市場環境整體變化，合理分配資源投入，可能導致集團管理營運效率降低，抗風險能力減弱，影響集團的市場競爭力。

應對措施：

1) 升級品牌產品線，實現新品持續開發：

集團始終堅持以產業定位品牌，實施多品牌戰略，滿足不同消費群體的需求。二零二零年，在家庭消費產業，豆本豆和美焙辰系列產品表現亮眼，豆本豆推出Flogurt植物酸奶，以「3重植物力量，酸奶好喝也要0負擔」的價值，滿足市場對於健康營養的新消費需求，美焙辰推出生吐司、軟法棍麵包等新品短保麵包，以五大系列幾十款產品為消費者提供新鮮、美味、多樣化的早餐選擇；在休閒食品產業，推出可比克空心波紋膨化小食「咔一下」全新產品，深受年輕消費群體喜愛；充分發揮植物蛋白產業鏈優勢，推出全新一代奶茶產品 — SOYDO豆乳茶，獲得消費者的高度評價。此外，集團積極開拓電商業務，甄選優勢產品加快線上佈局，以線上推介引流線下消費，實現傳統渠道與新渠道的協同發展。

2) **To enhance product awareness and influence by enriched marketing channels:**

In addition to carrying out regular marketing activities during holidays, the Group kept abreast of market trends and implemented multi-channel promotion with combination of online and offline platforms, which enabled an accurate grasp of market opportunities. Copico, as a sponsor of a rap music documentary titled *8 Miles to the Surface* (《地表8英里》), advocated a pleasant and healthy lifestyle and enhanced its interaction with general consumers. Hi-Tiger officially sponsored the 60-year anniversary celebration of the first Chinese team summitting Mount Everest in 2020, in order to spread its brand awareness and enhance the influence of its brand and products through various new media channels such as live streaming and short videos. Doubendou joined Tencent Video's TV series *Love Advanced Customization* (《幸福觸手可及》) by means of cinema and packaging advertising, and made use of media placement on PC and mobile platforms and OTT multi-screen casting, with an aim to reach out to multi-channel audience and enhance product awareness.

2) **豐富營銷渠道，提升產品知名度影響力：**

集團準確把握市場契機，在開展節假日常規營銷活動之外，緊跟市場流行趨勢，進行線上與線下相結合的多渠道覆蓋宣傳。可比克贊助說唱音樂記錄片《地表8英里》，倡導快樂健康的生活方式，增強品牌與廣大消費者的互動。樂虎官方贊助二零二零年紀念中國人首登珠峰60週年攀登活動，通過直播、短視頻等多種新媒體渠道，進行品牌形象傳播，增強品牌及產品影響力。豆本豆通過貼片廣告和包裝廣告等形式加入騰訊視頻電視劇《幸福觸手可及》，並採用PC端、移動端和OTT多屏通投的媒介投放，覆蓋多渠道觀眾，提升產品知名度。

3) **To pay attention to market dynamics and keep up with development trends:**

For offline product sales, the Group's market research specialists collected extensive information about domestic and international markets, cooperated with sizable market research institutions, as well as conducted site visits to shopping malls and large supermarkets, grocery stores and import supermarkets to grasp product trends, sales rankings and other information in a timely manner, so as to accurately position the Group's products and provide guarantees for newly launched products. For online product sales, the Group paid close attention to similar best-selling products on major e-commerce platforms, analyzed the selling points and special nutritional ingredients of best-selling products, compared the sales performance of its own new products with that of competing products, enhanced its market acumen, made timely adjustment to product marketing and promotion strategies, and reaped dividends from online market.

3) **關注市場動態，緊跟市場發展趨勢：**

針對線下銷售產品，集團市場調查專員通過廣泛收集國內外市場信息，與大型市場調研機構合作，實地走訪大型商超、便利店、進口超市等多種渠道，及時掌握產品流行趨勢、銷量排名等信息，準確定位集團產品，為新產品推出提供保障。針對線上銷售產品，集團實時關注各大電商平台同類熱銷單品，分析熱銷品的賣點爆點、特殊營養成分等，比較自身新品與競品銷量表現，提高市場敏銳度，及時調整產品營銷及推廣策略，收穫線上市場紅利。

2. Food safety risk

Food safety relates to the national economy and people's livelihood, and is of vital importance to the food and beverage industry. Food safety risk arise from the whole process of the Group's industry chain, and negligence in any part of the chain may lead to major food safety incidents. If the Group fails to exert effective control over the quality of raw materials purchased, production operation, quality inspection capability, food safety standards and other aspects, the products may not meet national and industry standards, which may lead to significant impacts such as customer complaints, product recalls, negative publicity and damage to the Group's interests and goodwill.

Countermeasures:

1) To continuously pass the food safety qualification certification:

In 2020, the Group continued to pass ISO9001 quality management system and ISO14001 environmental management system certifications, and obtained BRC Global Food Safety Standard System and HACCP Hazard Analysis and Critical Control Point System certifications on the basis of passing ISO22000 food safety management system certification. Its competency in food safety is fully recognized by the industry. In addition, the Group's testing center has continued to pass the re-evaluation for the laboratory accreditation certificate issued by China National Accreditation Service for Conformity Assessment (CNAS), and its capability in product quality inspection remains at a high standard.

2. 食品安全風險

食品安全關係國計民生，對食品飲料行業至關重要。食品安全風險貫穿集團產業鏈全流程，任一環節存在疏忽都可能引發重大食品安全事故。若集團未能對採購原料品質、生產操作流程、質量檢測能力、食品安全標準等方面進行有效管控，可能導致產品不符合國家及行業相關標準，進而造成客戶投訴、產品召回、媒體負面宣傳、集團利益和商譽受損等一系列的重大影響。

應對措施：

1) 持續獲得食品安全資質認證：

二零二零年，集團持續通過ISO9001質量管理體系、ISO14001環境管理體系的雙重認證，並在通過ISO22000食品安全管理體系認證的基礎上獲得BRC全球食品安全標準體系與HACCP危害分析與關鍵控制點體系的認證，在食品安全領域受到行業充分肯定。此外，集團檢測中心繼續通過中國合格評定國家認可委員會(CNAS)實驗室認可證書複評審，產品質量檢測能力持續保持較高水準。

2) **To establish a product quality control system:**

The Group always adheres to the concept of "quality first", and places food safety as the top priority for its sustainable and healthy development by integrating food safety and quality concepts into each of the work stages. The Group has built a sound closed-loop management system for product quality control, and effectively guarantees product quality and food safety through various measures such as on-site inspection of suppliers, multi-directional evaluation, inspection of incoming raw and auxiliary materials, monitoring of the entire production process, standardized evaluation of product quality, after-sales tracking service and regular return visits, as well as establishment of a sound recall mechanism for products in question. Meanwhile, the Group attaches importance to promoting ideas of food safety and quality management, and improves the quality awareness and operation level of employees through a three-tier training system, with an aim to achieve the goal of "quality for all employees and safety for all products".

2) **搭建產品質量監管體系：**

集團始終堅持「品質至上」的理念，將食品安全作為集團持續健康發展的重中之重，將食品安全與品質理念貫穿於各項工作環節中。集團搭建了完善的產品質量監管閉環管理體系，通過供應商實地考察、多方位評價引入，原輔材料入庫檢測、生產全流程監控、產品質量標準化評測、售後服務跟蹤及定期回訪、建立健全問題產品召回機制等一系列措施，有效保障產品品質和食品安全。同時，集團重視食品安全及質量管理理念的宣貫，通過三級培訓機制提高員工質量意識和生產操作水平，實現「全員質量，全品安全」的目標。

3) **Increased efforts in food safety and quality inspection:**

In 2020, the Group expanded its food safety center for conducting safety tests along the process of product development, production and market transformation, so as to make continuous improvement to its capabilities in food safety and quality inspection by upholding the concept of moving quality control to the front end. Currently, the Group has a strong quality control team of over 1,200 quality control personnel and technical experts with relevant professional backgrounds and technical skills. Moreover, the Group has in-depth cooperation with established professional institutions and colleges, which assists the Group in identifying and reducing food safety risks, as well as enhancing its overall capability and professionalism in safety and quality inspection. The Group's testing centers conduct random quality inspection for all the products according to the national testing standards on a regular basis. In 2020, a total of more than 2,000 internal and external random inspections were conducted, with a passing rate of 100%.

3) **加大食品安全質量檢測力度：**

二零二零年，集團擴建食品安全中心，對產品研發生產、市場轉化過程進行安全性檢測，秉持著將品質管控向前端移動的理念，持續提升食品安全質量檢測能力。目前，集團具備相關專業學歷和技術技能的品管人員及技術專家1,200餘名，擁有強大的品控團隊，集團還與大型專業機構及院校進行深度合作，協助集團排查並降低食品安全風險，增強集團整體安全質量檢測能力及專業性水平。集團檢測中心定期根據國家檢測標準對產品質量進行抽檢，二零二零年共計實施內外部抽檢2,000餘次，檢測合格率達100%。

3. Raw material price fluctuation risk

The prices of raw materials required for the Group's production were affected by the combination of global economic downturn under the impact of the pandemic, rising consumer index, exchange rate fluctuations, weather changes, natural disasters, market supply and demand, environmental protection requirements and other factors, resulting in increased uncertainty in the Group's production costs and its composition. If the Group fails to scientifically forecast and reasonably predict the price of raw materials based on the comprehensive analysis of macro-economy and price trends of raw materials, or lacks effective coping strategies in the event of unfavorable fluctuation of raw material prices, the Group's purchasing cost may increase, which may reduce the Group's operating efficiency.

Countermeasures:

1) **To reasonably forecast the price trend of raw materials and secure purchase price in advance:**

   At the beginning of each year, the procurement and supply operation center will analyze and forecast the current domestic and foreign economic situations and the price trend of all kinds of major raw materials, formulate annual procurement plan and submit the procurement budget to the finance department. The procurement plan and budget will be adjusted monthly according to the actual situation, which contribute to effective control of procurement cost. In addition, the procurement and supply operation center will, based on the historical market price, sign strategic contracts as needed and appropriate, so as to strike a balance between the price stipulated in strategic contracts and market price. Purchase contracts are also signed at lower prices to secure the prices of bulk purchases in advance and avoid economic losses to the Group due to price increases caused by unexpected events.

3. 原材料價格波動風險

集團生產所需原材料價格受疫情衝擊下的全球經濟下行、消費者指數上漲、匯率波動、天氣變化、自然災害、市場供需、環保要求等多因素共同影響，導致集團生產成本及其構成不確定性加強。若集團未能對宏觀經濟和原材料價格走勢進行全面分析，對原材料價格進行科學預測和合理預判，或在原材料價格發生不利波動時缺乏有效的應對策略，可能導致集團採購成本增加，降低集團運營效率。

應對措施：

1） **合理預判原料價格走勢，提前鎖定採購價格：**

   每年年初，採供運營中心針對當年國內外經濟形勢和各類主要原材料價格走勢進行分析預判，制定年度採購計劃，並向財務部門提交採購預算。每月，根據實際情況對採購計劃和預算進行調整，對採購成本進行有效管控。此外，採供運營中心結合歷史行情，按需適量簽訂戰略合同，平衡戰略協議價格與市場價格，並在價格低點簽訂採購合同，提前鎖定大宗物料價格，避免因突發事件導致價格上升而給集團帶來經濟損失。

2) **To maintain active cooperation with multiple suppliers and make proactive response to price fluctuations:**

Over the years, the Group has maintained close cooperation with multiple raw material suppliers, and regularly communicates with multiple suppliers on raw material costs, operation plans, quality of deliverables, payment terms and other information, which helps to fully compare the cost analysis of each supplier under the same quality and business conditions, identify the discrepancies between each of the cost analysis, and drive a bargain in price negotiation. Eventually, this enables the Group to select suppliers with reasonable pricing and reduce its production costs, thus strengthening the Group's control over raw material prices. Meanwhile, by establishing a partnership of mutual trust with multiple suppliers, the Group is able to ensure timely and steady access to raw material and negotiate with suppliers to determine the price of raw materials, so as to further reduce the impact of price fluctuations.

2) **主動保持多方供應商合作，積極應對價格波動：**

集團常年保持與多方原材料供貨商的密切合作，定期與多方供貨商就原材料成本、作業計劃、交付質量、付款條件等信息進行溝通，在同等品質與商務條件下，充分對比各供應商的成本分析，挖掘成本分析中的差異點，確定價格談判突破口，最終選擇價格合適的供貨商，降低集團製造成本，增強集團對原材料價格的把控。同時，通過與多方供貨商建立相互信任的合作夥伴關係，保障原料供給的及時性和穩定性，並可以與供貨商協商確定原材料價格，進一步降低價格波動影響。

3) **Significantly reduce the impact of price fluctuations by comprehensive use of diversified procurement methods:**

The Group makes comprehensive use of diversified purchasing methods, manages seasonal demand for raw materials in a meticulous manner, and adopts off-season purchasing methods according to production characteristics, thus effectively avoiding the risk of rising raw material prices due to concentrated market demand. Through reasonable forecasting of macroeconomic and market conditions and scientific analysis of price trend of raw materials, mid-to-long-term strategic purchase contracts are signed with suppliers of raw materials in the form of long-term spot price, which allows the Group to secure the prices in advance. By doing so, it leads to a reduction in uncertainty of purchase prices and effective control of purchasing costs, thus obtaining the relative advantages in terms of purchase prices in the market.

3) **綜合運用多元化採購方式，顯著降低價格波動影響：**

集團綜合運用多樣化的採購方式，對原材料季節性需求進行精細化管理，根據生產特性，採取反季節採購的方式，有效規避了原材料價格因市場需求集中而上漲的風險；通過對宏觀經濟和市場形勢進行合理預判，科學分析原材料價格走勢，與原材料供貨商簽訂中長期戰略採購合同，運用遠期點價的方式提前鎖定價格，減少採購價格的不確定性，有效控制採購成本，形成在市場中採購價格的相對優勢。

4. Brand reputation risk

Brand reputation is an important factor of building and maintaining corporate image, and are thus very important for increasing the influence of the brand, growing customer base and developing competitive edges. If the Group fails to take active measures to maintain and enhance its brand reputation, consumers' recognition and trust in its brand and products may be adversely affected, which is not conducive to the establishment of a positive overall image. In addition, if the Group fails to establish an emergency response mechanism for external crises such as counterfeit products and negative publicity, and make timely and effective responses, the Group's reputation may be damaged, which is detrimental to the long-term healthy, stable and sustainable development of the Group.

Countermeasures:

1) To enhance brand reputation by receiving domestic prestigious awards:

In 2020, the Group was named the "Top 50 Enterprises in PRC Soy Products Industry in 2020" by the Soy Products Professional Committee of China Food Industry Association. In addition, Doubendou cooperated with CCTV's new media and made appearance in the live streaming program of "Special Session of Anti-Poverty Fight in Shaanxi and Hubei (助力脫貧攻堅陝西湖北專場)", which was simulcast on platforms of CCTV news clients, CCTV video clients, CCTV news Weibo, Taobao, Pinduoduo and others. This fully demonstrates that the brand has been highly recognized by influential platforms in China, which in turn significantly improves general consumers' perception of the brand, drives forward upgrading of brand image and supports continuous enhancement of brand reputation.

4. 品牌聲譽風險

品牌聲譽是塑造和維護企業形象的重要因素，對擴大品牌影響力、培育消費人群和形成競爭優勢具有重大影響。若集團未能採取積極措施維護和提升品牌聲譽，消費者對品牌及其產品的認可度、信任度可能受到不利影響，不利於樹立良好的集團整體形象。此外，若集團未能對產品遭仿冒、負面輿情等外部危機事件建立應急響應機制並進行及時有效應對，可能導致集團聲譽受損，不利於集團長期健康、穩定、可持續發展。

應對措施：

1) 榮獲國內權威獎項，提升品牌形象：

二零二零年，集團榮獲中國食品工業協會豆製品專業委員會頒發的「2020年度中國豆製品行業品牌企業50強」。此外，豆本豆與央視新媒體合作，亮相「助力脫貧攻堅陝西湖北專場」直播間，並在央視新聞客戶端、央視視頻客戶端、央視新聞微博、淘寶、拼多多等多個平台同步開播，充分證明品牌已得到國內具有影響力平台的高度認可，顯著提升廣大消費者對於品牌的好感度，推動品牌形象塑造升級、品牌美譽度持續提升。

2) **Actively safeguard the interests of the Group by ongoing improvement in public opinion monitoring:**

The Group continues to improve its system for monitoring public opinion, and its internal departments jointly carry out real-time monitoring of information spreading on major social media platforms and mass media and dissemination channels. Meanwhile, it conducts ongoing tracking of contents in relation to the Group and its subsidiaries, competitors, consumer behavior, brand image and unexpected events, categorizes negative publicity into different levels, and make timely and proactive responses in order to maintain the brand image. Besides, in response of all kinds of counterfeit products in the market, the Group safeguards its legitimate interests by comprehensive use of official announcements, anti-counterfeit designs, on-site evidence collecting and litigations. In 2020, the Group won a number of cases on trademark infringement, thus successfully maintaining the brand image, effectively safeguarding the legitimate interests, and significantly enhancing the brand reputation of the Group.

2) **持續加強輿情監測，主動維護集團權益：**

集團持續完善輿情監測機制，集團內部聯合多部門實時關注各大社交平台及大眾媒體傳播渠道的動態資訊，對集團及各子公司、競爭對手、消費者行為、品牌形象、突發事件等內容進行持續追蹤，並將負面輿情按等級劃分，及時主動作出回應，積極維護品牌形象。此外，在面對市場上層出不窮的仿冒品時，集團綜合運用官方公告、防偽設計、實地取證及法律訴訟等方式，切實保障集團合法權益。二零二零年，集團在多起商標權侵害案件中獲得勝訴，成功維護集團品牌形象，有效保障集團合法權益，顯著提升集團品牌聲譽。

3) **To establish positive image by active fulfillment of social responsibilities:**

The Group has been actively committed to charity works and strived to fulfill its corporate social responsibilities. After the outbreak of COVID-19, our nationwide subsidiaries and partners donated supplies of more than RMB10 million to better equip front-line medical workers in the battle against the epidemic. In February, the Group further donated Doubendou soymilk in amount of over RMB10 million, with the hope of fighting against the pandemic with practical actions and concerted efforts. In addition, the Group has been actively and consecutively participating in various charity activities for more than ten years, by which our positive corporate image is established. In the 11th "Old-age Subsidy Presentation Ceremony of Dali Foods" held in January, the Group granted old-age subsidy of RMB10 million to elders in Huian County, with a goal of promoting the traditional virtue of respecting and caring the elderly; in 2020, Daleyuan produced a social issue film featuring left-behind children in conjunction with Fujian Children's Channel under the theme of "Daliyuan — Letting Dreams Set Sail, Love Reunited"; in August, the "Huian Educational Foundation by Xu Shihui of Dali Foods Group Company Limited" was merged into the "Liangliang Education Trust Association" of Huian County, granting RMB10 million as teaching and learning scholarships and student grant, with beneficiaries of nearly 3,000 teachers and students.

3) **積極履行社會責任，樹立集團良好形象：**

集團積極投身公益慈善事業，努力踐行企業社會責任。新冠肺炎疫情爆發後，各地子公司及合作夥伴向疫情一線捐贈價值超過1,000萬元的物資，助力一線醫護人員更好地投入抗擊疫情的戰役中。二月，集團再次捐贈價值1,000萬元的豆本豆豆奶，用實際行動譜寫同戰「疫」，共奮「豆」的時代樂章。此外，集團連續十餘年積極參與各類公益慈善活動，樹立良好、正面的企業形象。一月，第十一屆達利食品愛心敬老金發放儀式中，集團向惠安縣老年人發放敬老金1,000萬元，弘揚尊老敬老、愛心敬老的傳統美德；「達利園－夢想啓航讓愛團圓」二零二零年達利園關愛留守兒童公益活動公益專題片聯動福建少兒頻道，共同製作留守兒童專題片；八月，「達利集團許世輝惠安教育基金」併入「惠安縣亮亮教育基金會」，頒發獎教、獎學、助學金1,000萬元，獎勵資助近3,000名師生。

5. Consumer behavior change risk

As the social environment and living standards change over time, consumers' awareness on health issues have increased. Consumer groups are stratified in terms of consumption preferences while showcasing a stronger attraction towards customized and diversified products. In addition, the pandemic has affected the overall market environment, where more new consumption scenarios and driving forces have emerged. If the Group does not conduct in-depth research on consumer behavior or analyze the changing trends of consumption patterns as well as related driving forces for an accurate understanding of various consumer groups' different needs and preferences in product price, appearance, function and other aspects, it may reduce consumers' loyalty and purchase rate and weaken product market share, thereby affecting the overall revenue of the Group.

Countermeasures:

1) **To further explore product marketing channels and promote brand images:**

With an increasing number of consumers switching from traditional offline purchase to the modernized online platforms, the Group has enhanced its efforts in developing the e-commerce segment and achieved full coverage of the segment by including pastry, biscuit, puffed food and beverage products. It has also been growing a fanbase for the brands through cooperation with well-known KOLs (Key Opinion Leader) to improve brand influence. In 2020, the Group made efforts to reach consumers from various perspectives and angles by adopting a diversified set of promotional channels. For example, real-life claw machine games for Copico fresh-cut potato chips were launched at the atrium of Wanda Plaza to encourage consumer engagement and deliver a better customer experience; Doubendou cooperated with top streamers from various major e-commerce platforms for interactive marketing, strengthening brand images among end-users; Heqizheng conducted brand promotion campaigns at subway stations, and achieved a high level of exposure within a short time by a combination of innovative AR games and trending Weibo topics.

5. 消費者行為變化風險

伴隨社會環境和生活水平的變化，消費者的健康意識日益提升，並在消費偏好上形成分化，個性化和差異化產品表現出更強的吸引力。此外，整體市場環境受疫情影響，湧現出更多新的消費場景和消費動力。若集團未對消費者的消費行為進行深入研究，分析消費者行為變化趨勢及其驅動因素，準確把握不同消費群體對產品價格、外觀、功能等方面的不同需求及偏好，可能導致消費者對產品的忠誠度和購買率降低，產品市場佔有率下降，影響集團整體收益。

應對措施：

1) **精耕產品營銷渠道，助力品牌形象推廣：**

伴隨越來越多的消費者從傳統線下採購轉為現代化線上消費，集團加大電商板塊的營銷佈局，實現糕點、餅乾、膨化食品和飲料等品類產品在電商板塊的全覆蓋，並通過與知名KOL (Key Opinion Leader)合作，培養品牌粉絲群體，擴大品牌影響力。二零二零年，集團致力於通過立體化的傳播形式，多角度、全方位觸及消費者，可比克純切薯片在萬達廣場中庭推出真人娃娃機互動遊戲，提升消費者參與體驗感；豆本豆聯動各大電商平台頭部主播開展互動，加強品牌終端形象建立；和其正將品牌調性融入地鐵站進行宣傳，通過創新AR玩法，結合微博熱門話題進行推送，短時間內取得較高的話題度。

2) **Upgrade and innovate product positioning to strengthen the original growth engine of sales:**

The overwhelming outbreak of COVID-19 in 2020 caught the world unprepared, urging consumers to raise concern over food nutrition and health. The Group underwent a comprehensive upgrading for all product lines to inject new impetus into product sales growth through measures such as upgrading brand positioning, developing new products and optimizing quality. In 2020, the Group optimized and upgraded our brand positioning of Doubendou, which shifted from "Enriching nutrient with technology" to "Focusing on plant nutrient", and continuously stepped up efforts on our plant-based protein series, where soy milk by-product such as plant-based yogurt was launched with a very strong identification and competitiveness compared to similar products to fully capitalize on our advantages in the industrial chain. Bread under our Meibeichen brand continued to be positioned as "Fresh breakfast with plenty choices" and adhered to the brand concept of being "Fresh, Delicious and Diversified", to cater for the changing needs of modern consumers for bread products in different consumption scenarios with a large variety of freshly-baked nutritious short shelf-life bread. Stemming from our product philosophy of "Minimizing additives and maximizing nutrition", Beiyouxing led the snacks market for children with its increasingly healthy and innovative flavor. Daliyuan launched three types of cakes with luxurious texture, rich nutrients and improved healthy component that meet various needs of consumers for ingredients, flavor and color. We added a new hollow corrugated puffy snack "Crisp Chips (咔一下)" under the Copico series to satisfy younger consumers' pursuit for texture. A new bottle packaging with ancient text printed thereon is on the way to its debut to enter the consumer market of the Z Generation group utilizing innovative AR technology.

2) **升級創新產品定位，提升銷量增長原生動力：**

二零二零年，突如其來的疫情使消費者更加關注食品營養與健康。集團全面升級各大產品線，通過定位升級、新品開發、質量優化等措施，為產品銷量增長注入新動能。二零二零年，集團對豆本豆的品牌定位進行優化升級，從「科技造就好營養」調整為「專注植物營養」，並在植物蛋白系列持續發力，推出植物酸奶等豆奶衍生產品，充分發揮產業鏈優勢，在同類產品中擁有極強的辨識度和競爭力；美焙辰麵包堅持以「早餐花樣鮮」作為品牌定位，持續秉持「新鮮、美味、多樣」的品牌理念，通過新鮮營養、品種豐富的短保麵包滿足現代消費者對於麵包產品在不同消費情境下日趨升級的多樣化需求；貝優星立足於「少一些添加，多一些營養」的產品理念，以更健康的成分和全新的口味成為兒童零食市場的領軍品牌；達利園推出口感佳、營養豐富、健康加倍的三款糕點，滿足消費者對於食材、口味、顏值的多種需求；可比克系列新增空心波紋膨化小食「咔一下」，滿足年輕消費群體對於口感的追求；和其正推出古文瓶包裝，通過創新AR玩法融入Z世代消費群體。

3) **To analyze consumer behavior through scientific methodologies and achieve innovation and evolution of product R&D:**

At the stage of new product research and development, the Group obtains information on market trends, consumer behavior and new product competitors through various channels, and analyzes consumer behavior based on data to stay ahead of changes in consumer demands in the market; and combined with the existing strengths and experiences of the industry chain, the Group conducts internal assessment to accurately position its target consumer groups and brands, so as to determine the direction of new product design and development. The Group collects domestic and international market data through market research specialists and tracks product market trends; uses its e-commerce platform database to track the sales of new competitive products, focusing on new product selling points, promotional highlights, product ingredients, nutrients, etc.; conducts in-depth research on various sub-segments through supplier networks and regular visits to supermarkets and grocery stores; and extensively collects consumer information.

3) **科學分析消費者行為，實現產品研發求新求變：**

在新產品研發階段，集團從多種渠道獲取關於市場趨勢、消費者行為、新品競品等信息，通過數據分析消費行為，第一時間感知市場消費者需求變動，並結合現有產業鏈優勢及經驗，開展集團內部評估，對目標消費群體及品牌進行精準定位，確定新產品設計研發方向。集團通過市場調查專員收集國內外市場信息，跟蹤產品市場流行趨勢；運用電商平台數據庫追蹤新品競品銷售情況，重點關注新品賣點、宣傳點、產品配料、營養素等內容；通過供貨商網絡及超市、便利店等定期走訪，對各細分領域進行深入研究，廣泛收集消費者信息。

6. Macro-economics and politics risk

The food and beverage industry is subject to macro-economic and political changes. If the Group fails to keep up with the changes in policies and regulations and the adjustment of industry standards and optimize the Group's operation and management in a timely manner, decisions made by the Group may become inappropriate and have adverse effects on the Group's operation. In addition, under the influences of external uncertainties, such as the continuous spreading of the pandemic overseas and the aggravation of geo-political risks, and increasingly intensified market competition as well as RMB exchange rate fluctuation, the growth of the Group's product sales and income may be negatively impacted.

6. 宏觀經濟政治風險

食品飲料行業受宏觀經濟政治變化影響。若集團未能緊跟政策法規變化和行業標準調整，及時對集團經營管理進行優化，可能導致集團決策不合理，對集團經營造成不利影響。此外，受國外疫情持續蔓延、地緣政治風險加劇，外部環境不確定因素，市場競爭日趨加劇以及人民幣匯率波動等消極事件影響，可能導致集團產品銷售和收入增長受到負面衝擊。

Countermeasures:

1) **To pay close attention to changes in policies and regulations and actively seek policy support and incentives:**

The Group pays close attention to and regularly reviews newly implemented policies and regulations and revises its corporate system and workflow in a timely manner according to the new policy and regulation guidelines to ensure functional and orderly internal operation of the Group. During the pandemic, the Group has received strong support from the local government and obtained the certificate of enterprise qualification for livelihood protection issued by the provincial department of commerce, thus smoothly solving the issue of product transportation. The Group carefully studied and reasonably utilized various supporting policies during the pandemic, and has enjoyed several preferential treatments, including incentives for electricity consumption increment, social insurance remission and price reduction for electricity and gas. The Group was also selected as one of the enterprises listed in the "Ten Thousand" Production and Efficiency Enhancement Action Plan for Top Three Industries (一二三產業「百千」增產增效行動方案) in Fujian Province. The Group has actively responded to the central and local governments' call for corporate innovation and has sought special funding support from the central government to enhance its core competitiveness in manufacturing as well as industrial technology transformation.

2) **To actively participate in the formulation of industry standards and vigorously promote healthy industry development:**

The Group is an important member and governing entity of the China National Food Industry Association, and actively participates in the formulation of national food safety standards. It is also aware of policy changes in the national food and beverage industry at an early stage. In 2020, the Group participated in the development of GB7099 national food safety standard, GB/T22699 general principle of puffed food quality and revision of GB/T38404-2020 standard for hot filling and capping machine for fruit and vegetable juice and beverages containing pellets. Through promoting standardization and systematization of the food industry and by establishing sound cooperative relationships with other standardization institutions in the industry, the Group has been fostering healthy, steady and sustainable development of the food industry.

應對措施：

1) **密切關注政策法規變化，主動爭取政策扶持優惠：**

集團密切關注並定期梳理新實施的政策法規，根據政策法規新導向及時修訂公司制度及工作流程，保障集團內部正常有序運轉。疫情期間，集團得到當地政府的有力扶持，獲得省商務廳出具的民生保供企業資質證明，順利解決產品運輸問題；集團認真研究並合理運用疫情期間的各項扶持政策，享受到用電增量獎勵、社會保險減免和用電用氣降價等多項優惠；集團還入選福建省一二三產業「百千」增產增效行動方案企業名單。集團積極響應中央及地方政府對企業創新建設的號召，爭取中央預算內增強製造核心競爭力、工業技術改造等專項資金扶持。

2) **積極參與行業標準制定，大力推動行業健康發展：**

集團是中國食品工業協會的重要成員、理事單位，積極參與食品安全國家標準的制定，較早知曉國家食品飲料行業的政策變化。二零二零年，集團參與了GB7099食品安全國家標準的制定、GB/T22699膨化食品質量通則及GB/T38404–2020果蔬汁、含顆粒飲料熱灌裝封蓋機標準的修訂，通過推動食品行業的規範化、制度化建設，與同行業其他標準化機構建立起良好的合作關係，推動食品行業健康、穩定、持續發展。

3) **To establish an emergency response mechanism in time to effectively solve public health crisis:**

During the first half of 2020, the unexpected outbreak of the pandemic forced enterprises to suspend operation and production and resulted in the disruption of supply chains and closure of certain outlet stores, while the daily operation of the Group was also affected to some extent. The Group actively responded to national policies on epidemic prevention and control and formulated emergency plans against the pandemic. It arranged for resumption of work and production in an orderly manner under the premise of ensuring safety while providing sufficient epidemic prevention supplies to protect employees' health and safety and to ensure operation security. In the meantime, the Group was able to maintain its profit margin by reasonably deploying resources and improving management efficiency and succeeded in sustaining stable cash flows amidst this special time, thus strengthening its risk resistance capability.

3) **及時建立應急處理機制，有效化解公共衛生危機：**

二零二零年上半年度，突如其來的疫情導致企業停工停產、供應鏈中斷以及部分終端門店被迫關閉，集團的正常運營受到一定影響。集團積極響應國家疫情防控的相關政策，制定針對疫情的應急處置預案，在確保安全的前提下有序組織復工復產，並保證防疫物資供應充足，切實保障員工身體健康安全和經營安全。同時，集團通過合理投入資源和提升管理營運效率，成功維持利潤率水平，並在特殊時期保持穩定的現金流，強化自身的抗風險能力。

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS REVIEW OF 2020

The Internal Audit Division, in accordance with the annual audit plan approved by the Audit Committee in 2020, carried out independent review on the effectiveness of the Group's risk management and major internal control, covering financial control, operational control and compliance control. The Internal Audit Division reported the audit results to the Audit Committee and the Board of Directors, recommended rectification measures and exchanged views with the management and took follow-up actions to ensure that the management has put such rectification measures into practice.

The Audit Committee scrutinizes and approves the review results and comments from the Internal Audit Division regarding the effectiveness of the Group's internal control system and the risk management system on a regular basis and reports major events to the Board of Directors.

As of December 31, 2020, the Board of Directors and the Audit Committee have conducted a review on the effectiveness of the Group's risk management and internal control systems, including adequacy of resources, employees' qualification and experience, training programs and budgets of the Group's accounting and financial reporting functions. The Board of Directors is of the view that there is no material deficiency in the Group's risk management and internal control systems in terms of integrity, rationality and validity.

2020年風險與內部監控體系檢討

根據二零二零年審核委員會批准的年度審計計劃，內審部對本集團風險管理及重大內部監控(包括財務監控、營運監控及合規監控)的成效進行了獨立檢討。內審部向審核委員會及董事會匯報結果，提出建議的整改措施與管理層交流意見，並負責跟進以確認管理層已落實整改措施。

審核委員會定期審閱由內審部就本集團內部監控系統及風險管理的有效性而作出的檢討結果及意見，並向董事會匯報任何重大事項。

截至二零二零年十二月三十一日，董事會與審核委員會已對本集團風險管理及內部監控系統的成效進行了檢討，包括本集團會計及財務申報職能的資源充足性、員工資格及經驗、培訓計劃及預算。董事會認為本集團風險管理及內部監控系統在完整性、合理性及有效性方面無重大缺陷。

ABOUT THE REPORT

Overview

The report is the fifth annual Environmental, Social and Governance (hereinafter referred to as "ESG") Report issued by Dali Foods Group Company Limited (hereinafter referred to as "Dali" or the "Company", together with its subsidiaries "We" or the "Group") which mainly discloses the Group's performance on ESG. The report covers work for the financial year from 1 January 2020 to 31 December 2020 (the "reporting period").

Preparation Basis

The report was prepared in accordance with the revised *Environmental, Social and Governance Reporting Guide* published in December 2015 as set out in Appendix 27 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The report contents are determined according to a set of systematic programs and relevant procedures include: identification and prioritization of important stakeholders, identification and prioritization of ESG related important topics, determination of boundary of ESG report, collection of relevant materials and data, preparation of report according to the data, verification of data in report, etc.

Scope and Boundary Of The Report

Unless specially stated, the policies, statements and data in the report basically cover the Group's headquarters and subsidiaries while certain information on community is related to "Liangliang Education Trust Association" of Huian County. The currency used in the report is RMB.

Data Source and Reliability Assurance

The data and cases of the report are mainly from the statistics report and related documents of the Group. The Group undertakes that there is no false record or misleading statement in the report, and we shall be liable for the authenticity, accuracy and completeness of the report.

Confirmation and Approval

As confirmed by the management, the report was approved by the board of directors on March 29, 2021.

關於本報告

概覽

本報告是達利食品集團有限公司(於本報告提述為「達利」或「本公司」，連同其附屬公司統稱為「我們」或「本集團」)發佈的第五份環境、社會及管治(以下簡稱「ESG」)年度報告，重點披露本集團在ESG方面的表現。本報告涵蓋二零二零年一月一日至二零二零年十二月三十一日財務年度(「報告期」)的工作。

編製依據

本報告編製遵循香港聯合交易所有限公司(以下簡稱「聯交所」)上市規則附錄二十七所載的於二零一五年十二月公佈經修訂的《環境、社會及管治報告指引》進行編製。

本報告內容是按照一套程式而釐定的。有關程序包括：識別和排列重要的權益人、識別和排列ESG相關重要議題、決定ESG報告的界限、收集相關材料和數據、根據資料編製報告以及對報告中的資料進行檢視等。

報告範圍及邊界

除特殊說明之外，本報告中的政策、聲明、數據等覆蓋本集團總部和附屬公司，其中部分社區信息涉及惠安縣亮亮教育基金會。本報告財務數據所涉及的幣種均為人民幣。

資料來源及可靠性保證

本報告的資料和案例主要來源於本集團統計報告和相關文檔。本集團承諾本報告不存在任何虛假記載、誤導性陳述，並對其內容真實性、準確性和完整性負責。

確認及批准

本報告經管理層確認後，於二零二一年三月二十九日獲董事會通過。

METICULOUS GOVERNANCE AND SUSTAINABLE DEVELOPMENT

The Group has always upheld the corporate ideal of "Creating Quality with Heart" by incorporating sustainable development into our corporate development strategy and committing to providing reliable healthy food, beverage and family consumer mode for numerous households. We continue to create wonderful quality of life for consumers and join hands with our partners in the mutual pursuit of good health and a wonderful life.

ESG Governance

The Group continues to improve the organization and working mechanism of ESG and commits to applying ESG requirements to the comprehensive process of our business operation and turning our responsible operation ideals as a corporate as well as our undertakings to stakeholders into practice. By way of setting up ESG governance structure comprised of the Board, Audit Committee and ESG Working Group, we ensure the ongoing and effective implementation of our ESG management measures. In the future, we will continue to deepen the involvement of the Board in respect of the ESG risk evaluation and management process, in order to keep enhancing the scientific and systematic development of our ESG management.

精心管治，持續發展

本集團始終秉承「用心創品質」的企業理念，將可持續發展融入企業發展戰略中，致力於為更多家庭提供值得信賴的健康食品、飲料及家庭消費模式，不斷為消費者締造美好生活品質，攜手各方伙伴共享健康、奔赴美好生活。

ESG管治

本集團不斷完善ESG組織架構和工作機制，致力於將ESG管理要求貫徹到業務運營的全過程，努力將企業的責任運營理念和對各權益人的承諾轉化為具體行動。我們通過設立由董事會、審核委員會、ESG工作小組構成的ESG治理架構，保障集團ESG管理工作的持續有效開展。未來我們將不斷推進董事會深度參與ESG風險評估與管理流程，不斷提升ESG管理的科學化、體系化。

The Board 董事會

- The Board is responsible for the evaluation, determination and management of ESG risks
  董事會負責評估，釐定並管理ESG風險
- Ensure the Group has set up appropriate and effective ESG management and internal control system
  確保集團設立合適有效的ESG管理及內部監控系統
- Review and approve ESG policies and report
  審批ESG政策及報告

Audit Committee 審核委員會

- Monitor the ESG matters of the Company
  監管本公司環境、社會及管治事宜
- Suggest ESG strategies to the Company and identify material ESG risks and ESG opportunities
  建議本公司ESG策略，以及識別重大ESG風險及機遇
- Approve and review the ESG related policies
  批准及檢討ESG相關的政策
- Review the annual ESG report of the Company, make appropriate disclosure of the ESG risks encountered by the Group, the measures taken and the progress in achieving the objectives, and recommend the Board to approve the ESG report
  審閱本公司的年度ESG報告，適當披露本集團所面對的ESG風險、已採取的措施及達成目標的進度，並建議董事會通過ESG報告

ESG Working Group ESG工作小組

- Responsible for daily ESG follow ups
  負責日常ESG事宜的推進
- Report regularly to ESG implementation committee
  定期向ESG執行委員會匯報

Communication With Stakeholders

We are fully aware that the long-term momentum of our sustainable development lies in striding ahead with our stakeholders. We attach great importance to the communication with stakeholders by learning the demands, opinions and suggestions from different parties and integrating the focus of stakeholders into the operational and decision-making procedure of the Group, and hence continuing to pursue the mutual value maximization among us and our stakeholders. During the reporting period, the major stakeholders who are closely related to the Group that we identified including shareholders/investors, government departments, suppliers, staff, community/organizations/NGOs, Medias, as well as customers.

權益人溝通

我們深知同各權益人攜手共進是驅動公司可持續發展的長遠動力。我們高度重視權益人的溝通，全方位了解各方訴求、意見和建議，將權益人以及關注點融入本集團的運營和決策過程，不斷追求與各權益人共同價值的最大化。報告期內，我們識別出對本集團關係密切的主要權益人包括股東／投資者、政府部門、供應商、員工、社區人士／組織／非政府組織、媒體和消費者。

The following table sets forth issues of concern from different groups of stakeholders during the reporting period:

下表列出報告期內主要權益人組別所關注的議題：

Groups of stakeholders 權益人組別	Issues of concern 關注的主要議題	Communication channels/ Feedback form 溝通渠道／反饋方式	Frequency/Number of times 頻率／次數
Shareholders/ Investors	Operation Results Pandemic Response Food Safety Green Production Climate Change Risks	— General Meeting — Investors Telephone Conference — Investors Conference — Result Announcements Meeting — Press Release/Announcement — Online Reverse Roadshow — Mail Communication	General Meeting is held once a year; Investors Conference and Telephone Conference are held irregularly
股東／投資者	經營業績 疫情應對 食品安全 綠色生產 氣候變化風險	— 股東大會 — 投資者電話號 — 投資者見面會 — 業績發佈會 — 新聞稿／公告 — 線上反向路演 — 郵件溝通	股東大會每年舉行一次；投資者見面會及電話會不定期舉行
Government Departments	Food Safety Green Production Operation Compliance	— On-site Research and Investigation — Meeting	Irregular
政府部門	食品安全 綠色生產 合規經營	— 現場調研 — 會談	不定期
Suppliers	Supply Chain Management Food Safety	— On-site Research and Investigation — Supplier Assessment	Irregular Regular
供應商	供應鏈管理 食品安全	— 現場調研 — 供應商考核	不定期 定期

Groups of stakeholders 權益人組別	Issues of concern 關注的主要議題	Communication channels/ Feedback form 溝通渠道／反饋方式	Frequency/Number of times 頻率／次數
Staff **員工**	Employee's Rights Remuneration and Benefits 員工權益 薪酬福利	— Staff Interviews — Internal Email/hotline — Internal WeChat Public Account — Employee Satisfaction Survey — Employee Complaint QR Code — 員工面談 — 內部電郵／熱線 — 內部微信公眾號 — 員工滿意度調查 — 員工投訴二維碼	Irregular 不定期
Community/ Organizations/ NGOs **社區人士／組織／非政府組織**	Green Production Food Safety 綠色生產 食品安全	— On-site Research and Investigation — Meeting — 現場調研 — 會談	Irregular 不定期
Media **媒體**	Food Safety Product Tracing 食品安全 產品追溯	— Press Release/Announcement — Interview — Meeting — 新聞稿／公告 — 採訪 — 會議	Irregular 不定期
Consumers **消費者**	Food Safety Food Nutrition and Health 食品安全 食品營養與健康	— Online Promotion and Release — Offline Promotion — Contact Through Telephone/Email — WeChat/Weibo — Questionnaire — Symposium — 線上推廣發佈 — 線下推廣活動 — 電話／電子郵件 — 微信／微博 — 問卷 — 座談會	Irregular 不定期

Material Issues Analysis

In 2020, we have identified a list of potential material issues considering the Group's business development, industry policy trends, media reports and ESG regulatory requirements, and have integrated the opinions and expectations of various stakeholders into our ESG management strategy and policy formulation through interviews. By conducting a material analysis on each identified issue, we have developed a matrix for material issue of the Year.

重大性議題分析

二零二零年，我們結合本集團業務發展情況、行業政策趨勢、媒體報道、ESG監管要求等識別出潛在重大性議題清單，並通過訪談工作將各權益人的意見及期望與ESG管理戰略及政策制定相融合，對識別出的各議題進行重大性議題分析，分析得出本年度的重大性議題矩陣。

Assessment process of material issues 重大性議題評估過程

Identify potential material issues 潛在重要議題識別

To examine the media analysis, industry benchmarking analysis and reviews on other relevant documents, we could identify the potential material issues which reflect the economic, environment and social impact brought by the Group's business, or affect the stakeholders' evaluations and decision making on the Group.
我們通過媒體分析、同行對標分析及其他相關文件檢閱，識別能夠反映本集團業務產生的經濟、環境和社會影響，或影響權益人對本集團評估和決策的潛在重要議題。

Prioritize potential material issues 潛在重要議題排序

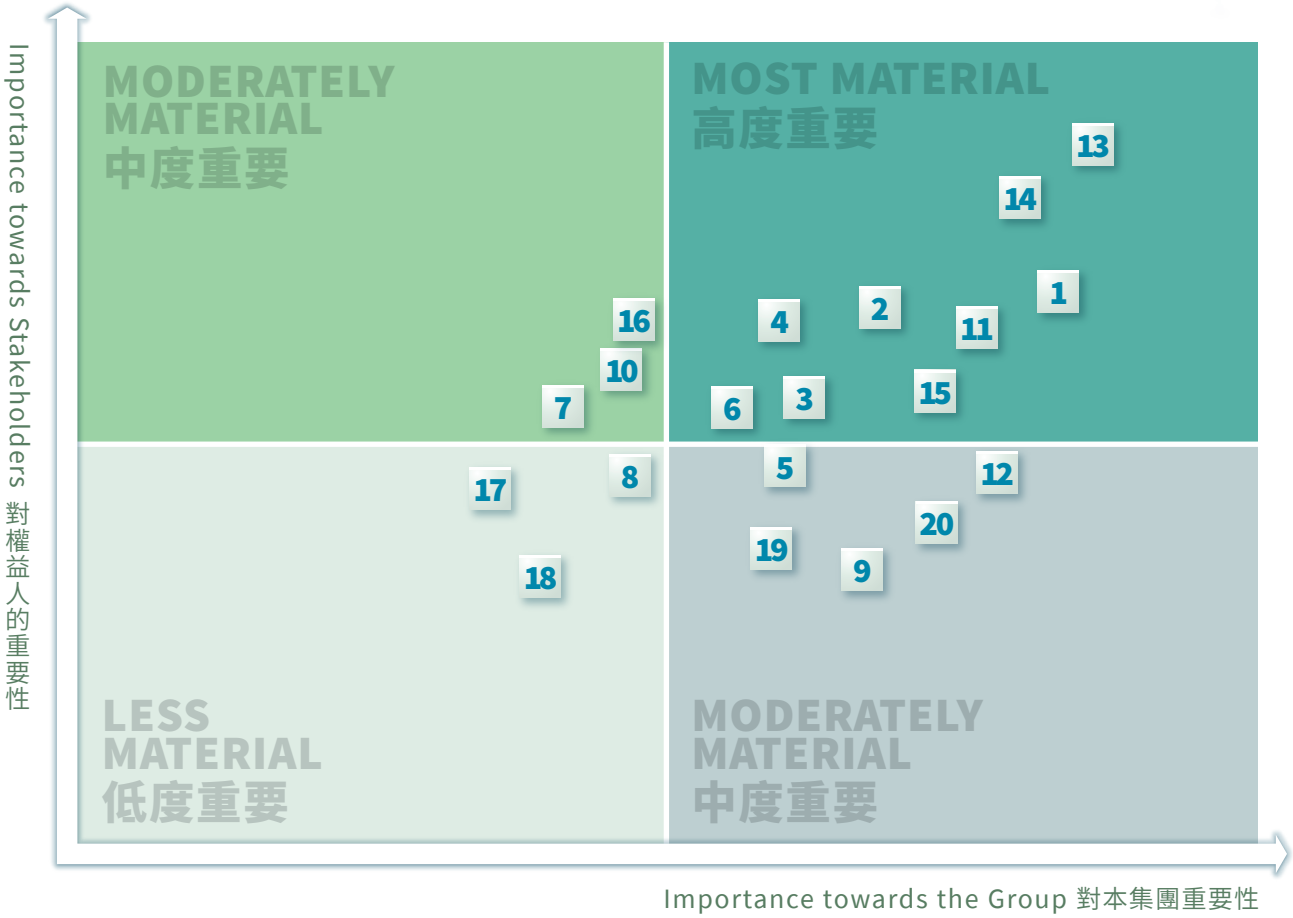
To conduct comprehensive and in-depth interviews, learn the priority issues of concerns for each stakeholder, review the potential material issues again and prioritize them based on the influence on both the Group's ESG development and the stakeholders, resulting in the formation of a matrix of issues.
開展全面深入的訪談，了解各權益人所關注的優先議題，重新審閱潛在重要議題，並根據對本集團ESG發展影響和對權益人影響兩個方面進行排序，形成議題矩陣。

Prioritize potential material issues 總結及反饋

To examine whether the report content provides a reasonable description of the Group's impact and ESG performance and whether the process for preparing the report content reflects the intent of the reporting principles and invite input from stakeholders.
檢查報告內容是否提供了關於本集團的影響和ESG表現的合理描述，以及編製報告內容的流程是否反映了報告原則的意圖，並邀請各權益人提供意見。

During the reporting period, we have adjusted the importance of issues such as pollutant management, carbon footprint, packaging material management, employee care and customer privacy based on the assessment of the material issues for 2019 and according to the operation characteristics of the Group and priority of concerns of stakeholders, thus developing 9 most material, 8 moderately material and 3 less material ESG issues for the Year. Such issues constitute a significant part of the content of this report, in which we will disclose relevant management initiatives in detail.

報告期內，我們在二零一九年重大性議題評估的基礎上，根據本集團運營特點以及權益人關注重點，對污染物管理、碳足跡、包裝材料管理、員工關愛、客戶隱私等議題的重要性進行了調整，以此形成了本年度的9項高度重要ESG議題，8項中度重要ESG議題，以及3項低度重要ESG議題，這些議題構成本報告內容的重點部分，我們將會在本報告內詳細披露相關的管理舉措。



1 **Integrity 誠信廉潔**

2 **Water resources management 水資源管理**

3 **Pollutant management 污染物管理**

4 **Carbon footprint 碳足跡**

5 Packaging material management 包裝材料管理

6 **Employee rights 員工權益**

7 Employee salary and benefits 員工薪酬與福利

8 Employee development and training 員工發展與培訓

9 Employee care 員工關愛

10 Occupational health and safety 職業健康與安全

11 **Supply chain management 供應鏈管理**

12 Product innovation 產品創新

13 **Food safety 食品安全**

14 **Food nutrition and health 食品營養與健康**

15 **Intellectual property rights 知識產權**

16 Product tracing 產品追溯

17 Customer communication and service 客戶溝通與服務

18 Customer privacy 客戶隱私

19 Social participation 社區參與

20 Public welfare and charity 公益慈善

Integrity and Compliance

Legal and compliant operation and adherence to business ethics are the foundation of an enterprise's development. The Group always sticks to business ethics and strives to build a standardized, compliant, transparent and healthy development model in its business operation activities. We strictly abide by the relevant laws and regulations including but not limited to the *Company Law of the People's Republic of China,* the *Anti-Unfair Competition Law of the People's Republic of China,* the *Basic Standards for Corporate Internal Control* and the *Interim Rules on Prohibition of Commercial Bribery*, as well as formulated internally a number of standards including the *Anti-fraud Management Rules*, so as to proactively facilitate a comprehensive compliance management system. During the reporting period, we have organized compliance interpretation training activities in the context of the latest domestic and international laws and regulations for frontline business personnel, which have covered 120 people in aggregate and enhanced the business credibility of the Group.

Integrity enhancement is the basis of corporate wellness and orderly production operation. The Group has actively created an impartial and honest business environment and resolved to eradicate any form of corruption and bribery. We have established a permanent anti-fraud body and performed integrity inspection work in the Group based on the sessions of prevention in advance, investigation during the event and afterward disposal, ensuring the healthy development of the Company. During the reporting period, the Group did not have any corruption lawsuit cases.

In addition, we pay extra emphasis on the privacy protection of whistleblowers. All reported information is received and managed by a limited number of specialists and transferred to the investigation department, and no information about whistleblowers would be involved in all investigations, so as to ensure that no staff or stakeholders will receive unfair treatment due to reporting corrupt practices. Besides, we made efforts in driving the development of our integrity culture within the Group. During the reporting period, we organized a number of integrity training sessions with number of trained staff reaching 1,128 and training hours totaling at 2,888.

廉潔合規

守法合規經營和遵守商業道德是企業發展的基石。本集團在業務經營活動中，始終恪守商業道德，努力打造規範、合規、透明、健康的發展模式。我們嚴格遵守《中華人民共和國公司法》《中華人民共和國反不正當競爭法》《企業內部控制基本規範》《關於禁止商業賄賂行為的暫行規定》等法律法規，並在內部制定了包括《反舞弊管理制度》在內的多項規範性文件，積極推動完善的合規管理制度體系。報告期內，我們結合國內外最新的法律法規，組織直接業務人員開展合規解讀培訓活動，共計覆蓋120人，積極提升本集團的商業可信賴水平。

廉潔建設是保障企業健康、有序生產經營的基礎。本集團積極營造公正廉潔的商業環境，堅決杜絕任何形式的腐敗及賄賂行為。我們設立了反舞弊工作常設機構，依照事前預防、事中調查和事後處理的環節開展集團廉潔督察工作，確保企業健康發展。報告期內，本集團未發生貪污腐敗訴訟案件。

此外，我們尤為注重對舉報人的隱私保護，所有舉報信息由限定專人接收跟管理反饋到調查部門，在所有調查中不會涉及到舉報人的任何信息以確保所有員工或各權益人不會因舉報腐敗行為而受到任何不公正的待遇。此外，我們努力推動集團誠信廉潔文化建設，報告期內，我們組織多場誠信廉潔培訓活動，累計受訓1,128人次，總受訓時長2,888小時。

Honorary Award

The Group strives to deepen the integration of our business and social responsibility by combining our corporate value with social technology innovation and civil health upgrade. In 2020, we received accreditation and recognition from various sectors of the society, including the government, industry, and media:

榮譽獎項

本集團堅持將企業價值同社會技術創新、民生健康升級相結合，不斷深化公司業務與社會責任的融合。二零二零年，我們獲得了來自政府、行業、媒體等社會各界多項認可及肯定：

Some honorary achievements in 2020

二零二零年所獲部分榮譽獎項

Ranked among the China Top 500 Private Enterprises of the Manufacturing Industry
中國製造業民營企業500強

- All-China Federation of Industry and Commerce
  中華全國工商業聯合會

Ranked among the China Top 500 Private Enterprises
中國民營企業500強

- All-China Federation of Industry and Commerce
  中華全國工商業聯合會

Elected as the vice president unit of the first session of CFBB under China Beverage Industry Association (Tenure of five years)
當選為中國飲料工業協會功能飲料分會第一屆副會長單位(任期五年)

- China Beverage Industry Association CFBB under China Beverage Industry Association
  中國飲料工業協會功能飲料分會

2020 Top 100 Fujian Manufacturing Enterprises
2020年福建製造業企業100強

- Fujian Province Enterprise and Entrepreneur Union
  福建省企業與企業家聯合會
- Fujian Broadcasting and Television Group
  福建廣播影視集團
- Fujian Province College of Social Science
  福建省社會科學院

2020 Top 50 Private Enterprises of the Manufacturing Industry in Fujian Province
2020年福建省民營企業製造業50強

- Fujian Province Federation of Industryand Commerce
  福建省工商業聯合會

2020 Top 100 Private Enterprises in Fujian Province
2020年福建省民營企業100強

- Fujian Province Federation of Industry and Commerce
  福建省工商業聯合會

Shanghai Adream Charitable Foundation Ideal Dream Partner
上海真愛夢想公益基金夢想合夥人

- Shanghai Adream Charitable Foundation
  上海真愛夢想公益基金

2020 Fujian Province Food Industry Pioneer Enterprise in the Fight against COVID-19
2020年福建省食品行業抗擊新冠疫情突出貢獻企業

- Fujian Province Food Industry Association
  福建省食品工業協會

2020 Top 100 Fujian Enterprises
2020年福建企業100強

- Fujian Province Enterprise and Entrepreneur Union
  福建省企業與企業家聯合會
- Fujian Broadcasting and Television Group
  福建廣播影視集團
- Fujian Province College of Social Science
  福建省社會科學院

CRAFTED QUALITY, ATTENTIVE SERVICE

We strive to provide healthy, nutritious and safe products to consumers. Based on our corporate philosophy of "Creating Quality with Heart", we are committed to ensuring food quality and safety, innovating and developing healthier and more nutritious products to meet consumers' needs for a healthy diet and enhance consumer experience, and working with our supplier partners to fulfil our responsibilities to protect the safety of our customers' food intake.

Food Quality and Safety

Quality control mechanism

We believe that the safety and health of consumers are of paramount importance, hence we strictly comply with the *Food Safety Law of the People's Republic of China,* the *Product Quality Law of the People's Republic of China,* the *Regulations on the Implementation of the Food Safety Law of the People's Republic of China* and other relevant laws and regulations. We have put in place a quality control policy which follows the principle of "being conscious at the outset, gaining control of the source, having attention to detail, placing focus on the process, conducting inspection as safeguard, and striving to ensure safety", as well as a quality management system which follows the four principles of "one standard, two levels of supervision, three prohibitions and four non-tolerances", providing an accurate and clear direction for quality control.

匠心品質，貼心服務

我們致力於為消費者持續提供健康、營養、安全的產品。秉持「用心創品質」的企業理念，我們在保障食品質量和安全的基礎上，堅持創新、開發更加健康和營養的產品，滿足消費者對健康飲食的需求，提升消費體驗，並攜手供應商伙伴履責，保護消費者舌尖上的安全。

食品質量與安全

品控體系

我們深信消費者的安全與健康高於一切，嚴格遵守《中華人民共和國食品安全法》《中華人民共和國產品質量法》《中華人民共和國食品安全法實施條例》及相關法律法規，建立了「意識先行、控制源頭，關注細節，注重過程，檢驗保障，確保安全」的品控方針和「一個標準、二級把關、三個不難、四不放過」品質管理原則，為質量把控工作提供準確而清晰的指導方向。

In order to ensure the quality and safety of our products, we have continued to promote the construction of our quality and safety systems, actively aligning with advanced international standards and establishing an all-round integrated management system based on ISO9001 Quality Management System, ISO22000 Food Safety Management, BRC Food Safety Management and HACCP Hazard Analysis Management. During the reporting period, the certifications of the systems owned by the Group and their range of coverage are as follows:

為保證產品優質與安全，我們持續推進質量安全體系建設，積極與國際先進標準對接，建立了以ISO9001質量管理體系、ISO22000食品安全管理、BRC食品安全管理、HACCP危害分析管理等為基礎的一體化綜合管理體系。報告期內，本集團擁有的體系認證和覆蓋範圍情況如下：

Range of Coverage 覆蓋範圍	System Certifications 體系認證
Headquarters 總部	• ISO9001 Quality Management System ISO9001質量管理體系 • Halal Product Certification 清真產品認證 • Informational and Industrial Integrated Management System 信息化和工業化融合管理體系 • Credibility Management System 誠信管理體系
Headquarters and 7 subsidiaries in Chengdu, Jinan, Hubei, Jilin, Guangdong and Ma'anshan 總部及成都、濟南、湖北、吉林、廣東和馬鞍山7家附屬公司	• BRC Global Standards for Food-safety BRC食品安全全球標準體系
Headquarters and all subsidiaries 總部及全部附屬公司	• ISO22000 Food Safety Management System ISO22000食品安全管理體系 • Hazard Analysis and Critical Control Point System HACCP危害分析與關鍵控制點體系 • Organic Product Certification 有機產品認證

In respect of team building, we have set up a triple-level integrated quality control team, which comprises the Group's quality control department, the company's quality control testing center and workshop quality control officers, as well as established a monitoring process to ensure supervisions are carried through from top to bottom and staff are held to be responsible from bottom to top. Through these, a scientific, orderly and complete traceable quality control system and a unique "chain style" full supervision mechanism have been formed. From purchasing, warehousing, production to sales, we have established a complete product monitoring system through the "chain style" mechanism to control the quality of our products throughout their lifecycle, effectively ensuring product quality and safety.

在團隊建設方面，我們構建了從集團品管部到公司品管檢測中心、車間品控專員三級一體的強大品控團隊，並制定了自上而下層層監管、自下而上逐級負責的監控程序，形成了科學、有序、完整的可追溯品控體系和特有的「鏈式」全程監管機制。從採購、入庫、生產到銷售，我們通過「鏈式」機制實現對產品全生命周期的質量把控，建立了達利完整的產品監管體系，有效確保產品質量和安全。

Supplier management and assessment

Stable and quality supplier resources can help us ensure the safety and quality of our products at source. The Group continues to improve its supply chain management to ensure the stability of our production operations. In order to promote the development of a digital and modular supplier management system, we have established an online supplier service system to standardize the management process, which includes supplier screening, supplier rating and assessment, etc. As of December 31, 2020, the Group had a total of 556 centralized procurement suppliers, the distribution of which is shown below:

供應商管理與評估

穩定且優質的供應商資源能夠助力我們從源頭保障產品的安全及質量，本集團不斷完善供應鏈管理，保證生產運營的穩定。為了推動數字化和模塊化的供應商管理體系發展，我們建立了線上供應商服務系統，規範化管理供應商准入、分級、評審等管理流程。截至二零二零年十二月三十一日，本集團共有556家集中採購供應商，其分布情況如下所示：

The Group is also committed to maintaining a fair, transparent and sustainable supply chain ecology. We require our material suppliers to sign a *Supplier Code of Conduct* and actively fulfil their environmental and social responsibilities beyond the usual factors such as food quality and safety. In addition, to further promote communication within the supply chain, we also provide support and training to our suppliers to help improve their internal management practices and production processes, so as to achieve mutual benefit in our cooperation.

本集團亦致力於努力維護公正、透明和和可持續發展的供應鏈生態。我們要求合作的物資供應商簽訂《供應商行為須知》，積極履行其在食品質量、安全等常規因素以外的環境和社會責任。此外，為了進一步促進供應鏈之間的溝通交流，我們還通過對供應商給予幫扶和輔導，幫助完善內部管理規範和生產流程，實現合作共贏。

Supplier Management Process 供應商管理流程

Supplier screening 供應商准入

- Strict access criteria for production suppliers
  針對生產型供應商採取嚴格的准入標準
- On-site audits of suppliers to control quality at source
  對供應商進行現場審核，從源頭把控質量

Supplier assessment 供應商評估

- Based on ISO and HACCP systems, suppliers are evaluated on multiple dimensions such as delivery quality, price, delivery time and service
  基於ISO和HACCP體系，從交付質量、價格、交期、服務等多個維度對供應商進行考核
- Classification and control of raw materials into A, B and C categories according to their risk levels
  將原料按風險高低分為A、B、C三類，並進行分級管控

Supplier support 供應商幫扶

- Localized sourcing of key agricultural products to support local agriculture
  在重點農產品方面傾向本地化採購，扶持當地農業
- Technical exchanges and guidance during on-site reviews, and problem solving with suppliers
  現場審查時進行技術交流與指導，和供應商共同解決問題

Targeted support for local growers
定向扶持當地種植戶

During the reporting period, the Group organized three projects in total to help growers. We invited large domestic and international agricultural companies to potato order farming bases across China, where on-site training and guidance on potato cultivation techniques were provided to local agricultural cooperatives and farmers. During the on-site training and guidance, relevant agricultural experts provided farmers and co-operatives with professional cultivation techniques, taking into account the actual conditions of on-site farming, making the product growing process safer and more stable, safeguarding the quality of potatoes, improving the product acceptability rate and ensuring the quality and safety of food at the supply end.

報告期間，本集團共集中組織三次種植戶幫扶項目。我們邀請了國內外大型種業公司到全國各地馬鈴薯訂單農業基地，對當地農業合作社、農戶的馬鈴薯種植技術進行現場培訓與輔導。相關農業專家在現場培訓指導過程中，結合現場耕作的實際情況向農戶和合作社提供了專業的種植技術，使得產品種植過程更加安全穩定，保障馬鈴薯質量，提高產品合格率，確保供應端食品的質量安全。

Raw material incoming inspection

In addition to strengthening the supervision and management of suppliers, we have also established strict raw material inspection standards to manage food safety at source. During the reporting period, the Group's testing center conducted food safety monitoring work on heavy metal lead in potato chips paper cans, fluorescent whitening agents in paper trays and Tetra Pak cartons, etc., to strictly control incoming inspection and ensure consumer health and safety.

During the reporting period, by virtue of the systematic and whole-process control for food quality and safety, the Group's testing center was awarded the certificate of "Provincial Enterprise Technology Center" by the Department of Science and Technology of Fujian Province, the Department of Industry and Information Technology of Fujian Province and the Department of Finance of Fujian Province.

原材料入庫檢測

除了加強供應商監督管理，我們也制定了嚴格的原材料檢驗標準，從源頭上做好食品安全管理。報告期內，集團檢測中心開展了薯片紙罐的重金屬鉛、紙托和利樂紙盒等的熒光增白劑等食品安全監測工作，嚴把進貨檢驗，確保消費者健康安全。

憑藉體系化、全過程的食品質量和安全管控，報告期內，集團檢測中心獲得由福建省科學技術廳、福建省工業和信息化廳、福建省財政廳等單位聯合頒發的「省企業技術中心」證書。

Production process supervision

Based on the effective operation of our food safety management system, the Group attaches great importance to production process control. We have a professional quality control team that conducts production site inspections to ensure that each step of the production process meets food quality and safety requirements, and we take focused control measures on high-risk key operational steps. In addition, during the pandemic, we actively carried out a series of prevention and control measures to ensure food quality and safety in response to the potential risk posed by the virus to product safety.

生產過程監管

本集團在有效運行食品安全管理體系的基礎上，高度重視生產過程管控。我們配備了專業的品管團隊進行生產現場巡回檢查，保障生產過程每個生產加工環節符合食品質量與安全要求，並對高風險關鍵操作環節採取重點控制舉措。此外，疫情期間針對病毒對產品安全造成的潛在風險這一問題，我們積極開展了一系列疫情防控工作，以保障食品質量安全。

Access Control 人員管控	• Internal staff: Temperature check and disinfection are performed before entry. Vaccinations are provided to officials who travel frequently 內部員工：入廠前進行體溫檢測、消殺，並為經常出差人員注射疫苗 • Outsiders: Negative COVID-19 test result, temperature check, health code, hand-sanitizing and social distancing are required before entry 外來人員：入廠前需出具新冠病毒檢測合格報告，進行體溫檢測、健康碼查詢、洗手消毒、隔離排隊等措施
Logistic Control 物流管控	• Transportations: Comprehensive vehicle disinfection is performed before entry 運輸：車輛入廠前進行全面消毒 • Suppliers: Material suppliers are required to provide COVID-19 related information and are permitted to entry only when a qualified inspection report is obtained 供應商：對物料供應商進行新冠疫情情況調查，索取檢驗合格報告後方可通行

Quality and safety control practices during the pandemic
疫情期間的質量安全管控工作

Finished product inspection

The testing center at the Group's headquarters obtained the laboratory accreditation certificate from China National Accreditation Service for Conformity Assessment (CNAS). All of our factories have established a testing laboratory, equipped with top-notch international testing equipment, which can complete all testing procedures for all raw and auxiliary materials and products of food and beverage, covering a total of 160 test indicators. Indicators that attract public concern, including plasticizers, heavy metals, pesticide residues, and melamine, are all tested by high-tech advanced equipment, providing accurate and powerful support and protection for quality control.

成品檢驗檢測

本集團總部檢測中心擁有由中國合格評定國家認可委員會(CNAS)頒發的實驗室認可證書，且各工廠也建立了檢測實驗室，配置國際頂尖技術水平的檢測設備，可以完成食品、飲料所有原輔料、產品的全部檢測項目，總計涵蓋160項檢測指標。大眾關心的塑化劑、重金屬、農藥殘留、三聚氰胺等指標都將通過高科技先進設備進行檢測，為質量管理提供準確而有力的支撐和保障。

Product tracing and recall

Based on the "chain style" full supervision mechanism, the Group has established and implemented the *Product Identification and Traceability Control Procedures*. Through the establishment of the "One Product, One Code" tracing system, the Group has implemented full batch management for each product item entering and leaving the warehouse, by which each batch is traceable, can be traced and will be traced. During the reporting period, in the process of an on-site audit by a third-party food safety certification institution, the Group's Fujian branch successfully completed the forward and reverse tracing of products within four hours, fully demonstrating the effectiveness of the tracing system.

According to the *Administrative Measures for Food Recalls*, we have established and implemented the *Product Withdrawal Control Procedures* and *Non-Conforming Product Control Procedures*, which include clear provisions for the preparation for recall plans, the implementation of recall activity, the disposal of recalled products, and corrective measures. In addition, the food safety team of each member of the Group regularly conducts mock tracing and recall drills every year to enhance staff awareness of food safety risks and product recall operation procedures. During the reporting period, the Group did not experience any product recalls.

產品追溯與召回

基於「鏈式」全程監管機制，本集團建立並實施了《產品標識和可追溯性控制程序》，通過建立一品一碼追溯系統，對出入庫的每一個品項的產品實行全程全批次管理，實現了批批可查、批批能查、批批查得到。報告期間，在第三方食品安全認證機構的現場審核中，本集團福建分公司在4小時內成功完成了開展產品的正反向追溯，充分體現了追溯體系的有效性。

依據《食品召回管理辦法》，我們建立並實施了《產品撤回控制程序》和《不合格品控制程序》，對召回計劃編製、召回活動實施、召回產品處置、糾正措施等內容進行了明確的規定。此外，本集團各公司食品安全小組每年定期開展模擬追溯和召回演練，強化員工的食品安全風險意識及產品召回操作流程。報告期內，本集團未發生任何產品召回事件。

Product Tracing Chain
產品追溯鏈條

- Finished products 出廠成品
- Finished product batch number 成品生產批號
- Finished product inspection record 成品檢驗記錄
- Production ingredient records 生產配料記錄
- Inbound inspection records 進貨檢驗記錄
- Raw materials, auxiliary materials and packaging materials 原輔料、包裝材料

Product recall procedure
產品召回流程

- Unqualified products 不合格品
- Recall 召回
- Identification 標識
- Separation 隔離
- Evaluation 評審
- Disposal 處置

Quality training

The Group highly emphasizes the creation of a food safety culture. We proactively organize professional skills and knowledge training in relation to food safety so as to increase employees' safety awareness. During the reporting period, we organized a considerable number of trainings related to quality and safety in accordance with the needs in different production posts, further enhancing the professionalism of our employees and operation standardization. During the reporting period, we invited the industry experts to conduct laboratory training for our employees in the testing centers.

質量培訓

本集團高度重視食品安全文化建設，積極開展食品安全相關專業技能和知識的培訓，提高員工的安全意識。報告期間，針對不同生產崗位需求，我們也開展了多次質量安全專項培訓，進一步提高員工的專業性和操作規範性。報告期內，我們邀請行業專家對檢測中心員工開展實驗室培訓。

Scientific Research and Innovation

We strongly believe that innovation is the primary driver of corporate development. The Group has invested in the establishment of a "product R&D centre" equipped with cutting-edge R&D facilities as an effort to develop a creative R&D team, thereby addressing the increasingly diverse consumption demands from consumers. In addition, we have developed a scientific R&D innovation system to make continuous progress in the fronts of product R&D and technical innovation as an industry leader.

- Product R&D: Through continuous introduction of new products, we have gradually established four major product series, namely bakery products, potato chips and puffed foods, biscuit baked goods, and beverages. Our actions are a testimony to the successful transformation from "Made in China" to "Created in China" by Chinese enterprises.

- Technical innovation: we ramp up our input in technical innovation every year to enhance production efficiency. Currently, through the means of independent innovation, technology acquisition and co-development, the Group has obtained fully automated production lines for HASS-MEINCKE, a Danish butter cookie brand, and rapid production lines for Rademarker, a Dutch croissant brand, which are food and beverage production lines comparable to those of international heavyweights. We always maintain our production technology at the state-of-the-art level.

科研創新

我們深信，創新是企業發展的第一驅動力。本集團投資建立了「產品研發中心」，配置世界先進的研發設備，努力打造一支富有創造力的研發團隊，以滿足消費者日益增長的多元化飲食需求。此外，我們還建立了科學的研發創新研發體系，從產品研發和技術創新兩方面持續推進，引領行業發展。

- 產品研發：通過不斷推出新產品，逐步形成了糕點烘培食品、薯片休閒膨化食品、餅乾烘焙食品、飲料等四大產品系列產品，用行動詮釋了中國企業從「中國製造」邁向「中國創造」的成功路程。

- 技術創新：我們逐年不斷加大工藝技術革新的投入力度，提高生產效率。目前，全集團通過自主創新、引進技術、合作開發的渠道，已擁有丹麥HASS-MEINCKE全自動黃油曲奇生產線、荷蘭Rademarker高速牛角包生產線等眾多與國際食品巨頭媲美的食品和飲料先進生產線，生產工藝技術水平持續保持在行業優勢水平。

Development of innovative system
研發創新體系

Product R&D
產品研發

Establish and implement a complete set of R&D processes involving product planning, laboratory R&D, trial production, R&D validation, product evaluation, and product R&D conclusion
建立並執行「產品策劃、實驗室研發、產品試制、研發驗證、產品品評、產品研發確定」的一整套研發流程

To meet various needs of customers at different times, enhance the competitiveness of the Group, and take on the leading position in development direction in the industry through product research and development
通過產品研發在不同時期滿足顧客不同需求，增強企業競爭力，引領行業發展方向

Technological innovation
技術創新

Actively carry out independent innovation, introduce technology and joint venture projects, increase investment and increase patent application and improve patent management
積極開展自主創新、引進技術和合作開發項目、加大投入力度並完善專利申請和管理

To improve energy conservation and emission reduction, stabilize product quality and improving operational efficiency through technological innovation in order to ensure our advantageous position in the industry
通過技術創新加強節能減排、穩定產品質量和提升經營效益，確保行業優勢地位

During the reporting period, the Group recorded expenses in R&D and innovation projects amounting to RMB65.35 million, representing an increase of 5.4% over 2019.

報告期內，本集團於研發創新的專項費用達到6,535萬元，相較於二零一九年增加了5.4%。

Intellectual Properties

The Group highly values the transformation and application of innovation achievements as well as the protection of intellectual property rights, and strictly abides by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other laws and regulations regarding intellectual property rights, and improves our intellectual property protection and management system constantly. During the reporting period, the Group has acquired 23 new patent applications, 12 authorized patents and owns 1,007 effective registered trademarks.

知識產權

本集團高度重視創新成果轉化和應用以及知識產權的保護，嚴格遵守《中華人民共和國專利法》《中華人民共和國商標法》《中華人民共和國著作權法》等知識產權相關法律法規，不斷完善知識產權保護和管理制度。報告期間，集團新增專利申請23件，被授權專利12件；擁有有效註冊商標數量1,007個。

In an effort to safeguard market order and our brand image, as well as to avoid consumers' health problems caused by consuming counterfeit products, the Group has been relentless in its anti- counterfeiting activities and has put in place effective measures to safeguard our rights. We build on the existing *Dali Foods Group's Rights Protection and Anti-Counterfeiting Management System* to improve management procedures progressively and refine department structure. During the reporting period, the Group was successful in 15 concluded litigation cases in respect of rights protection and anti-counterfeiting, receiving a total compensation of approximately RMB1.92 million.

為維護市場秩序和品牌形象，避免消費者因誤食假冒產品而引起健康問題，本集團從未停止打假活動並已建立了有效的維權保障。我們在現有的《達利食品集團維權打假管理制度》基礎上，逐步優化管理流程，並對部門組成結構進行了細化。報告期間，本集團維權打假訴訟案件結案勝訴15件，獲得賠償金額合計約192萬元。

Nutrition and Health

The Group firmly believes that a balanced diet is crucial to the physical health of our fellow countryman. As a player in the food industry, we are responsible for addressing the increasing demands for healthy and nutritional products from the consumers. During the reporting period, we keenly responded to the "Healthy China" campaign and progressively developed a variety of nutritional and environmental-friendly products, such as Doubendou plant-based yogurt, black tomato bun, Ritech children's nutrition biscuits, in accordance with our product structure and market trend insights and through product innovation and nutrition upgrade. As of December 31, 2020, health products of Dali Foods, including products of low fat, low sodium, low sugar, organic, fewer artificial additives, low fertilizer consumption, as well as nutrition supplement, body building products, account for 23.6% of our portfolio.

營養健康

本集團深信，營養均衡的飲食關乎到國民身體素質。作為食品行業，滿足消費者對健康和營養產品日益增長的需求是我們的重要職責。報告期內，我們積極響應「健康中國」號召，基於產品結構，深入洞察市場趨勢，通過品類創新和營養升級，逐步開發了豆本豆植物酸奶、黑番茄面包、瑞多滋兒童營養餅乾等多種營養食品和綠色食品。截至二零二零年十二月三十一日，達利食品的健康類產品，包括低脂、低鈉、低糖、有機、更少的人工添加劑、低肥料使用、補充營養、改善形體類產品佔比達到23.6%。

Product innovation 品類創新

- Doubendou plant-based yogurt: It makes use of Danish fermentative bacteria to offer rich dietary fiber and plant-based protein and improve texture and nutritional value
  豆本豆植物酸奶：採用丹麥特殊菌種發酵，富含膳食纖維和植物蛋白，提升產口感和營養價值

Nutrition upgrade 營養升級

- Whole-wheat toast: Its upgraded formula increases wheat content by 27% and other nutrients, such as Vitamin E and crude fiber
  全麥吐司：配方新升級，麥麩添加量增至27%，提高了維生素E、粗纖維等營養物質含量
- Black tomato bun: The product incorporates two tomato ingredients to achieve cancer prevention and anti-aging, as well as enhance body immunity
  黑番茄麵包：產品中添加了兩種番茄成分，有防癌抗衰老、提高機體免疫力等功效
- Beiyouxing children's nutrition biscuits: It incorporates a number of vitamins through nutrient proportion adjustment to help children adopt a balanced diet
  貝優星兒童營養餅乾：通過調整原料中營養成分，添加多種維生素，促進孩子營養均衡

Doubendou plant-based yogurt as a trendsetter in health
豆本豆植物酸奶，引領健康新趨勢

During the reporting period, the Group introduced a plant-based yogurt at room temperature produced by plant fermentation — Doubendou Flogurt. The product is based on the value concept of "delicious yogurt with triple plant power and zero downside" with no cholesterol and trans-fat. It meets the health requirement of consumers and promotes a low-carbon and environmental-friendly lifestyle with plant-based product, which aligns with the perception of "green, healthy, delicious" of the public.

報告期內，本集團推出植物發酵的常溫型植物酸奶 — 豆本豆 Flogurt 植物酸奶。該產品以「3重植物力量，酸奶好喝也要0負擔」為價值理念，添加零膽固醇，零反式脂肪，並在滿足消費者健康需求的同時，以植物產品推動低碳環保，符合人們心中「綠色、健康、美味」的認知。

- Primary plant power: Proprietary Danish fermentative bacteria to boost texture with the addition of 1X108CFU Streptococcus thermophilus + Lactobacillus delbrueckii subsp. Bulgaricus per 100 grams;
  1重植物力量：專屬丹麥發酵菌種發酵，每100克添加了1X108CFU的嗜熱鏈球菌+德氏乳桿菌保加利亞亞種的菌種，提升口感；
- Secondary plant power: 2 grams dietary fiber per 100 ml Doubendou plant-based yogurt to help maintain normal intestinal functions;
  2重植物力量：每100克豆本豆植物酸奶含有2克的膳食纖維，有助於維持正常的腸道功能；
- Tertiary plant power: 3 grams plant-based protein per 100 ml Doubendou plant-based yogurt to address the daily protein intake need of human body.
  3重植物力量：每100克豆本豆植物酸奶含有3克的植物蛋白，滿足人們日常蛋白質的營養攝取需求。

Protection of Rights and Interests

As Dali Foods Group always regards consumers as the most important core value, it strictly abides by the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* in its effort to explore new service modes on the basis of continuous enhancement of consumer communication and services, so as to serve customers with satisfaction as priority. We have established a comprehensive *Customer Complaint Handling Policy* to refine the management of customer complaints with a standardized process and follow up on rectification. During the reporting period, all complaints were timely and effectively handled by the Group.

權益保障

達利食品集團始終視消費者為最寶貴的核心價值，嚴格遵守《中華人民共和國消費者權益保護法》，致力於在不斷優化消費者溝通和服務的基礎上，探索新的服務模式，做到服務顧客，滿意第一。我們建立了完善的《客戶投訴處理工作制度》，以規範化的流程對顧客投訴進行精細化管理，並進行整改跟進。報告期內，本集團所有投訴均得到了及時有效的處理。

Complaint feedback mechanism 投訴反饋機制

Complaint investigation 投訴調查

- Customer Service Department conducts investigations based on the content of customers' complaints
  客戶服務部根據客戶投訴內容開展調查
- For substantiated complaints, a completed customer complaint transfer form will be transmitted to the responsible department
  對於情況屬實的投訴，填寫客戶投訴傳遞單，向責任部門傳遞

Rectification solution 整改解決

- Customer Service Department communicates with customers on the response and handling solutions of the responsible department
  客戶服務部就責任部門的答覆和處理方案與客戶溝通
- Solutions will be organized for implementation by the responsible department upon acceptance by customers
  客戶接受解決方案後，由責任部門組織實施方案

Follow-up 跟蹤回訪

- After the implementation of solutions, the Customer Service Department will take follow-up action and complete a customer satisfaction questionnaire
  方案實施後，客戶服務部進行跟蹤回訪，並填寫客戶滿意度調查表
- Customer Service Department will return the customer satisfaction questionnaire to the responsible department for filing
  客戶服務部將客戶滿意度調查表交還責任部門並存檔

We attach great importance to customers' information security and privacy protection. We have established a set of corresponding customer privacy protection measures to strictly safeguard the personal information of each customer. We prohibit unwarranted sharing of screenshot and revealing of personal privacy. Specific personnel are also assigned to file and archive customer information while unauthorized access is prohibited. In addition, we also conduct regular risk impact assessments on personal information to ensure the security of customers' privacy.

我們高度重視顧客的信息安全與隱私保護，建立了相應的顧客隱私保護辦法，嚴格保護每位顧客的個人信息，不隨意截圖轉發、隨意分享和洩露個人私隱，並安排專人對顧客信息建檔、存檔，未經申請不得隨意查閱。此外，我們還會定期開展個人信息風險影響評估，確保消費者隱私安全。

To protect consumers' right to knowledge and freedom of choice, the Group strictly abides by relevant laws including the *Advertising Law of the People's Republic of China,* the *General Standard for the Labeling of Prepackaged Foods* and the *General Standards for the Nutrition Labelling of Prepackaged Foods*. It has formulated the approval process for external publicity materials and the information review system for its own online media, and conducts multi-departmental professional reviews for the relevant information, so as to ensure the compliance and legality of our marketing activities and the accuracy and credibility of external information.

為維護消費者的知情權和選擇權，本集團嚴格遵循《中華人民共和國廣告法》《預包裝食品標籤通則》《預包裝食品營養標籤通則》相關法律，制定了對外宣傳資料審批流程和自媒體上線的信息審核體系，對相關資料進行多部門專業會審，保障營銷活動合規、合法；對外傳遞信息準確、可信。

CARE FOR OUR PEOPLE TO CREATE FRUITFUL LIVES

Upholding our philosophy of being "people-oriented", the Group always treasures our employees as the growth engine for corporate sustainability development. We are committed to setting up a well-established employment mechanism to provide diversified career advancement opportunities that dovetail with our corporate development, so as to create favorable opportunities and environment for our employees to enhance their skills and comprehensive qualifications on the basis of a promised living, safety and dignity.

心系員工，幸福生活

秉持「以人為本」理念，本集團始終把員工視為企業實現可持續發展的動力之源。我們致力於建立完善的僱傭制度，提供多樣化的職業發展機會，並將其與企業的發展相協調，在保證員工生活、生命及尊嚴的基礎上努力創造有利於提高員工技能和綜合素質的機會與環境。

Labour Rights and Employment

Dali Foods Group strictly complies with national laws and regulations such as the *Labor Law of the People's Republic of China,* the *Labor Contract Law of the People's Republic of China,* the *Trade Union Law of the People's Republic of China* and the *Social Insurance Law of the People's Republic of China*, and constantly improves our human resources management system to protect the Labor rights and interests of employees and foster amicable relationship between employer and employees. We are committed to the strict prohibition of forced Labor and signing labor contracts in accordance with the law. The Company has formulated an annual leave plan and a whistle-blowing mechanism, adequately enabling our employees to take consecutive day offs or take leave on rotation. Meanwhile, we adhere to a fair and just employment approach where differentiated remuneration or discrimination due to gender, ethnicity, nationality, health status, religion, marital status, etc. are strongly forbidden. In addition, we also strictly comply with the *Protection of the Minors Law of the People's Republic of China* and the *Provisions on the Prohibition of the Use of Child Labor* to prevent the employment of child labor.

勞工權益與僱傭

達利食品集團嚴格遵守《中華人民共和國勞動法》《中華人民共和國勞動合同法》《中華人民共和國工會法》及《中華人民共和國社會保險法》等國家法律法規，不斷完善人力資源管理制度，保障員工勞動權益，促進勞資關係和諧。我們承諾杜絕強制勞動，依法簽訂勞動合同，公司制定了年度休息計劃及檢舉機制，充分保障員工進行集中休息或輪休。同時，我們始終堅持公平公正的用人態度，杜絕任何因員工的性別、種族、國籍、身體狀況、宗教、婚姻狀況等實行差別待遇或產生歧視的情況。此外，我們亦嚴格遵守《中華人民共和國未成年人保護法》《禁止使用童工規定》等規定，堅決杜絕僱傭童工。

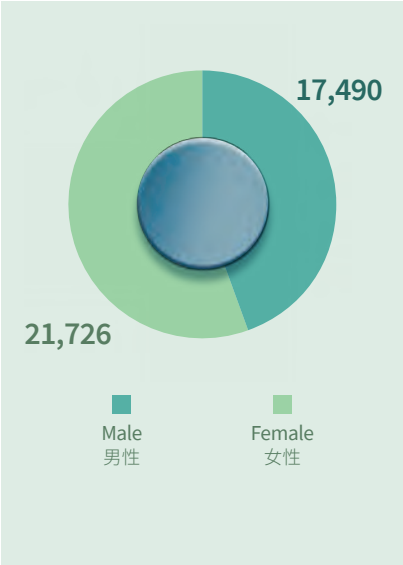
We keep renovating our human resources management model and working approach and strive to create a more convenient and delightful working environment for our employees. During the Reporting Period, we forged ahead with our informatization for human resources management and adopted a co-working Office Automation system to regulate our operation procedure and achieve standardized management. Moreover, we launched a cloud office trial application, where we can work and communicate with each other any time anywhere through video conference and cloud desktop, thereby enhancing our working efficiency.

我們不斷創新人力資源管理模式和工作方式，努力為員工創造更加便捷、愉悅的工作環境。報告期內，我們持續推進人力資源管理的信息化建設，採用協同辦公OA（Office Automation，辦公自動化）系統，規範辦公流程、實現標準化管理。此外，我們還開展了雲辦公試點應用，通過視頻會議、雲桌面等形式，實現隨時隨地移動辦公和交流，提升工作效率。

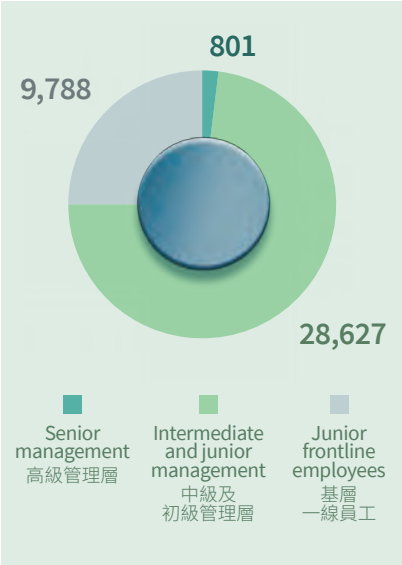
As of December 31, 2020, the Group had a total of 39,216 employees. The charts below show the distribution of our employees by type:

截至二零二零年十二月三十一日，本集團共有員工39,216人，按各類型分布情況如下所示：

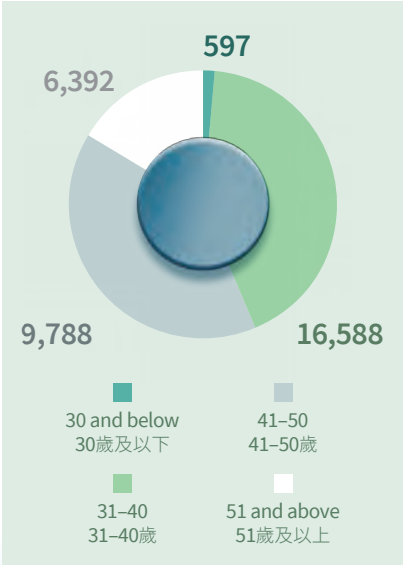
Total employees by gender
按性別劃分的員工總數



Total employees by grade
按職級劃分的員工總數



Total employees by age
按年齡劃分的員工總數



Remuneration and Benefits

We respect the efforts made and value created by our employees and are committed to providing employees with competitive compensation and comprehensive welfare and protections. In order to legally and effectively manage the remuneration and benefits of our employees and provide better welfare packages, we set out in the *Human Resources Management Rules* our remuneration and staff benefit management system, under which indicators such as the professional knowledge, professional skills and working performance of employees will be taken into consideration when we make timely adjustment to employees' remuneration level. While we protect our employees with their general benefits in accordance with the law, we also listen to their demands and feedback, so as to provide more personalized benefits to employees with different needs, and strengthen their sense of belonging to and recognition of the Company which in turn ensure the stability of talent. At the end of the reporting period, our overall employee turnover rate was 6.5%.

薪酬福利

我們尊重每位員工的勞動和價值，致力於為員工提供有行業競爭力的薪酬和完善的福利保障。為了依法有效管理員工的薪酬福利，並提供更為良好的福利條件，我們在《人力資源管理制度》中明確了薪酬與員工福利管理制度，基於員工專業知識、專業技能、工作績效等指標綜合考慮及時調整員工薪酬水平。我們在依法保障全體員工常規福利的同時，用心傾聽員工需求和意見，為不同人員提供更多人性化的福利，增強員工對企業的歸屬感和認同感，確保人才的穩定性。截至報告期末，員工整體流失率為6.5%。

Statutory Benefits 法定福利

- Five social insurances and the housing fund
  五險一金
- Statutory leave
  法定節假日
- Paid leave (annual leave, home leave, marriage leave, maternity leave and other vacations)
  帶薪休假(年假、探親假、婚假、產假等)

Other Benefits 額外福利

- Free physical examination
  免費體檢
- providing dormitories and accommodation for migrant workers
  為外地員工提高宿舍、夫妻房
- Employee dormitories are provided with a gym, theater, KTV and other entertainment facilities
  員工宿舍配置健身房、影院、KTV等娛樂設施
- Transportation allowances, meal allowances, night shift allowances, overtime allowances, etc.
  交通津貼、伙食津貼、夜班津貼、加班補貼等
- providing welfare supermarket to meet the daily needs of staff
  提供福利超市，解決員工日常所需品的同時
- Providing expatriates with assignment allowances and home leave
  為外派人員提供外派補貼，探親假
- Applying for working and living allowances for employees with degrees and above who come to work in Quanzhou
  為本科及以上學歷人員來泉州工作申請就業安居補助
- Applying for high level talent allowances for people who meet the requirement of the county and city
  為符合滿足縣市要求的人才申報高層次人才及補助

Staff welfare supermarket
員工福利超市

Accommodation for couples
夫妻宿舍

Entertainment and fitness facilities
娛樂健身設施

Care and Communication

The Group insists on operating under the principle of being "people-oriented". We respect and are willing to listen to employees' voice. We have established various channels for communication with employees. Employees are encouraged to express their views and opinion through multiple channels such as staff service center, WeChat, telephone and feedback email to jointly promote healthy sustainability development of the Company.

關愛交流

本集團堅持推行「人本管理」，尊重並樂於傾聽每位員工的心聲。我們建立了多種員工溝通渠道，鼓勵員工通過員工服務中心、微信、電話、意見反饋郵箱等多渠道表達自己的想法和意見，共同推進企業持續、健康的發展。

Staff Service Center
員工服務中心

In addition, we attach great importance to the cultivation of corporate culture and are committed to creating a harmonious and friendly working atmosphere for employees, with an aim to increase team cohesion. We are grateful and we care for our employees. We prepare gifts for them and distribute staff welfare on every festive occasion and invite the People's Hospital and the Health Centre to jointly provide free medical consultation for frontline staff. We actively carry out various group activities to strengthen communication between departments, enrich the spare time of staff and help achieve a balance between life and work.

此外，我們高度重視企業文化建設，致力於為員工創造和諧友愛的工作氛圍，增加團隊凝聚力。我們感恩關懷員工，每逢節日為員工精心準備禮品，發放員工福利，並邀請人民醫院、衛生院聯合為一線員工提供免費義診。我們積極開展各種團建活動，加強部門之間的溝通交流，豐富員工業餘生活，實現生活與工作的平衡。

Extending blessings to female staff on Women's Day on 8 March
三•八婦女節為女員工送上祝福

Holding birthday party for staff
為員工舉辦生日會

We highly value our employees' satisfaction, and welcome and embrace feedbacks from employees. During the reporting period, we conducted a satisfaction survey of all employees on five aspects: company management, workload, compensation and benefits, training and development, and living standards, the results of which showed that the overall satisfaction of our employees was relatively good. In response to the issues raised by employees in the satisfaction survey, we also promptly conducted corresponding investigations and proposed solutions.

我們高度重視員工的滿意度，樂於傾聽並接受員工的建議。報告期間，我們圍繞公司管理、工作負荷、薪酬福利、培訓發展和生活起居五個維度，對全體員工開展了滿意度調查工作，結果表明，我們員工整體滿意度較好。針對滿意度調查工作中員工所反映的問題，我們也在第一時間開展相應的調查並提出解決建議。

Measures to enhance staff satisfaction — optimization of workshop workforce management
員工滿意度提升舉措－車間員工管理優化

During the reporting period, we carried out the following optimization measures regarding the workshop management system with reference to the results of the employee satisfaction survey:
報告期間，針對員工滿意度調查結果，我們對車間管理制度進行了以下優化：

- Worker communication: Organized by the workshop supervisor, we conduct face-to-face interviews with new workers to understand the workshop environment, their adaptation to the on-site management style, and catering and accommodation conditions, so as to carry out guidance work in a targeted manner;
  溝通交流：由車間主任組織，對入職的新工進行面對面溝通交流，從車間環境、現場管理方式的適應情況以及飲食住宿等方面了解，從而針對性地開展幫帶工作；

- Workplace atmosphere: We make sensible work arrangements with the aim to achieve fairness and equity and timely solve bottleneck issues in the work. We also actively organize various team-building activities and arrange for inter-workshop learning and briefing sessions, to build a healthy, pleasant working environment.
  氛圍營造：合理安排工作，盡量做到公正公平，及時解決工作中出現的瓶頸問題。同時積極開展各類團建活動，組織車間互相學習和幫助，營造良性、輕松的工作氛圍。

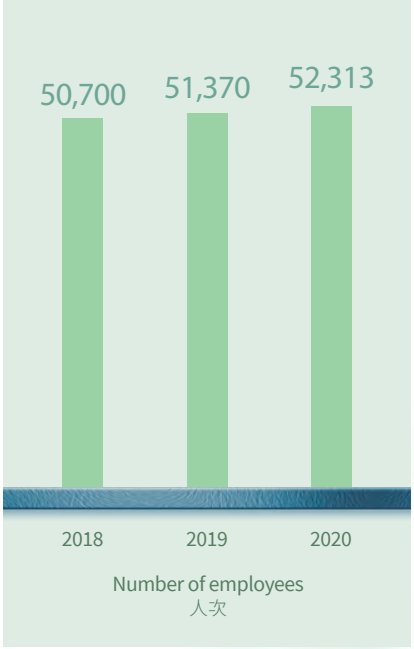
Training and Development

We regard employees as an important strategic asset for corporate development and strive to enable each employee to find their own position under a fair and open system, to ultimately achieve a win-win situation for both employees and the Company. We provide a variety of trainings and set up a scientific training and motivation mechanism to enhance the ability of employees; at the same time, we provide employees with multi-channel development opportunities and combine job requirements with target career planning to improve the overall work efficiency of the Company. During the reporting period, we organized and conducted a variety of training activities in accordance with our annual training plan, and focused on collecting feedbacks from our employees on the courses to continuously improve the quality of the courses so that more employees could benefit from them. During the reporting period, the total number of trained employees reached 52,313 and the total number of training hours reached 113,616 hours, with a training coverage rate of 93.5%.

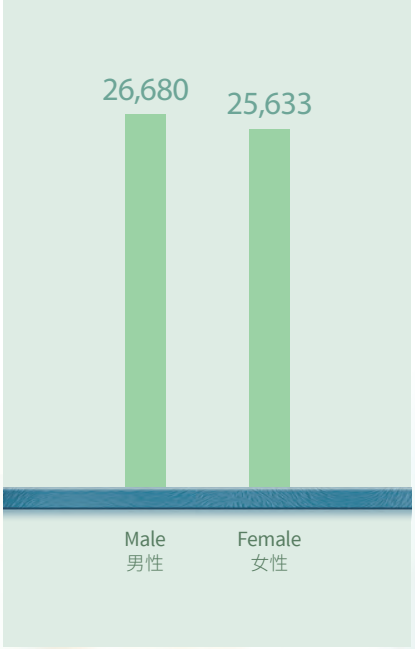
培訓發展

我們視員工為企業發展的重要戰略資源，致力於讓每位員工在公平公正公開的制度下，找到屬於自己的位置，實現員工與企業的共生共贏。我們通過提供多樣化的培訓，搭建科學的培訓及激勵機制，提升員工能力；同時為員工提供多渠道發展機會，將工作崗位要求與目標職業規劃相結合，提高公司整體的工作效能。報告期內，我們按照年度培訓計劃組織和開展各項培訓活動，並注重收集員工對課程的反饋，不斷提升課程質量，以使更多的員工從中受益。報告期內，本集團培訓總人次達52,313人次，總培訓時數達113,616小時，受訓覆蓋率達93.5%。

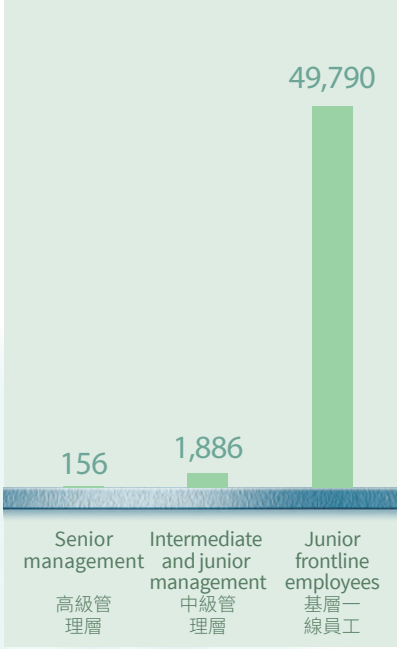
Total number of trained employees in 2020
2020年培訓總人次



Number of trained employees in 2020 by gender
2020年按性別劃分的培訓人次



Number of trained employees in 2020 by job level
2020 年按職級劃分的培訓人次



During the reporting period, the training we provided to our employees included:

報告期內，我們為員工提供的培訓包括：

Training scope 培訓範圍	Training content 培訓內容
New employee training 新員工培訓	• Induction training 入職培訓 • One-on-one training with tutors 導師幫帶一對一培訓
Themed training 專項培訓	• Production safety training 安全生產培訓 • Food safety training 食品安全培訓 • Fire safety talks and drills 消防安全講解與模擬演練 • Risk knowledge training 風險知識培訓 • Business ability training 業務能力培訓
External training 外部培訓	• Middle and senior management skill enhancement 中高層管理技能提升 • Occupational quality training 職業素養培訓

We strive to create equal promotion opportunities for employees and have built clear career development paths. We have clearly set out promotion management procedures in the *Human Resources Management Rules*, stipulating the required conditions for promotion and re-designation of posts, as well as the division of related management responsibilities. We also make use of the results of various forms of assessments to form the basis for promotion and re-designation. In the production workshop, we adopt a friendly management style that encourages competition, and provide promotion pipeline for capable personnel and promote self-development. At the same time, for management and communication skills, we conduct quarterly assessment and scoring for all levels of staff in the workshop, and those with excellent scores are given promotion notes, while those with lowest scores are given opportunities for improvement.

我們致力於為員工創造平等的晉升機會，構建清晰的職業發展通道。我們已在《人力資源管理制度》中明確晉升管理程序，規定了晉升和調配崗位須具備的條件及相關管理職責的劃分，並以多種形式的考核結果作為晉升和調配崗位的依據。我們在生產車間實行人性化、競爭化管理，為有能力人員提供晉升渠道，督促自我發展。同時，針對管理、溝通技能等維度，我們每季度對車間各層次人員進行考核評分，優秀的給予晉升備注，評分墊底的給予整改機會。

Health and Safety

Safeguarding the life and occupational health of our employees is the priority in the Group's daily production and operation. We strictly comply with the *Production Safety Law of the People's Republic of China,* the *Fire Protection Law of the People's Republic of China* and other laws and regulations as well as standards in relation to occupational health and safety. We have formulated a series of practices on production safety management and established a production safety structure. We also deploy additional manpower responsible for safety management at the factory and subsidiary levels to effectively ensure health and safety of our employees.

Health and Safety Management

The Group adheres to the production safety principle of "safety first, prevention-oriented and comprehensive treatment". We have formulated a series of regulatory documentations in relation to production safety management, such as the *Emergency Preparation and Response Control Procedure*, the *Control Procedures for Work Environment*, the *Control Procedure for Identification and Evaluation of Environmental Factors*, the *Control Procedure for Facilities and Equipment*, the *Regulations for Electrical Protection* and the *Fire Control Management Rules*, comprehensively implementing the policy for production safety accountability and ensuring staff safety. For better inspection of hidden hazards in production safety and identification of safety risks, we have adopted the "5S[1]" site management approach, set up risk maps as well as equipped employees in related positions with the necessary labor protection supplies, so as to create and maintain a safe production environment. In addition, we have established a production safety emergency response team, headed by a safety team leader, which is able to respond quickly to safety risk incidents and ensure the effectiveness of safety measures. During the reporting period, the number of work-related injuries and the injury rate of the Group were zero, and no work-related fatalities occurred.

[1] "5S" refer to Seiri, Seiton, Seiso, Seiketsu and Shitsuke

健康安全

保障員工的生命安全和職業健康是本集團日常生產運營中的重點工作。我們嚴格遵守《中華人民共和國安全生產法》《中華人民共和國消防法》等關於職業健康安全的法律法規及標準，制定了一系列安全生產管理規範，設立安全管理架構，並在工廠和分公司增配安全管理人員，以切實保障員工的健康與安全。

健康安全管理

本集團堅持貫徹「安全第一、預防為主、綜合治理」的安全生產方針，制定了包括《應急準備和響應控制程序》《工作環境控制程序》《環境因素識別與評價控制程序》《設施、設備控制程序》《用電防護規定》和《消防管理制度》等在內的一系列安全生產管理規範性文件，全面落實安全生產責任制，保障員工安全。為了更好的排查安全生產隱患、辨識安全風險，我們實行「5S[1]」現場管理法，建立風險地圖，並對相關崗位的員工配備必要的勞保防護用品，不斷營造安全的生產環境。此外，我們建立了以安全組長為首的安全生產應急小組，能夠對安全風險事故進行快速響應，確保安全措施的有效性。報告期間，本集團工傷數和工損率均為零，亦未發生任何因工死亡事故。

[1] 「5S」指（整理(Seiri)、整頓(Seiton)、清掃(Seiso)、清潔(Seiketsu)、素養(Shitsuke)）

In order to protect occupational health of employees, we strictly adhere to and implement the *Occupational Disease Prevention and Control Law of the People's Republic of China,* the *Measures for the Administration of Occupational Health Examination* and the *Regulation on Work-Related Injury Insurances* and other laws and regulations related to occupational health in the People's Republic of China and regions where we operate. We actively carry out occupational health checkups and hazard tests to protect the health of our employees. In addition, we have set up a health services station in the factory area to provide emergency supplies and emergency treatment for employees.

為保障員工的職業健康，我們嚴格遵守並執行《中華人民共和國職業病防治法》《職業健康檢查管理辦法》和《工傷保險條例》等國家及運營當地有關職業健康的法律法規，積極開展職業健康體檢和危害因素檢測，保障員工健康。此外，我們還在工廠區域建立了健康服務處，為員工提供應急用品及受傷應急處理。

Health Services Station
健康服務站

In early 2020, faced with the sudden outbreak of the Covid-19, the Group responded promptly without hesitation and actively put in place measures required by local government and industry authorities for epidemic prevention and control. Such efforts included body temperature checking, disinfection, and distribution of epidemic prevention related information. We also provided employees with face masks and other epidemic prevention supplies to ensure their health and safety. During the reporting period, there was no confirmed case among employees.

二零二零年初，面對突發的新冠肺炎疫情，本集團在第一時間快速響應，積極落實當地政府及行業主管部門防控舉措，進行測溫、消殺和防疫知識宣傳等疫情防控工作，並為員工提供口罩等防疫物資，全力確保員工的健康安全。報告期內，員工未出現新冠確診病例。

Body temperature checking of incoming and outgoing employees
出入員工測溫

Epidemic Prevention and Control Promotion
疫情防控宣傳

Safety Training

We have established a systematic, three-tier training program for safety education to improve staff's overall awareness about production safety. Quality management officers are assessed in all aspects, including their skills in respect of management and communication, as well as their academic background and age. Such trainings are conducted through coordinated efforts between the Company and the workshops and involve safety department of the government who are invited to participate from time to time. New employees are allowed to take on production posts only after they have received education and trainings and passed the exams. In addition, we carry out various forms of production safety training works tailored for different production positions, providing a solid safety guarantee for the Group's production operation.

安全培訓

為了全面提升員工的安全生產意識，我們建立了體系化的三級安全教育培訓，根據品管人員的技術、管理、溝通、學歷、年齡等方面水平進行全方位的審評。該培訓由公司和車間配合，不定期邀請政府安全部門等參與，新員工經教育培訓和考試合格者方准許進入生產崗位。此外，針對不同生產崗位需求，我們開展了形似多樣的安全生產培訓工作，為集團的安全生產提供強有力的安全保障。

Management fire safety training
管理人員消防知識培訓

Management production safety training
管理人員安全生產培訓

Emergency management training
應急管理知識培訓

GREEN PRODUCTION WITH ENVIRONMENTAL PROTECTION IN MIND

The Group has been actively formulating its strategy for sustainable development, and strengthening its efforts in the implementation of green manufacturing and practicing green development. We focus on the efficient use of energy and resources, and strive to explore the use of clean energy and the upgrading of production facilities, so as to contribute to the development of the circular economy. During the reporting period, the Group invested a total of RMB14.13 million in environmental protection.

Environmental Management

The Group strictly complies with environmental protection laws and regulations in our production operation, including the *Environmental Protection Law of the People's Republic of China,* the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution,* the *Water Pollution Prevention and Control Law of the People's Republic of China,* the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes,* the *Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise* and the *Environmental Protection Tax Law of the People's Republic of China*. We actively push forward the improvement of our environmental management system and the promotion of green culture with an aim to make continuous improvement in our performance in environmental management, as well as fulfill our green commitment to building a good ecological environment. As of December 31, 2020, all our factories have attained ISO14001 authentication on environmental management system.

用心環保，綠色生產

本集團積極構建可持續發展戰略，始終加強實施綠色製造，踐行綠色發展。我們注重對能源和資源的高效利用，努力探索清潔能源使用以及生產設備的升級改造，為循環經濟發展助力。報告期內，本集團環保投入共計人民幣1,413萬元。

環境管理

本集團在生產運營過程中嚴格遵守《中華人民共和國環境保護法》《中華人民共和國大氣污染防治法》《中華人民共和國水污染防治法》《中華人民共和國固體廢物污染環境防治法》《中華人民共和國環境噪聲污染防治法》及《中華人民共和國環境保護稅法》等環保法律法規，積極推進環境管理體系的完善和環保文化的宣貫，不斷提升我們在環境管理方面的表現，切實履行建設良好生態環境的綠色承諾。截至二零二零年十二月三十一日，我們全部的工廠均獲得ISO 14001環境管理體系認證。

Energy Management

The Group pursues refined management of energy use by strictly complying with the *Energy Conservation Law of the People's Republic of China*. We have set up a normalized monitoring mechanism for energy consumption and combined it with that for assessment and management of energy targets, thus ongoing efforts are made to promote energy saving and emission reduction at each work stage. For the purpose of continued reduction in carbon emissions, we promote the optimization of energy structure, technologic innovation of equipment and the use of clean energy, continue to pursue higher efficiency in energy saving and consumption reduction from the perspectives of conversion, transmission and use of energy, and actively share our experience in controls over energy saving and consumption reduction with our peers and the community.

能源管理

本集團嚴格遵守《中華人民共和國能源節約法》，追求能源使用的精細化管理。我們建立能源消耗常態化監督機制，並結合能源目標考核管理機制，持續推進各工作環節的節能減排工作。為持續減少碳排放，我們大力促進能源結構優化、設備技術創新以及清潔能源的使用，在能源轉換、能源輸送和能源使用三方面不斷探索更高層次的節能降耗成效，積極與同行、社會各界共享節能降耗控制經驗。

Energy conversion aspect: 能源轉換方面

- Increasing the loading rate of high pressure compressors to reach the target of 85%, increasing energy supply dashboards, matching consumption per ton, pressure and temperature with the demand of each product.
  提升高低壓機的負載率，達到預定85%的目標；增加能源供應看板，根據生產品項實現噸耗用，壓力、溫度供需匹配。

Energy transmission aspect: 能源輸送方面

- Regular inspection of thermal insulation and drainage systems, conducting maintenance in a timely manner.
  定期檢查保溫、疏水系統，並做到及時檢修。

Energy use: 能源使用方面

- Improve production efficiency, running medium water pressure within the standard of 0.25–0.35MPa, regular cleaning of heat exchange system, modifying pipelines for better heat transfer efficiency.
  提高生產效率，介質水壓按照標準0.25–0.35MPa運行，定期清洗換熱系統，改造管道，提高換熱效率。

Meanwhile, we also focus on exploring energy-saving and efficient production facilities and equipment. In the selection of high-pressure compressors, low-pressure compressors and air blowers, we insist on replacing high energy-consuming equipment with high-efficiency ones. A number of our subsidiaries increase the use of variable-frequency high pressure compressors. During the reporting period, we carried out pipeline optimization and retrofit projects in several locations, with a view of making ongoing enhancement to efficiency of energy use.

同時，我們也注重探索生產設施設備的節能高效，在高壓機、低壓機、鼓風機等選擇上，堅持用高效能替換高耗能設備，我們的多家分子公司都增加了對變頻高壓機的用量。報告期內，我們在多地開展了管道優化改造項目，持續不斷地提升能源使用效率。

Pipeline optimization and retrofit projects
管路優化改造項目

Pipeline optimization and retrofit projects for a beverage plant of Jinan Dali
濟南公司飲料車間管路優化改造

Original design: The main pipeline is originally designed to be installed on the east side of the plant, with branch pipelines supplying energy from east to west, resulting in lengthy pipelines and considerable damages;

Technical improvement proposal: Major energy pipeline is directly connected to the west side of the plant, with branch pipelines supplying energy from the west side of the plant to energy consumption points, minimizing damages to pipelines.

原設計：原有主管路設計在車間東面，分支管路由東走向西面供能，管線長耗損大；

技改方案：能源主管線直接佈局到車間西面，分支管道由西進入車間到用能點，減少管線損耗。

Steam pipeline optimization and retrofit projects for Jilin Dali
吉林公司蒸汽管路優化改造

Original design: Due to the narrow underground pipe gallery, it is not possible to conduct annual maintenance, resulting in considerable heat loss and energy consumption;

Technical improvement proposal: The change to above-ground layout facilities repair and maintenance works. Major pipeline runs from boiler room to enclosing walls and the west side of the plant, whilst branch pipelines are connected to energy consumption points of the plant, reducing heat loss.

原設計：採用地下管廊佈局，空間狹小無法年度保養造成熱量損失較大，能源耗用較大；

技改方案：改成地上佈局，便於維修保養，主管道由鍋爐房出到圍牆邊，到車間西面，分支管道進入各車間用能點，減少熱能損失。

Energy consumption[2] 能源消耗[2] Category 類別	Unit 單位	2019 二零一九年	2020 二零二零年	Change (%) 變化 (%)
Direct consumption 直接能耗	Tonnes of standard coal 噸標煤	102,783	**88,628**	–14.4
Purchased electricity 外購電力	kWh 千瓦時	508,150,100	**482,550,800**	–5.0
Purchased steam 外購蒸汽	Tonnes 噸	425,600	**439,700**	3.3
Indirect consumption 間接能耗	Tonnes of standard coal 噸標煤	117,183	**115,851**	–1.1
Comprehensive consumption 綜合能耗	Tonnes of standard coal 噸標煤	219,967	**204,479**	–7.3
Comprehensive energy consumption per RMB10,000 of revenue 萬元收益綜合能耗	Tonnes of standard coal/ RMB10,000 噸標煤／萬元	0.103	**0.098**	–5.5

Greenhouse gas emissions[3] 溫室氣體排放[3] Category 類別	Unit 單位	2019 二零一九年	2020 二零二零年	Change (%) 變化 (%)
Greenhouse gas emissions (Scope 1) 溫室氣體排放量（範疇一）	Tonnes of carbon dioxide equivalents 噸二氧化碳當量	183,185	**158,146**	–13.7
Greenhouse gas emissions (Scope 2) 溫室氣體排放量（範疇二）	Tonnes of carbon dioxide equivalents 噸二氧化碳當量	328,703	**314,300**	–4.4
Total greenhouse gas emissions (Scope 1 and Scope 2) 溫室氣體排放總量（範疇一及範疇二）	Tonnes of carbon dioxide equivalents 噸二氧化碳當量	637,977	**472,446**	–25.9
Greenhouse gas emissions per RMB10,000 revenue 萬元收益溫室氣體排放量	Tonnes of carbon dioxide equivalents/ RMB10,000 噸二氧化碳當量／萬元	0.298	**0.225**	–24.5

2 During the reporting period, the Group refined the management of energy consumption, with additional disclosure of main energy consumption in 2020 as compared to 2019. Comprehensive energy consumption includes the processing and production of food and beverage products; the calculation of the comprehensive energy consumption was based on *General Principles for the Calculation of the Comprehensive Energy Consumption* (Consultation Draft in July 2018).

2 報告期內，本集團對能源消耗實行精細化管理，相較於二零一九年，新增披露了二零二零年主要能源使用情況。綜合能耗包含食品和飲料類產品加工生產；綜合能耗消耗量計算參照《綜合能耗計算通則》（二零一八年七月徵求意見稿）。

3 During the reporting period, the Group further refined the management of greenhouse gas emissions by compiling and disclosing information on emission of Scope 1 and Scope 2 greenhouse gas respectively. Scope 1 greenhouse gas is mainly derived from direct energy consumption — mainly include natural gas, diesel and gasoline; whilst Scope 2 greenhouse gas is derived from indirect energy consumption — mainly include purchased electricity and purchased steam; greenhouse gas emissions are calculated with reference to *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions from Industry and Other Sectors (Trial)* issued by the National Development and Reform Commission of the People's Republic of China.

3 報告期內，本集團進一步對溫室氣體排放實行精細化管理，分別統計並披露溫室氣體排放範疇一和範疇二數據。其中範疇一溫室氣體主要來自直接能源消耗 — 主要包括天然氣、柴油和汽油，範疇二溫室氣體來自間接能源消耗 — 主要包括外購電力和外購蒸汽；溫室氣體排放量計算參照中華人民共和國國家發展和改革委員會發佈的《工業其他行業企業溫室氣體排放核算方法與報告指南（試行）》。

Resource Management

The Group focuses on the careful management of the use of resources to reduce the environmental impact of production and operation. Through continuous improvement of resource management system, rational utilization of various resources in the factory, continuous enhancement of resource utilization rate, regular analysis of resource utilization and incorporation of resource utilization efficiency into daily management mechanism, the concept of resource conservation is continuously transmitted to our employees.

資源管理

本集團注重對資源的使用進行精細化管理，從而降低生產運營對環境造成的影響。通過不斷完善資源管理制度，合理利用工廠各類資源，不斷提高資源利用率，並對資源使用情況進行定期分析，將資源使用效率納入日常管理工作機制，持續地將節約資源的理念傳輸給我們的員工。

Water Resources Management

The Group fully recognizes the importance of water as a fundamental daily resource. We strictly comply with the requirements of the *Water Law of the People's Republic of China* and optimize our water resource management on a continuous basis. We implement index target control over departments with relatively high water consumption, keep promoting water conservation, recycling and shared usage of water through the establishment of related assessment mechanism.

水資源管理

本集團充分認識到水作為基礎生活資源的重要性，我們嚴格遵守《中華人民共和國水法》的規定，不斷完善水資源管理，對水資源消耗較多的部門實行目標指標管控，並通過設置相關考核機制，不斷促進水資源的節約使用、循環使用和共同使用。

Water Resources Saving Actions 節約水資源項目

- Strict analysis on water consumption indicator for different products, carry out rectifying measure in case of any abnormality;
  嚴格分析各產品用水指標，若發生異常，及時採取糾偏措施；
- Reinforce the concept of water saving through notices and water saving labels;
  通過公告或節約用水標識加強節水的宣傳教育；
- Replace existing water faucets with inductive faucets to save more water;
  沖洗水龍頭更換為感應式水龍頭，提升節水效果；
- Enhance recycling of water resources, add new recycling flow meters for recycling of high-salinity water and steam condensed water to ensure maximum recycling;
  加強水資源循環利用，在濃水回收、蒸汽冷凝水再利用方面增設回收流量計，確保最大循環利用率；
- Upgrade techniques such as original CIP cleaning process to increase production time and reduce water consumption for cleaning; improve cleaning and recycling system of sterilizing machines to reduce consumption of water and chemicals and pharmaceuticals ; water will be filtered and recycled to the raw water put for reuse after it is used in the production and filling workshops and treated through reverse osmosis (RO) process.
  工藝升級改造，例如優化原位清洗（CIP）工藝流程，增加生產時間，減少清洗用水量；改造殺菌機清洗回收系統，降低水耗及化學藥品消耗；生產灌裝間使用後的經反滲透（RO）處理的水過濾回收至原水池綜合再利用。

Packaging Material Management

During the reporting period, the National Development and Reform Commission and the Ministry of Ecology and Environment jointly published the *Opinion on Further Enhancing the Governance over Plastic Pollution*, pursuant to which , the major plastic packaging materials currently used by the Group are not within the scope of plastic products that are subject to explicit prohibition and restrictions on its production, sale and use. On top of that, we closely observe the requirements and implementation rules of the laws and regulations in related to plastic packaging production, usage, recycle and handling specific to the locations where we operate, so as to consistently promoting our performance in the area of packaging material management.

The Group is committed to the research and development of sustainable packaging in a view to reduce the amount of packaging materials used in different products. We also encourage the usage of environment friendly materials that are responsibly manufactured, such as those certified by the Forest Stewardship Council (FSC). We actively explore the viability of the minimization, light-weighting and greening of packaging. For materials, we choose recyclable ones for all our packaging, and in terms of packaging specifications, we give due consideration to the capacity utilization rate of the products during the design process, so as to minimize the size of our packaging and hence to reduce wastage.

包裝材料管理

報告期內，國家發改委、生態環境部聯合發佈了《關於進一步加強塑膠污染治理的意見》，本集團目前使用的主要塑料包裝並不在該文件所明令禁止、限制生產、銷售和使用的塑料製品範圍內。除此之外，我們密切關注運營所在地有關塑料包裝生產、使用以及回收處置等方面的具體法律法規要求及實施細則，不斷提升我們在包裝材料管理方面的表現。

本集團致力於可持續包裝的研發，減少各產品的包裝材料用量，並鼓勵使用源自負責任生產的環保包材，如經森林管理委員會(FSC)認證的包裝材料。我們積極探索包裝的減量化、輕量化及綠色化，在包裝材料選擇上，我們全部使用可回收材料的包裝材料；在包裝規格設計中，充分考慮產品的容積率，降低包裝克重，降低包裝浪費。

Packaging Optimization Actions 包裝優化項目

- Use “Tetra Pak” packaging for its “Doubendou” box packages. “Tetra Pak” packaging has been certified by Forest Stewardship Council (FSC);
  豆本豆系列盒裝產品採用經過森林管理委員會(FSC)認證的低碳環保的利樂包裝；
- Replace existing ink coding with laser coding to reduce the pollution caused by ink;
  原有油墨噴碼更改為激光噴碼，減少油墨帶來污染；
- Replace tape sealing with hot melt adhesive sealing to avoid pollution caused by tape;
  膠帶封箱更改為熱熔膠封箱，規避膠帶造成的污染；
- Apply amorphous design on the bottle mouth of our beverage products in 2020, thereby effectively reduced the wastage of packaging materials.
  二零二零年飲料產品包裝設計採用非結晶瓶口的設計方案，可有效降低包裝物的浪費。

Resource Consumption 資源消耗 Category 類別	Unit 單位	2019 二零一九年	**2020** **二零二零年**	Change(%) 變化(%)
Water consumption 用水量	tonnes 噸	10,170,400	**9,354,100**	–8.0
Water consumption per RMB10,000 of revenue 萬元收益用水量	tonnes/RMB10,000 噸／萬元	4.76	**4.46**	–6.2
Packaging material[4] consumption 包裝材料[4]消耗	tonnes 噸	314,600	**293,600**	–6.7
Packaging material consumption per RMB10,000 of revenue 萬元收益包裝材料消耗	tonnes/RMB10,000 噸／萬元	0.147	**0.140**	–4.8

Emission Control

The Group exercises strict control over emission management in accordance with the laws and regulations of People's Republic of China and the place of operation. By formulating the *Operation Control Procedure for the Environmental Management System*, enhanced efforts are made to various emissions ledger and treatment processes, and the management of waste gas, wastewater and solid wastes are continuously standardized, so as to ensure that all pollutants are emitted in a proper and compliant manner.

排放控制

本集團依據國家及運營所在地的法律法規，對排放管理工作實行嚴格把控。我們已制定《環境管理體系的運行控制程序》，加強各類排放台賬及處理流程，不斷規範對廢氣、廢水和固體廢棄物的管理，確保所有排放物得到妥善、合規處置。

4 Packaging materials are mainly cartons and paper sheets

4 包裝材料主要為紙箱和切片

Exhaust Gas Control Actions 廢氣排放控制項目

- Upgrade low-nitrogen combustion of gas boilers, thereby subsidiaries in Chengdu, Jinan, Henan, Hebei, Jilin, Shenyang, etc. have lowered the nitrogen oxide emission intensity to below 30mg/m^3;
  燃氣鍋爐低氮燃燒改造，在成都、濟南、山西、河南、河北、吉林、瀋陽等附屬分公司已經實現氮氧化物排放濃度低於30mg/m^3；
- Add exhaust gas recycling and treatment equipment at the waste water stations, whilist the installation of such equipment has been completed at the subsidiaries in Jinan, Jilin, Gansu, Ma'anshan, Nanchang, etc.;
  污水站增加廢氣回收處理裝置，在濟南、吉林、甘肅、馬鞍山、南昌等附屬分公司已安裝完成；
- Ensure standard emissions of workshop exhaust gas by carrying out centralized collection through air duct to the processing system, as well as lye spray, high attitude emissions and other measures.
  車間廢氣採用風管集中收集到處理系統，並結合鹼液噴淋高空排放等方法，保障車間廢氣的達標排放。

Waste Water Discharge Control Actions 廢水排放控制項目

- Increase centralized collection bucket for sewage sludge, prevent secondary pollution by automatic storage;
  污泥增加集中收集斗，自動儲存防止二次污染；
- Increase automatic sprinklers for the secondary and final sedimentation in the waste water treatment process, so as to reduce labor intensity and improve treatment efficiency.
  廢水處理工藝中的二沉、終沉池增加自動噴淋裝置，減少人工勞動強度，提高處理效率。

Solid Waste Discharge Control Actions 固廢排放控制項目

- Separate solid waste according to the classification of hazardous waste and non-hazardous waste, maximize the recycling of non-hazardous waste;
  將固體廢棄物按照危險廢棄物和無害廢棄物分類管理，最大限度對無害廢棄物進行回收利用；
- Hazardous waste such as automobile waste oil and acid and alkaline solvent drums are properly collected in accordance with standard procedures, the temporary storage area will be locked-up and the ground is solidified to prevent contamination of under soil caused by leakage, after which such waste will be delivered to qualified companies for transportation and treatment.
  危險廢棄物如廢機油、酸鹼溶劑桶等，按照標準流程妥善收集，並在暫存專區採用密閉上鎖管理，地面採用固化處理防止洩露後滲漏地下污染土壤；然後交由有資質的公司進行運輸和處置。

The Optimization Project of "Replacing Small Barrels with Large Tanks"
「小桶換大罐」優化項目

In order to consistently control the exposure in the course of production regarding the transportation of materials and waste, we have commenced the optimization project named "Replacing Small Barrels with Large Tanks" during the reporting period, by replacing the small barrels currently used in transportation with large tanks, thereby we have effectively reduced the consumption and wastage of small barrels and hence the transportation costs, so as to strive for a more economical, safe and environment friendly transportation process.

為不斷規範生產過程中原料和廢料的運輸風險，持續降低運輸成本，報告期內，我們開展「小桶換大罐」優化項目，將原先的小桶裝運替換成大罐運輸，可有效減少小桶的使用數量和消耗量，並降低運輸回收成本，追求更經濟、安全、環保的原料及廢料運輸條件。

Pollutant emissions
污染物排放

Category 類別	Unit 單位	2019 二零一九年	**2020** **二零二零年**	Change (%) 變化 (%)
Waste water discharge 廢水排放量	tonnes 噸	5,383,238	**5,049,477**	–6.2
Recycled non-hazardous waste 回收的無害廢物	tonnes 噸	46,788	**45,876**	–1.9
Recycled on-hazardous waste per RMB10,000 of revenue 萬元收益回收無害廢物量	tonnes/RMB10,000 噸／萬元	0.022	**0.022**	–1.9
Nitrogen oxide emission[5] 氮氧化物排放[5]	tonnes 噸	38.04	**22.66**	–40.4

[5] Nitrogen oxide and sulfur dioxide are mainly emitted by boilers

[5] 氮氧化物和二氧化硫來自鍋爐煙氣

Green Office

Apart from exploring green production technologies, we always focus on creating green working environment. We actively promote the use of energy-saving office equipment, and our employees are encouraged to save water, electricity, paper and office supplies. Meanwhile, we vigorously pursue OA (Office Automation) system, with the intention to reduce the number of printed documents and promote online meetings amid COVID-19 outbreak, thus truly integrating the concept of sustainable development into daily office life.

綠色辦公

我們在探索綠色生產技術的同時，始終注重打造綠色辦公環境。我們積極推廣使用節能辦公設備，鼓勵員工節約用水、用電、用紙以及辦公用品的消耗，同時，我們大力推行OA (Office Automation，辦公自動化) 系統，減少紙質文件的打印，並結合新冠疫情情況提倡大家線上會議，真正將可持續發展理念融入到日常辦公生活中。

Enhance employees' environmental awareness regarding water saving with notices and water conservation signages
通過公告和節水標識，強化員工節約用水的環境意識

Promote paper-less office, encourage shared-use of computers, use email to send information, use duplex printing whereas necessary
推廣無紙化辦公，鼓勵電腦共享、郵件發送信息資料，必要時進行雙面打印

Regular repair and maintenance on water pipes and office equipment and facilities
定期維護保養用水管道及辦公設備設施

Advocate to turn off the lights whereas appropriate and control the temperature setting of the airconditioning in offices and dormitories
倡導隨手關燈，並對辦公和宿舍空調使用溫度進行控制

CREATE A BETTER SOCIETY AND MAKE IT A PLACE FULL OF CARE

Philanthropy is always a focal point of the Group, and this is why social responsibility is incorporated throughout the entire journey of our cooperate development. Over the years, we have been sparing no effort in initiating charity programs, in which philanthropy is included in our annual budget thereby providing it with institutional assurance, while our various charity foundations are managed with scientific approach. Through school constructions, paying tribute to elderly and nourishing youngsters, calamity relief and many other initiatives, we show our utmost solicitude for the most vulnerable and support the poor through various means. As we always remember the roots of our success, it is our mission to contribute in the creation of a more caring society and living out the motto of "Taken from Society, Give back to Society".

Value Education and Foster Learning

Education is the very foundation of a country, as the nation's future and hope lie upon it. On this same note, Xu Shihui, the Chairman of our Group, once suggested: "Put priority on education to propagate traditional Chinese virtues." In an effort to develop educational endeavors, we have established educational foundations to venture in the area of scholarship provision so as to support both teachers and students, and at the same time eagerly collaborate with government authorities in school constructions. Through our contributions to education, we hope to inspire the community to engage in this endeavor, injecting new momentum to educational development by rallying the supports from different walks of life, and through this, we can bring better education to more children and hope to more families.

美好社會，愛心家園

本集團始終把公益事業納入重點關注的範疇，將履行社會責任融入企業發展的全過程，長久以來，我們不遺餘力開展慈善項目，把慈善事業列入每年預算，制度化給予保障，科學管理各項公益基金。通過興辦學校、尊老扶幼、賑災救援等方面，全面關愛社會中的弱勢群體，多渠道扶助貧困人口。我們願意為構建美好社會貢獻愛心力量，飲水思源，真正做到取之於社會，回饋於社會。

重教興學

教育是立國之本，是民族的未來和希望。本集團董事長許世輝也曾提出「優先發展教育事業，弘揚傳統中華美德」。為了協助發展教育事業，我們成立了教育基金，用於開展獎教、獎學和助學事業，同時還與政府部門積極開展合作，興建學校，我們渴望借助扶持教育事業的發展來激發社會助學熱情，凝聚各界力量，為教育事業帶來新的能源，讓更多的孩子接受良好的教育，為更多的家庭帶來希望。

Promoting Teaching and Learning: Scholarship Provision
興學助教 — 獎學金發放

As always, in August 2020, the 10th "Liangliang Education Trust Association" of Huian County offered scholarship to outstanding teachers and students as encouragement as well as to underprivileged students as supports, through which around 3,000 teachers and students received awards from the foundation with an amount aggregated to RMB10 million. In late 2020, the "Xu Shihui Education Trust Association of Dali Group" of Huian County was officially consolidated under the name of "Liangliang Education Trust Association" of Huian County, whence an award was launched exclusively for students with outstanding results in the Higher Education Exam. The scholarship offers RMB100,000 to each awardee who mainly comprise Peking University students from Huian. To date, the association has been offering scholarships to the majority of teachers and students for ten consecutive years, covering over 20,000 beneficiaries with an amount accumulated to approximately RMB85 million. Through these various scholarships, we hope to inspire every student to strive forward diligently and aim for the best, and eventually pave the right way to their greatest success.

二零二零年八月，第十屆惠安亮亮教育基金獎學金繼續發放人民幣1,000萬元，用於對優秀師生的鼓勵以及貧困學生的補助，有近3,000位師生獲得教育基金的獎勵。「達利集團許世輝惠安教育基金」於二零二零年底正式歸並到惠安縣亮亮教育基金會，並特別設立了高考精英獎，主要獎勵考入清華、北大的惠安學子，獎勵金額為每人人民幣10萬元。截至目前，基金已經連續十年向廣大師生發放獎教獎學助學金，累計發放金額約人民幣8,500萬元，惠及師生達20,000多人次。我們希望通過獎助學金的形式，鼓勵莘莘學子拼搏進取，勇攀高峰，為取得更高的成就打下良好的基礎。

Promoting Teaching and Learning: School Constructions
興學助教 — 興建學校

In 2018, the Group's Chairman donated RMB1 billion to kick-start the "Liangliang Education Trust Association" of Huian County and engaged in the construction of Hui'an Liangliang Middle School. The grand signing ceremony of the cooperative education program with Hui'an Liangliang Middle School, which is donated by the Group, was held in October 2020, and it is expected that the enrollment for junior and senior high freshmen will commence in September 2021. In the foreseeable future, we, and the other parties involved, are committed to foster Liangliang Middle School into a shining example of modern education not only in the county but also the entire nation. As a full-time and comprehensive middle school that is non-profit in nature, Liangliang Middle School is not only a major project under the Development and Reform Commission of the Fujian province, but is also an important element within Hui'an's "A County Excel in Education" program. The establishment and operation of Liangliang Middle School marked another milestone of Dail Group's philanthropy in respect of education. We are eager to cultivate more talents to serve as pillars of the nation through these charity programs.

本集團董事長曾在二零一八年捐資人民幣10億元發起成立惠安縣亮亮教育基金會，興建惠安亮亮中學。二零二零年十月份，由集團捐贈的惠安亮亮中學合作辦學簽約儀式隆重舉行，並預計於二零二一年九月開始正式招收初一、高一新生。我們各方致力於在不久的將來把亮亮中學打造成為全省乃至全國的現代教育名片。作為一所全日制非營利性完全中學，惠安亮亮中學不僅是福建省發改委確認的重點項目，也是惠安縣「教育強縣」的重要項目。亮亮中學的籌備和辦學，是達利集團在教育慈善事業方面的又一標桿舉措。我們期待通過這些慈善項目為國家培養更多棟樑之才。

Pay Tribute to Elderly and Nourish Youngsters

The Group is a propagator of Chinese virtues, with the admirable tradition of "Honor the elderly and the young in other families as we honor those in our own" in mind, we keep a keen eye on the issue of aging population and left-behind children, showcasing our care through actual measures. We have been sending out hope and warmth to elderly in poverty and left-behind children, so as to immerse them with love and care from the larger society. We are committed to foster harmony and the spirit of reciprocity in the society, by spreading positivity, we hope to rally all walks of life to contribute their resources in charity, and thus enhance social harmony through joint forces.

敬老慈幼

集團弘揚中華美德，秉承「老吾老以及人之老，幼吾幼以及人之幼」的優良傳統，關注人口老齡化和留守兒童問題，將愛心轉化為實際行動，為貧困老年人和留守兒童送去陽光和溫暖，讓他們更多的感受到來自社會大家庭的真情關懷。我們致力於營造和諧互助的社會氛圍，希望通過傳播正能量，結合社會各界資源匯聚更多愛心力量，促進社會和諧發展。

Caring for Elderly and Sharing Love
愛心敬老，情暖人心

Since 2010, the Group has been granting annual old-age subsidy to elders without pensions in some villages and towns in Huian County, Quanzhou City. This charitable event has organized for more than a decade. Up to now, Dali Foods Group has granted old-age subsidy of over RMB90 million to nearly 100,000 people in total.

自二零一零年起，集團每年都會向泉州市惠安縣部分村鎮沒有退休金的老年人發放愛心敬老金，這項慈善公益活動已經持續十餘年。截至目前，達利食品集團累計向近10萬人次發放愛心敬老金人民幣9,000多萬元。

Caring for left-behind children and assisting for family reunion
關愛留守兒童，助力團圓時刻

Since 2016, the Group has devoted ongoing attention to the issue of left-behind children, and the geographical scope of its supporting activities covers Fujian, Jiangxi, Chongqing, Yunnan and other provinces and cities. In 2020, under the guidance of the Rights and Interests Department of the Fujian Provincial Committee of the Communist Youth League of China, Daliyuan launched a charity campaign for left-behind children in conjunction with Children's Channel of Fujian Television Station, namely "Daliyuan — Letting Dreams Set Sail, Love Reunited". On 16 January, the Group organized a group tour to Fuzhou for 30 left-behind children and their parents, visiting the education base of the China Shipping Heritage Scenic Area in Fuzhou. Apart from that, they were also invited to appreciate the cultural programmes at the studio hall of Fujian Radio Film and TV Group. In addition to gaining knowledge and enjoying the wonderful performances, it is more important to reunite the children with their parents and share the happiness of being together as a family. By organizing caring activities for left-behind children, we hope to show our love and concern to their families, as well as to take the opportunity to promote charity and accumulate social power, so that more people in need can benefit from the support and assistance by virtue of increased resources. In addition, Daliyuan's charity campaign for left-behind children, namely "A wonderful new year with the happiness of reunion", was officially launched on December 27, 2020. We will maintain our enthusiasm for organizing caring activities for left-behind children, with the commitment to providing support to more children and families, and creating warm childhood memories for those being left home alone.

自二零一六年起，集團持續關注留守兒童問題，所舉辦的愛心助力活動已經遍及福建、江西、重慶、雲南等多個省市。二零二零年，在共青團福建省委權益部指導下，我們與福建電視台少兒頻道共同發起了「達利園 —— 夢想啟航讓愛團圓」達利園關愛留守兒童公益活動。一月十六日，集團愛心專車將30名留守兒童與他們的父母接到福州，組織留守兒童家庭參觀了福州市中國船政文化景區研學實踐教育基地，孩子和家長們還一同來到福建省廣播影視集團的演播大廳觀看文藝節目。在收獲知識和欣賞精彩表演之外，更重要的是讓孩子和父母團圓，共同感受一家人在一起的幸福。我們舉辦關愛留守兒童活動，在為兒童和家庭送去溫暖的同時，也希望借此宣傳公益理念，吸納社會力量，借助更多的資源為更多有需要的人送去溫暖和幫助。此外，二零二零年十二月二十七日達利園「最美全家福，幸福團圓年」關愛留守兒童團圓公益活動也正式啟動。我們會繼續保持對留守兒童公益事業的熱情，竭力幫助更多的孩子和家庭，為留守在家的小朋友營造一個更溫馨的童年。

Fight Against The Epidemic

The Group always keeps in mind its role and mission as a Chinese enterprise by paying attention to social hot issues and actively shouldering social responsibility. In the face of major disasters, including Wenchuan earthquake in 2008, droughts in Southwest China and Yushu earthquake in 2010, Ya'an earthquake in 2013, as well as floods hitting middle and lower reaches of the Yangtze River in 2016, Dali people are always among the first to set up support teams for delivering the most needed food and beverages to people in disaster-stricken areas.

In early 2020, the Group made prompt responses to nationwide outbreak of COVID-19. During the reporting period, we fully supported the front-line personnel and fought against the epidemic together with the people nationwide, with an aim to overcome the adversity hand by hand.

抗擊疫情

本集團始終牢記民族企業的擔當和使命，關注社會熱點，積極肩負起社會責任，從二零零八年汶川地震，二零一零年西南旱災、玉樹地震，到二零一三年雅安地震，再到二零一六年長江中下游沿江部分地區洪水泛濫等等，每一次重大險情面前，達利人總會第一時間站出來，成立支援隊伍，為災區人民送去最需要的食品和飲料。

二零二零年初，全國範圍內新冠疫情肆虐，集團迅速響應，報告期內，我們全力支援一線人員，與全國人民同呼吸，共戰疫，攜手共克時艱。

Joint forces to fight against the epidemic
聚力抗擊疫情，攜手溫暖同行

In early 2020, in the face of the unexpected COVID-19 outbreak, the entire country worked together to fight against the epidemic, and the Group was devoting its supporting efforts amid such difficulties. On January 27, we sent the first batch of supplies to infected area in Hubei, marking the commencement of our anti-epidemic support. Following the spread of the epidemic, our subsidiaries and partners donated supplies of more than RMB10 million to front-line workers. In February 2020, the Group further donated Doubendou soymilk in amount of RMB10 million, thereby providing strong backup support to frontline staff, delivering nutritious foods to medical staff, volunteers and patients, expressing our respect to medical staff and volunteers, and contributing to the nationwide anti-epidemic work, with a hope to gather the strength of the entire society and celebrate triumph over this invisible war.

二零二零年初，面對突如其來的新冠疫情，舉國上下戮力同心抗擊疫情。集團也在為抗疫事業添磚加瓦，一月二十七日，我們把第一批援助物資送至湖北疫區，拉開了疫情援助的序幕。疫情蔓延之後，本集團各子公司以及合作伙伴向抗疫前線支援了價值人民幣1,000餘萬的物資。二零二零年二月，集團再次捐贈了價值人民幣1,000萬元的豆本豆豆奶，借此為抗疫前線提供了強大的後勤支援，為醫護人員、志願者和患者輸送了營養物質，表達了對醫護人員、志願者的敬意，為全國的抗疫工作助力，希望凝聚全社會的力量打贏這場沒有硝煙的戰爭。

APPENDIXES

附錄

I. Appendix — The list of significant laws and regulations that apply to the Group

I. 附錄 — 適用的主要法律法規清單

No. 序號	Significant laws and regulations that the Group should comply	主要遵守的法律法規
1	*Company Law of the People's Republic of China*	《中華人民共和國公司法》
2	*Anti-Unfair Competition Law of the People's Republic of China*	《中華人民共和國反不正當競爭法》
3	*Advertising Law of the People's Republic of China*	《中華人民共和國廣告法》
4	*General Standard for the Labeling of Prepackaged Foods*	《預包裝食品標籤通則》
5	*Standard on Nutrition Labelling of Prepackaged Foods*	《預包裝食品營養標籤通則》
6	*Basic Standards for Corporate Internal Control*	《企業內部控制基本規範》
7	*Interim Provisions on Banning Commercial Bribery*	《關於禁止商業賄賂行為的暫行規定》
8	*Food Safety Law of the People's Republic of China*	《中華人民共和國食品安全法》
9	*Product Quality Law of the People's Republic of China*	《中華人民共和國產品質量法》
10	*Regulation on the Implementation of the Food Safety Law of the People's Republic of China*	《中華人民共和國食品安全法實施條例》
11	*Patent Law of the People's Republic of China*	《中華人民共和國專利法》
12	*Trademark Law of the People's Republic of China*	《中華人民共和國商標法》
13	*Copyright Law of the People's Republic of China*	《中華人民共和國著作權法》
14	*Law of the People's Republic of China on the Protection of Consumer Rights and Interests*	《中華人民共和國消費者權益保護法》
15	*Labor Law of the People's Republic of China*	《中華人民共和國勞動法》
16	*Labor Contract Law of the People's Republic of China*	《中華人民共和國勞動合同法》
17	*Special Rules on the Labor Protection of Female Employees*	《女職工勞動保護特別規定》
18	*Law of the People's Republic of China on the Protection of Minors*	《中華人民共和國未成年人保護法》
19	*Provisions on the Prohibition of Using Child Labor*	《禁止使用童工規定》
20	*Work Safety Law of the People's Republic of China*	《中華人民共和國安全生產法》
21	*Regulations on the Safety Management of Hazardous Chemicals*	《危險化學品安全管理條例》
22	*Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*	《中華人民共和國職業病防治法》
23	*Measures for the Administration of Contingency Plans for Work Safety Accidents*	《生產安全事故應急預案管理辦法》
24	*Regulation on Work-Related Injury Insurance*	《工傷保險條例》
25	*Fire Protection Law of the People's Republic of China*	《中華人民共和國消防法》
26	*Special Equipment Safety Law of the People's Republic of China*	《中華人民共和國特種設備安全法》
27	*Environmental Protection Law of the People's Republic of China*	《中華人民共和國環境保護法》
28	*Environmental Protection Tax Law of the People's Republic of China*	《中華人民共和國環境保護稅法》
29	*Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*	《中華人民共和國大氣污染防治法》
30	*Water Pollution Prevention and Control Law of the People's Republic of China*	《中華人民共和國水污染防治法》
31	*Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*	《中華人民共和國固體廢物污染環境防治法》
32	*Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise*	《中華人民共和國環境噪聲污染防治法》
33	*Energy Conservation Law of the People's Republic of China*	《中華人民共和國節約能源法》
34	*Water Law of the People's Republic of China*	《中華人民共和國水法》

II. Appendix — Indices for Content of ESG Reporting Guide by Hong Kong Stock Exchange

II. 附錄 — 香港聯交所ESG報告指引內容索引

General Disclosures and KPIs 一般披露及關鍵績效指標		ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT FOR 2020 二零二零年環境、社會及管治報告
A. Environmental **A. 環境**		
Aspect A1 **層面A1**	**Emissions** **排放物**	
A1	General Disclosure 一般披露	Environmental Management, Energy Management, Emission Control 環境管理、能源管理、排放控制
A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Emission Control 排放控制
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Energy Management 能源管理
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	With a relatively low amount of hazardous waste produced by the Group and the absence of concern from stakeholders, disclosure is not available for the time being. 本集團產生的有害廢棄物量較少，並且權益人未表達過關注，因此暫未披露。
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Emission Control 排放控制
A1.5	Description of emissions target(s) set and steps taken to achieve them. 描述減低排放量的措施及所得成果。	Emission Control 排放控制
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Emission Control 排放控制
Aspect A2 **層面A2**	**Use of Resources** **資源使用**	
A2	General Disclosure 一般披露	Energy Management, Resource Management 能源管理、資源管理
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	Energy Management 能源管理
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	Resource Management 資源管理
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them. 描述能源使用效益計劃及所得成果。	Energy Management 能源管理
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Resource Management The Group did not have any problems with water sourcing. 資源管理 本集團在求取適用水源上無問題
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 制成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	Resource Management 資源管理

General Disclosures and KPIs 一般披露及關鍵績效指標		ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT FOR 2020 二零二零年環境、社會及管治報告
Aspect A3 層面A3	**The Environment and Natural Resources 環境及天然資源**	
A3	General Disclosure 一般披露	Resource Management 資源管理
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Resource Management 資源管理
B. Social B. 社會		
Employment and Labour Practices 僱傭及勞工常規		
Aspect B1 層面B1	**Employment 僱傭**	
B1	General Disclosure 一般披露	Labour Rights and Employment, Remuneration and Benefits 勞工權益與僱傭、薪酬福利
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Labour Rights and Employment 勞工權益與僱傭
B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	The Group disclosed the overall employee turnover rate, and it intends to disclose the turnover rate based on gender, age groups and geographical locations in the future. 已披露僱員整體流失率，按性別、年齡組別及地區劃分的僱員流失率計劃未來披露
Aspect B2 層面B2	**Health and Safety 健康與安全**	
B2	General Disclosure 一般披露	Health and Safety 健康安全
B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	Health and Safety 健康安全
B2.2	Lost days due to work injury. 因工傷損失工作日數。	Health and Safety 健康安全
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Health and Safety 健康安全
Aspect B3 層面B3	**Development and Training 發展及培訓**	
B3	General Disclosure 一般披露	Training and Development 培訓發展
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。	Training and Development 培訓發展
B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	The Group disclosed the average training hours completed per employee, and it intends to disclose the training hours completed by employees based on gender and category in the future. 已披露每名僱員完成受訓的平均時數，按性別、類型劃分的僱員受訓時數計劃未來披露

General Disclosures and KPIs 一般披露及關鍵績效指標		ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT FOR 2020 二零二零年環境、社會及管治報告
Aspect B4 層面 B4	**Labour Standards 勞工準則**	
B4	General Disclosure 一般披露	Labour Rights and Employment 勞工權益與僱傭
B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Labour Rights and Employment 勞工權益與僱傭
B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	No violation has occurred during the reporting period. 報告期內未發生違規情況
Operating Practices 營運慣例		
Aspect B5 層面 B5	**Supply Chain Management 供應鏈管理**	
B5	General Disclosure 一般披露	Food Quality and Safety 食品質量與安全
B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Food Quality and Safety 食品質量與安全
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	Food Quality and Safety 食品質量與安全
Aspect B6 層面 B6	**Product Responsibility 產品責任**	
B6	General Disclosure 一般披露	Food Quality and Safety, Scientific Research and Innovation, Protection of Rights and Interests 食品質量與安全、科研創新、權益保障
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	Food Quality and Safety 食品質量與安全
B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Protection of Rights and Interests 權益保障
B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Scientific Research and Innovation 科研創新
B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	Food Quality and Safety 食品質量與安全
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored. 描述消費者數據保障及私隱政策，以及相關執行及監察方法。	Protection of Rights and Interests 權益保障

General Disclosures and KPIs 一般披露及關鍵績效指標		ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT FOR 2020 二零二零年環境、社會及管治報告
Aspect B7 層面 B7	**Anti-corruption 反貪污**	
B7	General Disclosure 一般披露	Integrity and Compliance 廉潔合規
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	Integrity and Compliance 廉潔合規
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	Integrity and Compliance 廉潔合規
Community 社區		
Aspect B8 層面 B8	**Community Investment 社區投資**	
B8	General Disclosure 一般披露	Create a Better Society and Make it a Place Full of Care 美好社會，愛心家園
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	Create a Better Society and Make it a Place Full of Care 美好社會，愛心家園
B8.2	Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源(如金錢或時間)。	Create a Better Society and Make it a Place Full of Care 美好社會，愛心家園

Independent Auditor's Report
獨立核數師報告

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To the shareholders of Dali Foods Group Company Limited
(Incorporated in the Cayman Islands as an exempted company with limited liability)

致達利食品集團有限公司股東
(於開曼群島註冊成立的獲豁免有限公司)

OPINION

We have audited the consolidated financial statements of Dali Foods Group Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 148 to 242, which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

意見

吾等已審核第148頁至第242頁所載達利食品集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表，包括於二零二零年十二月三十一日的合併財務狀況表、截至該日止年度的合併損益及其他綜合收益表、合併權益變動表及合併現金流量表，以及合併財務報表附註(包括重大會計政策概要)。

吾等認為，合併財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映　貴集團於二零二零年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港公司條例妥為編製。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 opinion.

意見的基礎

吾等根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。吾等於該等準則下的責任在吾等的報告內核數師就審核合併財務報表須承擔的責任一節進一步闡述。根據香港會計師公會的香港職業會計師道德守則(「守則」)，吾等獨立於　貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所取得的審計憑證能充足及適當地為吾等的意見提供基礎。

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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核於本期間的合併財務報表中最重要的事項。吾等在審核合併財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。就下文各事項而言，有關吾等審核時處理此等事項的描述僅適用於此等情況。

吾等已履行本報告核數師就審核合併財務報表須承擔的責任一節所述的責任，包括與此等事項相關之責任。據此，吾等的審計範圍包括旨在回應吾等對合併財務報表進行重大失實陳述風險評估的程序的表現。審核程序（包括為處理下列事項而進行的程序）的結果為吾等就隨附合併財務報表發表審核意見提供了基礎。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 吾等進行審核時如何處理關鍵審核事項
Valuation of inventories *存貨估值*	
As at December 31, 2020, the balance of inventories was RMB1,074,604,000 which accounted for approximately 6.5% of the current assets of the Group. 於二零二零年十二月三十一日，存貨結餘為人民幣1,074,604,000元，佔　貴集團的流動資產約6.5%。	We obtained an understanding of management's process on the determination of inventory cost and net realisable value and evaluated the design, implementation and operating effectiveness of key internal controls. 吾等瞭解管理層釐定存貨成本及可變現淨值的程序，並評估主要內部監控的設計、執行及運作效力。
Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. When the Group launches new products, key parameters in the valuation of such inventories require the Group's estimation and judgement. In addition, determination of net realisable value also requires the Group's estimation and judgement. Considered the significance of inventory balance and significant estimation and judgement involved, we identified the valuation of inventories as key audit matter. 存貨按成本與可變現淨值兩者中的較低者列賬。成本按加權平均法釐定，而在製品及製成品包括直接材料、直接勞工及按適當比例計算的間接費用。當　貴集團推出新產品時，有關存貨估值中的關鍵參數需要　貴集團的估計及判斷。此外，可變現淨值的釐定亦需要　貴集團作出估計及判斷。考慮到存貨結餘的重大性以及所涉及的重大估計及判斷，吾等將存貨估值識別為關鍵審核事項。	We performed on sample basis the determination of the cost and the accuracy of the cost calculations. 吾等對成本的釐定及成本計算的準確性進行抽查。 We performed test on sample basis the determination of net realisable value of finished goods by comparing the expected selling prices to the selling prices of recent or subsequent sales. 吾等通過將預計售價與近期或後續售價進行比較，以抽樣方式對成品的可變現淨值的釐定進行測試。

KEY AUDIT MATTERS (continued)

關鍵審核事項(續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 吾等進行審核時如何處理關鍵審核事項
Valuation of inventories (continued) *存貨估值(續)*	
Please refer to note 18 to the financial statements for related disclosures. 相關披露詳情請參閱財務報表附註18。	We also performed on sample basis the reasonableness of the estimated cost of completion and selling expenses of the raw materials and work in progress by comparing the estimated costs of completion and selling expenses of the raw materials and work in progress with similar products in the current year or subsequent periods. 吾等亦通過將原材料及在建工程的估計竣工成本及銷售開支與本年度或後續期間的類似產品進行比較，對原材料及在建工程的估計竣工成本及銷售開支的合理性進行抽查。 We also assessed the adequacy of the related disclosures in the notes to the financial statements. 吾等亦評估財務報表附註中的相關披露是否充分。
Impairment of trade and bills receivables 貿易應收款項及應收票據減值	
As at December 31, 2020, the balance of trade and bills receivables was RMB899,559,000, which accounted for approximately 5.4% of the current assets of the Group. 於二零二零年十二月三十一日，貿易應收款項及應收票據結餘為人民幣899,559,000元，佔　貴集團的流動資產約5.4%。 Under HKFRS 9, the impairment of trade and bills receivables was based on expected credit loss ("ECL") approach. The measurement of the ECL requires significant judgements and estimation on the key assumptions used in the ECL models, such as the expected future cash flows and forward-looking adjustments. Considered the significance of trade and bills receivables balance and significant estimation and judgement involved, we identified the impairment of trade and bills receivables as key audit matter. 根據香港財務報告準則第9號，貿易應收款項及應收票據減值乃按預期信貸虧損(「預期信貸虧損」)法進行。計量預期信貸虧損需要對預期信貸虧損模式使用的主要假設進行重大判斷及估計，例如預期未來現金流及前瞻性調整。考慮到貿易應收款項及應收票據結餘的重大性以及所涉及的重大估計及判斷，吾等將貿易應收款項及應收票據減值識別為關鍵審核事項。	We performed an understanding of management's credit management process on the trade and bills receivables and evaluated the design, implementation and operating effectiveness of key internal controls which govern credit control, debt collection and estimates of expected credit losses. 吾等瞭解管理層對貿易應收款項及應收票據的信貸管理程序，並評估主要內部監控的設計、執行及運作效力，其監管信貸控制、收債及預期信貸虧損估計。 We tested the ageing analysis prepared by management. 吾等測試管理層所編製的賬齡分析。 We evaluated the appropriateness of judgements involved in determination of impairment of trade and bills receivables, including the historical experience and forward-looking adjustments. 吾等評估釐定貿易應收款項及應收票據所涉及的判斷是否適當，包括過往經驗及前瞻性調整。

KEY AUDIT MATTERS (continued)

關鍵審核事項(續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 吾等進行審核時如何處理關鍵審核事項
Impairment of trade and bills receivables (continued) 貿易應收款項及應收票據減值*(續)*	
Please refer to note 19 to the financial statements for related disclosures. 相關披露詳情請參閱財務報表附註 19。	We tested the model parameters including the underlying historical and external data used, examined the actual losses recorded during the current financial year and assessed whether there was an indication of management bias when recognising loss allowances and the computation. 吾等測試模型參數，包括所用相關過往及外部數據；審視於當前財政年度錄得的實際虧損及評估其是否顯示管理層確認虧損撥備及計算時有所偏頗。 We tested on sample basis, the cash receipts from customers after the financial year end relating to trade receivables balances as at December 31, 2020. 吾等就於二零二零年十二月三十一日的貿易應收款項結餘，以抽樣方式對財政年度末後來自客戶的現金收款進行測試。 We assessed the appropriateness of disclosures. 吾等評估披露是否適當。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

載入年報的其他資料

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. We obtained Management Discussion and Analysis section prior to the date of our auditor's report, and we expect to obtain the rest Sections of the Annual Report after the date of our auditor's report.

董事須對其他資料承擔責任。其他資料包括年報內所載的所有資料，不包括合併財務報表及吾等的核數師報告。吾等於本核數師報告日期前取得管理層討論及分析章節，且吾等預期於本核數師報告日期後取得年報的其餘章節。

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

吾等對合併財務報表作出的意見並無涵蓋其他資料，且吾等不會對其他資料發表任何形式的核證結論。

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 on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

就吾等審核合併財務報表而言，吾等的責任為閱讀其他資料，從而考慮其他資料是否與合併財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若基於就本核數師報告日期前取得的其他資料已進行的工作，吾等認為此等其他資料出現重大失實陳述，吾等須報告有關事實。就此，吾等並無報告事項。

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

董事就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例，編製真實而公平地反映情況的合併財務報表，及董事釐定對編製合併財務報表屬必要的有關內部監控，以使該等合併財務報表不會存在由於欺詐或錯誤而導致的重大失實陳述。

在編製合併財務報表時， 貴公司董事須負責評估 貴集團持續經營的能力、披露與持續經營有關的事項(如適用)並採用以持續經營為基礎的會計法，除非 貴公司董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法。

貴公司董事由審核委員會協助履行彼等監督 貴集團財務報告程序的責任。

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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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.

核數師就審核合併財務報表須承擔的責任

吾等的目標為合理確定此等合併財務報表整體而言不會存在由於欺詐或錯誤而導致的重大失實陳述，並發出載有吾等意見的核數師報告。本報告的製作，僅向全體股東報告，除此以外不可作其他用途。吾等概不就本報告的內容對任何其他人士負責或承擔任何責任。

合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大失實陳述。失實陳述可因欺詐或錯誤而產生，倘個別或整體在合理預期情況下可影響使用者根據合併財務報表作出的經濟決定時，則被視為屬重大的失實陳述。

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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.

核數師就審核合併財務報表須承擔的責任(續)

在根據香港審計準則進行審計的過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致合併財務報表存在重大失實陳述的風險、設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大失實陳述的風險高於未能發現因錯誤而導致的重大失實陳述的風險。

- 了解與審計相關的內部監控，以設計適當的審計程序，惟並非旨在對　貴集團內部監控的有效性發表意見。

- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對　貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。倘有關披露不足，則修訂吾等意見。吾等結論乃基於截至本核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致　貴集團無法持續經營。

- 評估合併財務報表的整體呈報方式、結構及內容，包括披露資料，以及合併財務報表是否中肯反映相關交易和事項。

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is CHEUNG NG.

核數師就審核合併財務報表須承擔的責任(續)

- 就　貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對合併財務報表發表意見。吾等負責集團審計的方向、監督和執行。吾等為審核意見承擔全部責任。

吾等與審核委員會就(其中包括)審計的計劃範圍、時間安排及重大審計發現進行溝通，該等發現包括吾等在審計過程中識別的內部監控的任何重大缺失。

吾等亦向審核委員會作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及為消除威脅而採取的行動或所採用的防範措施(如適用)。

從與審核委員會溝通的事項中，吾等釐定對本期間合併財務報表的審計至關重要的事項，因而構成關鍵審核事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等報告中溝通某事項造成的負面後果超出產生的公眾利益，則吾等決定不應在報告中傳達該事項。

出具本獨立核數師報告的審計項目合夥人為CHEUNG NG。

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
Hong Kong

March 29, 2021

安永會計師事務所
執業會計師
註冊公眾利益實體核數師
香港

二零二一年三月二十九日

Consolidated Statement of Profit or Loss and Other Comprehensive Income
合併損益及其他綜合收益表

Year ended December 31, 2020 截至二零二零年十二月三十一日止年度

		Notes 附註	**2020 二零二零年 RMB'000 人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
REVENUE	**收益**	5(a)	**20,961,708**	21,375,248
Cost of sales	銷售成本	6(a)	**(12,720,812)**	(12,883,785)
Gross profit	毛利		**8,240,896**	8,491,463
Other income and gains	其他收入及收益	5(b)	**1,036,617**	886,733
Selling and distribution expenses	銷售及經銷開支		**(3,555,237)**	(3,677,450)
Administrative expenses	行政開支		**(606,092)**	(553,032)
Finance costs	融資成本	7	**(9,574)**	(1,413)
PROFIT BEFORE TAX	**除稅前溢利**	6	**5,106,610**	5,146,301
Income tax expense	所得稅開支	10	**(1,257,957)**	(1,305,730)
PROFIT FOR THE YEAR	**年內溢利**		**3,848,653**	3,840,571
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		**3,848,653**	3,840,571
PROFIT FOR THE YEAR	**年內溢利**		**3,848,653**	3,840,571
OTHER COMPREHENSIVE INCOME	**其他綜合收益**			
Exchange differences:	滙兌差額：			
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額		**(20,367)**	5,889
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	於後續期間可能重新分類至損益的其他綜合收益淨額		**(20,367)**	5,889
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**年內其他綜合收益（除稅淨額）**		**(20,367)**	5,889
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**年內綜合收益總額**		**3,828,286**	3,846,460

		Note 附註	**2020 二零二零年 RMB'000 人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
Attributable to:	**以下人士應佔：**			
Owners of the parent	母公司擁有人		**3,848,653**	3,840,571
Total comprehensive income attributable to:	**以下人士應佔綜合收益總額：**			
Owners of the parent	母公司擁有人		**3,828,286**	3,846,460
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**母公司普通股權益持有人應佔每股盈利**	12		
Basic and diluted	基本及攤薄		**RMB0.28**	RMB0.28
— For profit for the year	— 年內溢利		**人民幣0.28元**	人民幣0.28元

Consolidated Statement of Financial Position
合併財務狀況表

December 31, 2020 於二零二零年十二月三十一日

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
NON-CURRENT ASSETS	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	13	**5,111,010**	5,141,506
Investment property	投資物業	14	**225,664**	233,762
Right-of-use assets	使用權資產	15(a)	**691,425**	608,746
Intangible assets	無形資產	16	**1,171**	1,994
Prepayments	預付款項	17	**87,184**	96,045
Deferred tax assets	遞延稅項資產	25	**62,552**	64,218
Total non-current assets	非流動資產總值		**6,179,006**	6,146,271
CURRENT ASSETS	**流動資產**			
Inventories	存貨	18	**1,074,604**	1,262,355
Trade and bills receivables	貿易應收款項及應收票據	19	**899,559**	736,874
Prepayments and other receivables	預付款項及其他應收款項	20	**632,368**	709,703
Pledged deposits	質押存款	21	**100,072**	141
Cash and bank balances	現金及銀行結餘	21	**13,825,147**	11,092,268
Total current assets	流動資產總值		**16,531,750**	13,801,341
CURRENT LIABILITIES	**流動負債**			
Trade and bills payables	貿易應付款項及應付票據	22	**983,987**	1,347,768
Other payables and accruals	其他應付款項及應計費用	23	**1,596,871**	1,572,753
Interest-bearing bank borrowings	計息銀行借款	24	**1,917,681**	–
Lease liabilities	租賃負債	15(b)	**17,844**	19,289
Tax payable	應付稅項		**270,252**	236,984
Total current liabilities	流動負債總額		**4,786,635**	3,176,794
NET CURRENT ASSETS	**流動資產淨額**		**11,745,115**	10,624,547
TOTAL ASSETS LESS CURRENT LIABILITIES	**資產總值減流動負債**		**17,924,121**	16,770,818
NON-CURRENT LIABILITIES	**非流動負債**			
Lease liabilities	租賃負債	15(b)	**32,378**	474
Deferred income	遞延收入	26	**358,307**	370,925
Deferred tax liabilities	遞延稅項負債	25	**68,000**	122,793
Total non-current liabilities	非流動負債總額		**458,685**	494,192
NET ASSETS	**資產淨值**		**17,465,436**	16,276,626

		Notes 附註	**2020** **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
EQUITY	**權益**			
Equity attributable to owners of the parent	**母公司擁有人應佔權益**			
Share capital	股本	27	**112,712**	112,712
Reserves	儲備	28	**17,352,724**	16,163,914
Total equity	總權益		**17,465,436**	16,276,626

Xu Shihui
許世輝
Director
董事

Zhuang Weiqiang
莊偉強
Director
董事

Consolidated Statement of Changes in Equity
合併權益變動表

Year ended December 31, 2020 截至二零二零年十二月三十一日止年度

		Share capital 股本 RMB'000 人民幣千元 (note 27) (附註27)	Share premium 股份溢價 RMB'000* 人民幣千元* (note 28) (附註28)	Merger reserve 合併儲備 RMB'000* 人民幣千元* (note 28) (附註28)	Statutory reserve 法定儲備 RMB'000* 人民幣千元* (note 28) (附註28)	Exchange fluctuation reserve 匯兌波動儲備 RMB'000* 人民幣千元*	Retained profits 保留溢利 RMB'000* 人民幣千元*	Total 總計 RMB'000 人民幣千元
At January 1, 2019	**於二零一九年一月一日**	112,712	1,260,189	(23,165)	1,706,803	291,207	12,064,961	15,412,707
Profit for the year	年內溢利	–	–	–	–	–	3,840,571	3,840,571
Other comprehensive income for the year:	年內其他綜合收益：							
Exchange differences related to foreign operations	有關海外業務的匯兌差額	–	–	–	–	5,889	–	5,889
Total comprehensive income for the year	年內綜合收益總額	–	–	–	–	5,889	3,840,571	3,846,460
Final 2018 dividend declared	已宣派二零一八年末期股息	–	(906,308)	–	–	–	–	(906,308)
Interim 2019 dividend	二零一九年中期股息	–	(353,881)	–	–	(439,722)	(1,282,630)	(2,076,233)
Transfer from retained profits	轉撥自保留溢利	–	–	–	55,400	–	(55,400)	–
At December 31, 2019	**於二零一九年十二月三十一日**	112,712	–	(23,165)	1,762,203	(142,626)	14,567,502	16,276,626

Consolidated Statement of Changes in Equity
合併權益變動表

Year ended December 31, 2020 截至二零二零年十二月三十一日止年度

		Share capital 股本 RMB'000 人民幣千元 (note 27) (附註27)	Merger reserve 合併儲備 RMB'000* 人民幣千元* (note 28) (附註28)	Statutory reserve 法定儲備 RMB'000* 人民幣千元* (note 28) (附註28)	Exchange fluctuation reserve 匯兌波動儲備 RMB'000* 人民幣千元* (note 28) (附註28)	Retained profits 保留溢利 RMB'000* 人民幣千元*	Total 總計 RMB'000 人民幣千元
At January 1, 2020	**於二零二零年一月一日**	**112,712**	**(23,165)**	**1,762,203**	**(142,626)**	**14,567,502**	**16,276,626**
Profit for the year	年內溢利	–	–	–	–	3,848,653	3,848,653
Other comprehensive income for the year:	年內其他綜合收益：						
Exchange differences related to foreign operations	有關海外業務的匯兌差額	–	–	–	(20,367)	–	(20,367)
Total comprehensive income for the year	年內綜合收益總額	–	–	–	(20,367)	3,848,653	3,828,286
Final 2019 dividend declared	已宣派二零一九年末期股息	–	–	–	–	(1,736,732)	(1,736,732)
Interim 2020 dividend	二零二零年中期股息	–	–	–	–	(902,744)	(902,744)
Transfer from retained profits	轉撥自保留溢利	–	–	22,284	–	(22,284)	–
At December 31, 2020	**於二零二零年十二月三十一日**	**112,712**	**(23,165)**	**1,784,487**	**(162,993)**	**15,754,395**	**17,465,436**

* These reserve accounts comprise the consolidated reserves of RMB17,352,724,000 (2019: RMB16,163,914,000) in the consolidated statement of financial position.

* 該等儲備賬目分別包括合併財務狀況表內的合併儲備人民幣17,352,724,000元（二零一九年：人民幣16,163,914,000元）。

Consolidated Statement of Cash Flows
合併現金流量表

Year ended December 31, 2020 截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	**經營活動所得現金流量**			
Profit before tax	除稅前溢利		**5,106,610**	5,146,301
Adjustments for:	就以下各項作出調整：			
Interest income — bank deposits	利息收入－銀行存款		**(7,274)**	(5,283)
Loss on disposal of items of property, plant and equipment, net	出售物業、廠房及設備項目的虧損淨額	6(c)	**2,180**	2,449
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6(c)	**737,810**	699,786
Depreciation of investment property	投資物業折舊	6(c)	**9,468**	9,719
Depreciation of right-of-use assets	使用權資產折舊	6(c)	**32,824**	31,244
Amortisation of intangible assets	攤銷無形資產	6(c)	**823**	1,146
Impairment loss on trade and bills receivables	貿易應收款項及應收票據減值虧損	6(c)	**497**	1,434
Impairment of inventories	存貨減值	6(c)	**295**	1,268
Finance costs	融資成本	7	**9,574**	1,413
Government grants recognised in profit or loss	於損益內確認的政府補貼	26	**(31,660)**	(28,556)
			5,861,147	5,860,921
(Increase)/decrease in pledged bank deposits	質押銀行存款（增加）／減少		**(100,000)**	11,265
Increase in trade and bills receivables	貿易應收款項及應收票據增加		**(163,182)**	(23,604)
Decrease/(increase) in prepayments and other receivables	預付款項及其他應收款項減少／（增加）		**78,939**	(215,261)
Decrease/(increase) in inventories	存貨減少／（增加）		**187,456**	(125,824)
(Decrease)/increase in trade and bills payables	貿易應付款項及應付票據（減少）／增加		**(363,781)**	405,934
Increase in other payables and accruals	其他應付款項及應計費用增加		**8,791**	258,498
Cash generated from operations	**經營所得現金**		**5,509,370**	6,171,929
Interest paid	已付利息		**(7,834)**	(1,413)
Tax paid	已付稅項		**(1,277,816)**	(1,155,112)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**經營活動所得現金流量淨額**		**4,223,720**	5,015,404

Consolidated Statement of Cash Flows
合併現金流量表

Year ended December 31, 2020 截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
CASH FLOWS USED IN INVESTING ACTIVITIES	**投資活動所用現金流量**		
Purchases of items of property, plant and equipment and investment property	購買物業、廠房及設備項目以及投資物業	**(727,644)**	(1,000,519)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目的所得款項	**4,308**	3,708
Additions to right-of-use assets	使用權資產添置	**(30,898)**	(40,269)
Additions to intangible assets	無形資產添置	**–**	(265)
Receipt of government grants for property, plant and equipment and right-of-use assets	收取物業、廠房及設備以及使用權資產政府補貼	**19,042**	29,263
Interest received from bank deposits	自銀行存款收取利息	**5,670**	–
Decrease in pledged bank deposits	質押銀行存款減少	**69**	1,328
Net increase in bank deposits	銀行存款增加淨額	**(1,320,000)**	(130,000)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**投資活動所用現金流量淨額**	**(2,049,453)**	(1,136,754)
CASH FLOWS USED IN FINANCING ACTIVITIES	**融資活動所用現金流量**		
New bank loans	新銀行貸款	**2,217,681**	–
Repayment of bank loans	償還銀行貸款	**(300,000)**	–
Dividends paid	已付股息	**(2,639,476)**	(2,982,541)
Principal portion of lease payments	租賃付款的本金部分	**(19,177)**	(18,296)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**融資活動所用現金流量淨額**	**(740,972)**	(3,000,837)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**現金及現金等價物增加淨額**	**1,433,295**	877,813
Cash and cash equivalents at beginning of year	年初現金及現金等價物	**10,962,268**	10,078,566
Effect of foreign exchange rate changes, net	匯率變動的影響淨額	**(20,416)**	5,889
CASH AND CASH EQUIVALENTS AT END OF YEAR	**年末現金及現金等價物**	**12,375,147**	10,962,268

		Note 附註	**2020 二零二零年 RMB'000 人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	**現金及現金等價物結餘分析**			
Cash at banks and on hand	銀行及庫存現金		**12,334,926**	10,669,710
Bank deposits with original maturity of less than three months	初始到期日少於三個月的銀行存款		**40,221**	292,558
Bank deposits with original maturity of over three months	初始到期日超過三個月的銀行存款		**1,450,000**	130,000
Cash and bank balances as stated in the statement of financial position	財務狀況表所列現金及銀行結餘	21	**13,825,147**	11,092,268
Less: Bank deposits with original maturity of over three months	減：初始到期日超過三個月的銀行存款		**(1,450,000)**	(130,000)
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金及現金等價物		**12,375,147**	10,962,268

1. CORPORATE AND GROUP INFORMATION

Dali Foods Group Company Limited (the "Company") is an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered address of the Company is Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the manufacture and sale of food and beverage in Mainland China.

In the opinion of the Company's directors (the "Directors"), the holding company of the Company is Divine Foods Limited (the "Parent"), a company established in the British Virgin Islands ("BVI"). The controlling shareholders of the Company are Mr. Xu Shihui, Ms. Chen Liling, Ms. Xu Yangyang, Divine Foods Limited, Divine Foods-1 Limited, Divine Foods-2 Limited, Divine Foods-3 Limited, Hi-Tiger Limited and Xu's Family Trust (together known as the "Controlling Shareholders").

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

1. 公司及集團資料

達利食品集團有限公司(「本公司」)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。本公司的註冊辦事處為Maples Corporate Services Limited，地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。

本公司為一家投資控股公司。本公司及其附屬公司(統稱為「本集團」)主要在中國內地從事食品及飲料生產及銷售。

本公司董事(「董事」)認為，本公司的控股公司為Divine Foods Limited(「母公司」)，為一家在英屬維京群島(「英屬維京群島」)成立的公司。本公司的控股股東為許世輝先生、陳麗玲女士、許陽陽女士、Divine Foods Limited、Divine Foods–1 Limited、Divine Foods–2 Limited、Divine Foods–3 Limited、Hi-Tiger Limited及許氏家族信託(統稱為「控股股東」)。

有關附屬公司的資料

本公司主要附屬公司的詳情如下：

Name of company 公司名稱	Place of incorporation/ registration, type of legal entity, and date of incorporation/ registration 註冊成立／登記地點、法定實體類別及註冊成立／登記日期	Place of operations 營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	Indirect 間接	Principal activities 主要業務
Dali Foods Holdings Limited	BVI Limited liability company November 4, 2014	BVI	USD100	100%	–	Investment holding
Dali Foods Holdings Limited	英屬維京群島有限責任公司 二零一四年十一月四日	英屬維京群島	100美元			投資控股
Dali Foods Group (Hong Kong) Company Limited	Hong Kong S.A.R. Limited liability company November 11, 2014	Hong Kong	HKD100	–	100%	Investment holding
達利食品集團(香港)有限公司	香港特別行政區有限責任公司 二零一四年十一月十一日	香港	100港元			投資控股

1. CORPORATE AND GROUP INFORMATION (continued)

1. 公司及集團資料(續)

Information about subsidiaries (continued)

有關附屬公司的資料(續)

Name of company 公司名稱	Place of incorporation/registration, type of legal entity, and date of incorporation/registration 註冊成立／登記地點、法定實體類別及註冊成立／登記日期	Place of operations 營業地點	Nominal value of issued ordinary/registered share capital 已發行普通／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	Indirect 間接	Principal activities 主要業務
Dali Foods Group Co., Ltd. (達利食品集團有限公司)*	The PRC Wholly-owned foreign enterprise February 10, 1993	Mainland China	RMB1,450,000,000	–	100%	II
達利食品集團有限公司	中國外商獨資企業 一九九三年二月十日	中國內地	人民幣 1,450,000,000元			
Quanzhou Dali Foods Co., Ltd. (泉州達利食品有限公司)*	The PRC Limited liability company January 12, 1993	Mainland China	RMB90,939,305	–	100%	III
泉州達利食品有限公司	中國有限責任公司 一九九三年一月十二日	中國內地	人民幣 90,939,305元			
Hubei Dali Foods Co., Ltd. (湖北達利食品有限公司)*	The PRC Limited liability company June 16, 2005	Mainland China	RMB209,000,000	–	100%	I
湖北達利食品有限公司	中國有限責任公司 二零零五年六月十六日	中國內地	人民幣 209,000,000元			
Jilin Dali Foods Co., Ltd. (吉林達利食品有限公司)*	The PRC Limited liability company June 17, 2005	Mainland China	RMB100,000,000	–	100%	I
吉林達利食品有限公司	中國有限責任公司 二零零五年六月十七日	中國內地	人民幣 100,000,000元			
Gansu Dali Foods Co., Ltd. (甘肅達利食品有限公司)*	The PRC Limited liability company August 31, 2005	Mainland China	RMB209,000,000	–	100%	I
甘肅達利食品有限公司	中國有限責任公司 二零零五年八月三十一日	中國內地	人民幣 209,000,000元			
Jinan Dali Foods Co., Ltd. (濟南達利食品有限公司)*	The PRC Limited liability company June 18, 2005	Mainland China	RMB190,000,000	–	100%	I
濟南達利食品有限公司	中國有限責任公司 二零零五年六月十八日	中國內地	人民幣 190,000,000元			

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

Name of company 公司名稱	Place of incorporation/ registration, type of legal entity, and date of incorporation/ registration 註冊成立／登記地點、法定實體類別及註冊成立／登記日期	Place of operations 營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	Indirect 間接	Principal activities 主要業務
Chengdu Dali Foods Co., Ltd. (成都達利食品有限公司) *	The PRC Limited liability company June 28, 2005	Mainland China	RMB105,000,000	–	100%	I
成都達利食品有限公司	中國有限責任公司 二零零五年六月二十八日	中國內地	人民幣 105,000,000元			
Ma'anshan Dali Foods Co., Ltd. (馬鞍山達利食品有限公司) *	The PRC Limited liability company October 9, 2007	Mainland China	RMB160,000,000	–	100%	I
馬鞍山達利食品有限公司	中國有限責任公司 二零零七年十月九日	中國內地	人民幣 160,000,000元			
Shanxi Dali Foods Co., Ltd. (山西達利食品有限公司) *	The PRC Limited liability company November 15, 2007	Mainland China	RMB105,000,000	–	100%	I
山西達利食品有限公司	中國有限責任公司 二零零七年十一月十五日	中國內地	人民幣 105,000,000元			
Yunnan Dali Foods Co., Ltd. (雲南達利食品有限公司) *	The PRC Limited liability company March 25, 2008	Mainland China	RMB110,000,000	–	100%	I
雲南達利食品有限公司	中國有限責任公司 二零零八年三月二十五日	中國內地	人民幣 110,000,000元			
Xiamen Dali Trading Co., Ltd. (廈門達利商貿有限公司) *	The PRC Limited liability company April 2, 2010	Mainland China	RMB330,000,000	–	100%	Investment property
廈門達利商貿有限公司	中國有限責任公司 二零一零年四月二日	中國內地	人民幣 330,000,000元			投資物業
Henan Dali Foods Co., Ltd. (河南達利食品有限公司) *	The PRC Limited liability company July 21, 2010	Mainland China	RMB150,000,000	–	100%	I
河南達利食品有限公司	中國有限責任公司 二零一零年七月二十一日	中國內地	人民幣 150,000,000元			

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

Name of company 公司名稱	Place of incorporation/registration, type of legal entity, and date of incorporation/registration 註冊成立/登記地點、法定實體類別及註冊成立/登記日期	Place of operations 營業地點	Nominal value of issued ordinary/registered share capital 已發行普通/註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	Indirect 間接	Principal activities 主要業務
Guangdong Dali Foods Co., Ltd. (廣東達利食品有限公司)*	The PRC Limited liability company August 5, 2010	Mainland China	RMB200,000,000	–	100%	I
廣東達利食品有限公司	中國有限責任公司 二零一零年八月五日	中國內地	人民幣 200,000,000元			
Nanchang Dali Foods Co., Ltd. (南昌達利食品有限公司)*	The PRC Limited liability company August 2, 2010	Mainland China	RMB140,000,000	–	100%	III
南昌達利食品有限公司	中國有限責任公司 二零一零年八月二日	中國內地	人民幣 140,000,000元			
Jiangsu Dali Foods Co., Ltd. (江蘇達利食品有限公司)*	The PRC Limited liability company August 23, 2010	Mainland China	RMB250,000,000	–	100%	I
江蘇達利食品有限公司	中國有限責任公司 二零一零年八月二十三日	中國內地	人民幣 250,000,000元			
Hebei Dali Foods Co., Ltd. (河北達利食品有限公司)*	The PRC Limited liability company April 22, 2011	Mainland China	RMB100,000,000	–	100%	I
河北達利食品有限公司	中國有限責任公司 二零一一年四月二十二日	中國內地	人民幣 100,000,000元			
Shaanxi Dali Foods Co., Ltd. (陝西達利食品有限公司)*	The PRC Limited liability company June 28, 2011	Mainland China	RMB80,000,000	–	100%	I
陝西達利食品有限公司	中國有限責任公司 二零一一年六月二十八日	中國內地	人民幣 80,000,000元			
Shenyang Dali Foods Co., Ltd. (瀋陽達利食品有限公司)*	The PRC Limited liability company May 21, 2012	Mainland China	RMB200,000,000	–	100%	I
瀋陽達利食品有限公司	中國有限責任公司 二零一二年五月二十一日	中國內地	人民幣 200,000,000元			

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

Name of company 公司名稱	Place of incorporation/ registration, type of legal entity, and date of incorporation/ registration 註冊成立／登記地點、法定實體類別及註冊成立／登記日期	Place of operations 營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通／註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比 Direct 直接	Indirect 間接	Principal activities 主要業務
Fujian Dali Development Co., Ltd. (福建達利發展有限公司) *	The PRC Limited liability company August 26, 2016	Mainland China	RMB50,000,000	–	100%	Trading
福建達利發展有限公司	中國有限責任公司 二零一六年八月二十六日	中國內地	人民幣 50,000,000元			貿易
Fujian Dali Foods Technology Co., Ltd. (福建達利食品科技有限公司) *	The PRC Limited liability company June 19, 2017	Mainland China	RMB50,000,000	–	100%	Research and development
福建達利食品科技有限公司	中國有限責任公司 二零一七年六月十九日	中國內地	人民幣 50,000,000元			研發
Guangxi Dali Foods Co., Ltd. (廣西達利食品有限公司) *	The PRC Limited liability company April 15, 2018	Mainland China	RMB250,000,000	–	100%	I
廣西達利食品有限公司	中國有限責任公司 二零一八年四月十五日	中國內地	人民幣 250,000,000元			
Guizhou Dali Foods Co., Ltd. (貴州達利食品有限公司) *	The PRC Limited liability company March 6, 2018	Mainland China	RMB200,000,000	–	100%	I
貴州達利食品有限公司	中國有限責任公司 二零一八年三月六日	中國內地	人民幣 200,000,000元			

Notes:

I: Manufacture and sale of food and beverage

II: Manufacture and sale of food, beverage and related packaging

III: Manufacture and sale of beverage

* English translations of names for identification purposes only

附註：

I: 生產及銷售食品及飲料

II: 生產及銷售食品、飲料及有關包裝

III: 生產及銷售飲料

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2.1 編製基準

該等財務報表已根據香港會計師公會(「香港會計師公會」)所頒佈的香港財務報告準則(「香港財務報告準則」，包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例的披露規定編製。該等財務報表乃根據歷史成本常規法編製，惟股權投資按公平值計量例外。除另有說明者外，該等財務報表以人民幣(「人民幣」)呈列，所有價值均已湊整至最接近千位。

合併基準

合併財務報表包括本公司及其附屬公司截至二零二零年十二月三十一日止年度的財務報表。附屬公司指本公司對其有直接或間接控制權的實體(包括結構性實體)。當本集團能通過其參與承擔或享有投資對象可變回報的風險或權利，並能夠向投資對象使用其權力影響該等回報(即現有權利可使本集團能於當時指揮投資對象的相關活動)，即代表本集團擁有投資對象的控制權。

當本公司直接或間接擁有少於投資對象過半數投票權或類似權利時，本集團於評估其是否對投資對象擁有權力時會考慮所有相關事實及情況，包括：

(a) 與該投資對象其他投票權持有人的合約安排；

(b) 其他合約安排產生的權利；及

(c) 本集團的投票權及潛在投票權。

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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 of such control ceases.

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

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

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

2.1 編製基準(續)

合併基準(續)

附屬公司財務報表的報告期間與本公司相同，並採納連貫一致的會計政策編製。附屬公司的業績自本集團取得控制權當日起合併入賬，並繼續合併入賬直至該控制權終止當日止。

損益及其他綜合收益各組成部分歸屬於本集團母公司擁有人及非控股權益，即使會引致非控股權益產生虧絀結餘。所有集團內公司間資產及負債、股權、收入、開支及所有與本集團成員公司間交易有關的現金流均於合併賬目時悉數抵銷。

倘事實及情況反映上文所述三項控制權因素其中一項或多項有變，則本集團會重估其是否仍然控制投資對象。附屬公司擁有權權益的變動(並無失去控制權)，列作權益交易入賬。

倘本集團失去一間附屬公司的控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值；及(iii)計入權益的累計匯兌差額；並確認(i)已收代價的公平值；(ii)任何獲保留投資的公平值；及(iii)損益內任何所產生的盈餘或虧損。先前於其他綜合收益確認的本集團應佔組成部分會視乎情況按倘本集團直接出售相關資產或負債所要求的相同基準重新分類至損益或保留溢利。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions* (early adopted)
Amendments to HKAS 1 and HKAS 8	*Definition of Material*

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

(a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

2.2 會計政策變動及披露

本集團已就本年度財務報表首次採納二零一八*年財務報告之概念框架*及下列經修訂香港財務報告準則。

香港財務報告準則第3號的修訂	*業務的定義*
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號的修訂	*利率基準改革*
香港財務報告準則第16號的修訂	*與Covid-19有關的租金寬減*(提早採納)
香港會計準則第1號及香港會計準則第8號的修訂	*重大的定義*

二零一八*年財務報告之概念框架*及經修訂財務報告準則的性質及影響載述如下：

(a) 二零一八*年財務報告之概念框架*(「概念框架」)載列一套全面的財務報告概念及準則制定，並為財務報表編製人制定一致的會計政策提供指引，協助各方了解及詮釋標準。該概念框架包括有關計量及報告財務表現的新章節、有關終止確認資產及負債的新指引，以及資產及負債的更新定義及確認標準。其亦釐清財務報告中管理、審慎及計量不確定因素的角色。該概念框架並非標準，其中所載概念概無凌駕於任何標準的概念或規定之上。概念框架並無對本集團之財務狀況或表現產生任何重大影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after January 1, 2020. The amendments did not have significant impact on the financial position and performance of the Group.

(c) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate ("RFR"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have significant impact on the financial position and performance of the Group as the Group does not have significant interest rate hedging relationships.

2.2 會計政策變動及披露(續)

(b) 香港財務報告準則第3號的修訂對業務的定義進行了澄清並提供額外指引。該等修訂明確澄清，倘若構成一項業務，一組不可分割的活動及資產必須至少包括一項投入及一項實質性過程，能共同顯著促進創造產出的能力。一項業務可以不具備所有創造產出所需的投入和過程。該等修訂刪除了對市場參與者是否有能力購買業務並能持續產生產出的評估，轉而重點關注所取得的投入和所取得的實質性過程是否共同顯著促進創造產出的能力。該等修訂亦縮小了產出的定義範圍，重點關注於向客戶提供的貨品或服務、投資收益或其他日常活動收入。此外，該等修訂為評估所取得的過程是否為實質性過程提供了指引，並引入了可選的公平值集中度測試，允許對所取得的一組活動和資產是否不構成業務進行簡化評估。本集團已就於二零二零年一月一日或之後發生的交易或其他事件應用該等修訂。該等修訂並無對本集團之財務狀況及表現產生重大影響。

(c) 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號的修訂處理對另類無風險利率(「無風險利率」)取代現有利率基準前一段期間的財務報告造成影響的事宜。該等修訂提供可在引入另類無風險利率前於不確定期限內繼續進行對沖會計處理的暫時性補救措施。此外，該等修訂要求公司須向投資者提供與直接受該等不確定因素影響的對沖關係有關的額外資料。由於本集團並無重大利率對沖關係，故該等修訂並無對本集團之財務狀況及表現產生重大影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(d) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before June 30, 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after June 1, 2020 with earlier application permitted and shall be applied retrospectively.

The Group has early adopted the amendment on January 1, 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the pandemic during the year ended December 31, 2020. The amendments did not have any impact on the financial position and performance of the Group.

(e) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

2.2 會計政策變動及披露(續)

(d) 香港財務報告準則第16號的修訂為承租人提供可行權宜方法，讓承租人選擇不就因Covid-19疫情直接導致的租金寬減應用租賃修訂會計法。可行權宜方法僅適用於因疫情而直接導致的租金寬減，且僅當(i)租賃付款的變動使租賃對價有所修改，而經修改的對價與緊接變動前租賃對價大致相同；或少於緊接租賃變動前的租賃對價；(ii)租賃款項的任何減少僅影響原於二零二一年六月三十日或之前到期的付款；及(iii)租賃的其他條款及條件並無重大變動。該修訂於二零二零年六月一日或之後開始的年度期間生效，並允許提早應用，且將追溯應用。

本集團已於二零二零年一月一日提早採納該修訂，並選擇不就截至二零二零年十二月三十一日止年度因疫情導致的所有租金寬減應用出租人授出的租賃修訂會計法。該等修訂並無對本集團之財務狀況及表現產生任何影響。

(e) 香港會計準則第1號及香港會計準則第8號的修訂提供了對重大的全新定義。新定義指出，如果遺漏、錯誤陳述或模糊不清能被合理預期會影響一般用途財務報表的主要使用者基於該等財務報表所作出的決定，則有關資料即屬重大。該等修訂澄清，重要性將取決於資料的性質或程度，或兩者兼備。該等修訂並無對本集團之財務狀況及表現產生任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform — Phase 2*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 17	*Insurance Contracts*[3]
Amendments to HKFRS 17	*Insurance Contracts*[3,6]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[3,5]
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[2]
Amendments to HKAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*[2]
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41[2]

1 Effective for annual periods beginning on or after January 1, 2021

2 Effective for annual periods beginning on or after January 1, 2022

3 Effective for annual periods beginning on or after January 1, 2023

4 No mandatory effective date yet determined but available for adoption

5 As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

6 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before January 1, 2023

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

2.3 已頒佈但尚未生效的香港財務報告準則

本集團尚未於該等財務報表內應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第3號的修訂	*概念框架之提述*[2]
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號的修訂	*利率基準改革－第二階段*[1]
香港財務報告準則第10號及香港會計準則第28號(二零一一年)的修訂	*投資者與其聯營公司或合營企業間的資產出售或注資*[4]
香港財務報告準則第17號	*保險合約*[3]
香港財務報告準則第17號的修訂	*保險合約*[3、6]
香港會計準則第1號的修訂	*負債分類為流動或非流動*[3、5]
香港會計準則第16號的修訂	*物業、廠房及設備：於作擬定用途前之所得款項*[2]
香港會計準則第37號的修訂	*有償合約－履行合約之成本*[2]
香港財務報告準則二零一八年至二零二零年之年度改進	香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號隨附之說明性示例及香港會計準則第41號的修訂[2]

1 於二零二一年一月一日或之後開始的年度期間生效

2 於二零二二年一月一日或之後開始的年度期間生效

3 於二零二三年一月一日或之後開始的年度期間生效

4 強制生效日期尚待釐定，但可供採納

5 由於香港會計準則第1號修訂，香港詮釋第5號*財務報表的呈報－借款人對載有按要求償還條款的定期貸款的分類*已於二零二零年十月進行修訂，以使相應措詞保持一致而結論不變

6 由於於二零二零年十月頒佈的香港財務報告準則第17號修訂，香港財務報告準則第4號獲修訂以擴大暫時豁免，允許保險公司於二零二三年一月一日之前開始的年度期間應用香港會計準則第39號而非香港財務報告準則第9號

有關預期可供本集團採納的該等香港財務報告準則的進一步資料於下文說明。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from January 1, 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after January 1, 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第3號的修訂旨在以二零一八年六月頒佈的*財務報告概念框架*之提述取代先前*財務報表編製及呈列框架*之提述，而毋須大幅更改其規定。該等修訂亦對香港財務報告準則第3號有關實體參考概念框架以釐定資產或負債之構成之確認原則加入一項例外情況。該例外情況規定，對於屬香港會計準則第37號或香港(國際財務報告詮釋委員會)－詮釋第21號範圍內的負債及或然負債而言，倘該等負債屬單獨產生而非於業務合併中產生，則應用香港財務報告準則第3號的實體應分別參考香港會計準則第37號或香港(國際財務報告詮釋委員會)－詮釋第21號而非概念框架。此外，該等修訂澄清或然資產於收購日期不符合確認條件。本集團預計自二零二二年一月一日起前瞻性採納該等修訂。由於該等修訂前瞻性應用於收購日期為首次應用日期或之後的業務合併，因此本集團於過渡日期將不會受該等修訂的影響

香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號的修訂解決先前修訂中現有利率基準被另類無風險利率代替時未處理但影響財務報告之問題。第二階段之修訂提供一項實際可行權宜方法，允許對釐定金融資產及負債之合約現金流量之基準變動進行會計處理時更新實際利率而無需調整賬面值，前提是有關變動為利率基準改革之直接後果且釐定合約現金流量的新基準於經濟上等同於緊接變動前的先前基準。此外，該等修訂允許就對沖指定項目及對沖文件作出利率基準改革所要求的變動，而不會終止對沖關係。過渡期間可能產生的任何收益或虧損均通過香港財務報告準則第9號的正常規定進行處理，以衡量及確認對沖無效性。該等修訂亦為實體提供暫時寬免，於無風險利率被指定為風險成份時毋須滿足可單獨識別之規定。該寬免允許實體於指定對沖後假定已滿足可單獨識別之規定，惟實體須合理預期無風險利率風險成份於未來24個月內將可單獨識別。此外，該等修訂要求實體須披露額外資料，以使財務報表的使用者能夠瞭解利率基準改革對實體的金融工具及風險管理策略的影響。該等修訂於二零二一年一月一日或之後開始的年度期間生效，並應追溯應用，但實體毋須重列比較資料。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate as at December 31, 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the "economically equivalent" criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after January 1, 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

本集團於二零二零年十二月三十一日有若干以港元及外幣計值的計息銀行借款，以香港銀行同業拆息率為基準。若該等借款的利率在未來一段時間內被無風險利率所取代，本集團將在滿足「經濟上等同」的標準時，在修改該等借款時採用該實際可行權宜方法，並預計不會因應用該等變化的修訂而產生重大修改收益或虧損。

香港財務報告準則第10號及香港會計準則第28號(二零一一年)的修訂解決香港財務報告準則第10號及香港會計準則第28號(二零一一年)的規定於處理投資者與其聯營公司或合營企業之間的資產出售或注資時的不一致性。該等修訂規定投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須全數確認盈虧。至於涉及不構成業務的資產的交易，交易產生的盈虧於投資者的損益確認，惟僅以非關連投資者於該聯營公司或合營企業的權益為限。該等修訂將於日後應用。香港會計師公會已於二零一六年一月撤銷香港財務報告準則第10號及香港會計準則第28號(二零一一年)的修訂的先前強制性生效日期，而新強制性生效日期將於完成對聯營公司及合營企業的更多會計審閱後釐定。然而，該等修訂現時可供採納。

香港會計準則第1號的修訂澄清將負債分類為流動或非流動的規定。該等修訂指明，倘實體延遲償還負債的權利受限於該實體須符合特定條件，則倘該實體符合當日之有關條件，其有權於報告期末延遲償還負債。負債的分類不受該實體行使權利延遲償還負債的可能性所影響。該等修訂亦澄清被視為償還負債的情況。該等修訂於二零二三年一月一日或之後開始的年度期間生效，並應追溯應用。允許提早應用。該等修訂預期不會對本集團的財務報表產生任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after January 1, 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after January 1, 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港會計準則第16號的修訂禁止實體從物業、廠房及設備項目的成本中扣除使資產達到管理層擬定之營運狀態所需位置與條件過程中產生的項目銷售之任何所得款項。相反，實體須於損益中確認銷售任何有關項目之所得款項及該等項目之成本。該等修訂於二零二二年一月一日或之後開始的年度期間生效，並僅追溯應用於實體首次應用該等修訂的財務報表中所呈列的最早期間開始或之後可供使用的物業、廠房及設備項目。允許提早應用。該等修訂預期不會對本集團的財務報表產生任何重大影響。

香港會計準則第37號的修訂澄清，就根據香港會計準則第37號評估合約是否屬有償而言，履行合約的成本包括與合約直接相關的成本。與合約直接相關的成本包括履行該合約的增量成本(例如直接勞工及材料)及與履行合約直接相關的其他成本分配(例如分配履行合約所用物業、廠房及設備項目的折舊費用以及合約管理及監管成本)。一般及行政成本與合約並無直接關連，除非根據合約明確向對手方收取，否則不包括在內。該等修訂於二零二二年一月一日或之後開始的年度期間生效，並將應用於實體於其首次應用該等修訂的年度報告期間開始尚未履行其所有責任的合約。允許提早應用。初步應用該等修訂的任何累計影響將確認為對首次應用日期之期初權益的調整，而毋須重列比較資料。該等修訂預期不會對本集團的財務報表產生任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Annual Improvements to HKFRSs 2018–2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

- HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

*香港財務報告準則二零一八年至二零二零年之年度改進*載列香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號隨附之說明性示例及香港會計準則第41號的修訂。預期將適用於本集團之該等修訂詳情如下：

- 香港財務報告準則第9號*金融工具*：澄清實體於評估一項新訂或經修訂金融負債之條款是否實質上不同於原金融負債之條款時所計入之費用。該等費用僅包括借款人與貸款人之間已付或已收之費用，其中包括借款人或貸款人代表另一方支付或收取之費用。實體對於該實體首次採用修訂的年度報告期間開始或之後經修訂或交換之金融負債應用該修訂。該修訂於二零二二年一月一日或之後開始的年度期間生效。允許提早應用。該修訂預期不會對本集團的財務報表產生重大影響。

- 香港財務報告準則第16號*租賃*：於香港財務報告準則第16號隨附之第13項說明性示例中移除出租人就租賃物業裝修作出之付款說明。此舉消除了應用香港財務報告準則第16號時對租賃優惠進行處理之潛在混淆。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 重大會計政策概要

公平值計量

公平值為於計量日期市場參與者間進行的有序交易中，就出售資產所收取或轉讓負債支付的價格。公平值計量乃基於假設出售資產或轉讓負債的交易於資產或負債的主要市場進行，或在未有主要市場的情況下，則於資產或負債的最有利市場進行。主要或最有利市場必須為本集團可進入的市場。資產或負債的公平值乃基於市場參與者為資產或負債定價時所採用的假設計量，並假設市場參與者乃依照其最佳經濟利益行事。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 重大會計政策概要(續)

公平值計量(續)

非金融資產的公平值計量會考慮市場參與者通過以最大限度使用該資產達致最佳用途，或通過將資產售予將以最大限度使用該資產達致最佳用途的另一名市場參與者而產生經濟利益的能力。

本集團使用適用於不同情況且具備足夠可用數據以計量公平值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

於財務報表計量或披露公平值的所有資產及負債，均根據對公平值計量整體而言屬重大的最低層輸入數據按下述公平值層級進行分類：

第一級 – 基於可識別資產或負債在活躍市場的報價(未經調整)

第二級 – 基於可直接或間接觀察對公平值計量而言屬重大的最低層輸入數據的估值方法

第三級 – 基於無法觀察對公平值計量而言屬重大的最低層輸入數據的估值方法

就經常於財務報表確認的資產及負債而言，本集團於各報告期末根據與整體公平值計量而言屬重大的最低層輸入數據重新評估分類，釐定是否存在不同層級間轉移。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment property and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 重大會計政策概要(續)

非金融資產減值

倘出現減值跡象，或需要對資產進行年度減值測試(存貨、合約資產、遞延稅項資產、金融資產、投資物業及非流動資產／分類為持作銷售的出售組別除外)，則評估資產的可收回金額。資產的可收回金額乃資產或現金產生單位的使用價值與其公平值扣除出售成本兩者中較高者，並就個別資產釐定，除非該資產並無產生大致上獨立於其他資產或資產組別的現金流量，在此情況下，則就資產所屬的現金產生單位釐定可收回數額。

減值虧損僅於資產賬面值超過其可收回數額時確認。在評估使用價值時，估計日後現金流量乃按除稅前貼現率計算其現值，該貼現率反映目前市場對貨幣時間值的評估及該資產的特定風險。減值虧損乃在其產生期間自損益表中扣除，並計入與減值資產的功能一致的有關費用類別內。

於各報告期末會評估有否任何跡象顯示以前所確認的減值虧損可能已不存在或可能減少。倘出現此跡象，則會估計可收回數額。當用以釐定資產可收回數額的估計有變動時，方會撥回該資產先前確認的減值虧損(不包括商譽)，惟撥回的該等數額不可超過於過往年度倘並無就該項資產確認減值虧損而應有的賬面值(扣除任何折舊／攤銷)。撥回的減值虧損乃於產生期間計入損益表，除非資產按重估值列賬，於該情況下，撥回的減值虧損按該重估資產相關會計政策入賬。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(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.

2.4 重大會計政策概要(續)

關聯方

任何人士倘符合以下情況即屬本集團的關聯方：

(a) 有關人士為下述人士或身為下述人士的直系親屬：

(i) 對本集團擁有控制權或共同控制權；

(ii) 對本集團擁有重大影響力；或

(iii) 為本集團或本集團母公司的主要管理人員的其中一名成員；

或

(b) 有關人士為適用任何以下條件的實體：

(i) 該實體與本集團屬同一集團的成員公司；

(ii) 該實體為另一實體(或另一實體的母公司、附屬公司或同系附屬公司)的聯營或合營公司；

(iii) 該實體與本集團為同一第三方的合營公司；

(iv) 該實體為某第三方實體的合營公司，而另一實體為同一第三方實體的聯營公司；

(v) 該實體為本集團或屬本集團關聯方的實體的僱員離職後福利計劃；

(vi) 該實體為(a)所述人士控制或共同控制；

(vii) 於(a)(i)所述人士對該實體有重大影響或屬該實體(或該實體母公司)主要管理人員的其中一名成員；及

(viii) 該實體或該實體所屬集團的任何成員公司為本集團或本集團的母公司提供主要管理人員服務。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4.75%
Motor vehicles	19.00%–23.75%
Plant and machinery	9.50%–19.00%
Other equipment	9.50%–31.67%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 重大會計政策概要(續)

物業、廠房及設備以及折舊

除在建工程以外，物業、廠房及設備乃按成本減累計折舊及任何減值虧損列賬。倘一項物業、廠房及設備項目被分類為持作銷售，或屬於分類為持作銷售的出售組別一部分，則不會折舊及會根據香港財務報告準則第5號入賬，於「非流動資產及持作銷售的出售組別」的會計政策中有進一步闡述。物業、廠房及設備項目成本包括其購買價及任何令該項資產達致運作狀況及將之運至擬定用途地點的直接應計成本。

物業、廠房及設備項目投入使用後所產生如維修及保養等開支一般在其產生期內於損益表列支。倘能符合確認條件，重大檢查的開支可於資產賬面值撥充資本以作代替。倘物業、廠房及設備的主要部分需分期替換，本集團會確認該等部分為有特定可使用年期及折舊的個別資產。

折舊乃按各項物業、廠房及設備項目的估計可使用年期以直線法計算，以撇銷成本至其剩餘價值。就此而言，我們所使用的主要年率如下：

樓宇	4.75%
汽車	19.00%–23.75%
廠房及機器	9.50%–19.00%
其他設備	9.50%–31.67%

倘物業、廠房及設備項目各部分的可使用年期有所不同，則有關項目的成本會被合理分配於各部分之間，並會分開折舊各部分。剩餘價值、可使用年期及折舊法至少於各財政年度末審閱及調整(如適用)。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds 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.

Investment property

Investment property is interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, the Group chooses the cost model to measure all of its investment property.

Depreciation is calculated on the straight-line basis to write off the cost of each item of investment properties to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Investment property	2.00%–4.75%

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

2.4 重大會計政策概要(續)

物業、廠房及設備以及折舊(續)

我們將於出售有關項目時或我們預期使用或出售有關項目不會取得未來經濟利益時終止確認物業、廠房及設備項目，包括我們初步確認的任何重大部分。於終止確認資產當年於損益表內確認出售或棄置的任何收益或虧損相等於出售所得款項淨額與有關資產賬面值的差額。

在建工程指在建樓宇，乃按成本減任何減值虧損列賬而不會折舊該項目。成本包括建築期間的直接建築成本及有關借貸資金的資本化借貸成本。於工程完成並準備投入使用時，在建工程會被重新分類至適當類別的物業、廠房及設備。

投資物業

投資物業為持有以賺取租金收入及／或資本增值而非用於生產或商品或服務供應或作管理目的；或在一般業務過程中出售的土地及樓宇權益(包括有關在其他情況下符合投資物業定義的持作使用權資產的租賃物業)。該等物業初步按成本(包括交易成本)計量。於初步計量後，本集團選擇以成本模式計算其所有投資物業。直至擁有人佔用的物業成為投資物業之日止，本集團對物業進行折舊及確認已產生的減值虧損。

折舊按直線法計量，以將投資物業的各項目成本撇銷至其估計可使用年期的剩餘價值。就此所用的本金額年利率如下：

投資物業	2.00%–4.75%

就已廢置或出售投資物業產生的任何收益或虧損乃於廢置或出售年度的損益表內確認。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and amortised on the straight-line basis over its estimated useful life of five years.

Pipeline rights

Purchased pipeline rights represent the payments made for the use right of natural gas and water pipelines, which are stated at cost less any impairment losses and amortised on the straight-line basis over their estimated useful lives of five years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 重大會計政策概要(續)

無形資產(商譽除外)

無形資產於取得時按成本初步確認進行計量。於業務合併時取得的無形資產成本為收購日期的公平值。無形資產被評定為有有限或無限使用年期。有限使用年期的無形資產隨後在預計經濟可使用年期內攤銷並對有跡象顯示存有減值的無形資產進行減值評估。有限使用年期的無形資產的攤銷年限及攤銷方法至少需於每個財政年度末進行審閱。

軟件

所購入軟件按成本減任何減值虧損列賬，並按直線基準於其五年之估計可使用年期內攤銷。

管道權利

所購入管道權利指為天然氣及自來水管道的使用權而支付的款項，天然氣及自來水管道按成本減任何減值虧損列賬，並按直線基準於其5年之估計可使用年期內攤銷。

研發成本

所有的研究成本於產生時計入損益中。

租賃

本集團於合約初始評估合約是否屬於或包含租賃。倘合約包含控制一段時間內已識別資產用途的權利(以交換代價)，則屬於或包含租賃。

本集團作為承租人

本集團就所有租賃使用單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團就支付租賃付款及使用權資產(即使用相關資產的權利)確認租賃負債。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	50 years
Plant and property	3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2.4 重大會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用的日期)確認。使用權資產按成本減去任何累計折舊及任何減值虧損計量並就租賃負債的任何重新計算作出調整。使用權資產的成本包括已確認租賃負債金額、已產生初步直接成本及於開始日期或之前已支付的租賃付款減去任何已收租賃優惠。使用權資產按直線法於租期及資產估計可使用年期的較短者按以下方式折舊：

租賃土地	50年
廠房及物業	3年

倘租賃資產所有權於租期結束時轉移至本集團或成本反映了行使購買權，則使用資產的估計可使用年期計算折舊。

(b) 租賃負債

於租賃開始日期按租賃期內將作出的租賃付款現值確認租賃負債。租賃付款包括定額付款(含實質定額款項)減任何租賃獎勵應收款項、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保支付的金額。租賃付款亦包括本集團合理確定行使的購買選擇權的行使價及在租期反映本集團行使終止租賃選擇權時，有關終止租賃的罰款。不取決於指數或利率的可變租賃付款在出現觸發付款的事件或條件的期間內確認為開支。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

2.4 重大會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債(續)

於計算租賃付款的現值時，倘租賃內含利率無法確定，則本集團應用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額的增加反映了利息的增長，其減少則關乎所作出的租賃付款。此外，倘存在租期的修改、租期變動、租賃付款變動(例如由指數或利率變動引起的未來租賃付款變動)或購買相關資產購買權的評估變動，則重新計量租賃負債的賬面值。

(c) 短期租賃及低價值資產租賃

本集團對其短期租賃(即自開始日期起租期為12個月或以下且不包含購買選擇權的租賃)使用短期租賃確認豁免，亦對視為低價值的租賃使用低價值資產租賃確認豁免。

短期租賃及低價值資產租賃付款乃根據直線法於租期內確認為開支。

本集團作為出租人

本集團作為出租人行事時，其於租賃開始時(或修改租賃時)將其各項租賃分類為經營租賃或融資租賃。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessor (continued)

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2.4 重大會計政策概要(續)

租賃(續)

本集團作為出租人(續)

不會轉讓資產所有權的絕大部分風險及回報的本集團租賃分類為經營租賃。倘合約包含租賃及非租賃部分，本集團根據相對獨立售價基準將合約的代價分配至各個組成部分。由於屬經營性質，租賃收入按直線法於租期內列賬及計入損益表的收益內。磋商及安排經營租賃產生的初步直接成本計入租賃資產的賬面值及按與租賃收入相同的基準於租期內確認。豁然租金於賺取租金期間確認為收入。

將相關資產所有權的絕大多數風險及回報轉讓予承租人的租賃作為融資租賃列賬。

投資及其他金融資產

初步確認及計量

金融資產於初步確認時分類為其後按攤銷成本計量、按公平值計入其他綜合收益，及按公平值計入損益。

於初步確認時金融資產之分類取決於金融資產的合約現金流特點及本集團管理該等金融資產的業務模式。除了不包含重大融資部分的貿易應收款項或本集團使用可行權宜方法不就重大融資部分的影響作出調整的貿易應收款項外，本集團初始按公平值加(倘為並非按公平值計入損益的金融資產)交易成本計量金融資產。不包含重大融資部分的貿易應收款項或本集團使用可行權宜方法的貿易應收款項則根據下文「收益確認」所載政策按香港財務報告準則第15號下釐定的交易價格計量。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 重大會計政策概要(續)

投資及其他金融資產(續)

初步確認及計量(續)

僅當金融資產會產生純粹為本金及尚未償還本金額的利息付款(「純粹為本金及利息付款」)時，金融資產分類為按攤銷成本計量或按公平值計入其他綜合收益。現金流量並非純粹為本金及利息付款的金融資產按公平值計入損益分類及計量，不論業務模式如何。

本集團管理金融資產的業務模式指其為產生現金流管理金融資產的方式。業務模式釐定現金流是否來自收取合約現金流、出售金融資產，或兩者兼有。按攤銷成本分類及計量的金融資產乃於持有金融資產的目的在於收取合約現金流量的業務模式中持有，而按公平值計入其他綜合收益分類及計量的金融資產則於持有目的在於同時收取合約現金流量及出售的業務模式中持有。並非於上述業務模式中持有的金融資乃按公平值計入損益分類及計量。

所有常規方式買賣金融資產概於交易日(即本集團承諾購買或出售該資產的日子)確認。常規方式買賣乃指通常遵循法規或市場慣例在約定期間內交付資產之金融資產買賣。

其後計量

金融資產的其後計量取決於其分類，詳情如下：

按攤銷成本計量之金融資產(債務工具)

按攤銷成本計量之金融資產其後使用實際利息法計量及可能面臨減值。當資產被終止確認、修改或減值時，收益及虧損於損益表內確認。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 重大會計政策概要(續)

金融資產的終止確認

出現以下情形時，金融資產(或(倘適用)部分金融資產或一組同類金融資產的一部分)會終止確認(即從本集團合併財務狀況表中刪除)：

- 從資產收取現金流量的權利已到期；或

- 本集團已根據「轉手」安排轉讓從資產收取現金流量的權利，或已承擔向第三方無重大延誤全額支付所收現金流量的責任；及(a)本集團已轉讓資產的絕大部分風險及回報，或(b)本集團雖未轉讓或保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

倘本集團已轉讓從資產收取現金流量的權利或訂立轉手安排，則會評估有否保留資產所有權的風險及回報及保留的程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產控制權，則本集團繼續確認已轉讓資產，惟以本集團持續參與為限。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團所保留權利及責任的基準計量。

以擔保形式對已轉讓資產的持續參與，按資產原賬面值與本集團可能須償還最高代價兩者之較低者計量。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 重大會計政策概要(續)

金融資產減值

本集團就並非按公平值計入損益持有的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原始實際利率的概若利率貼現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級措施所得的現金流量。

一般法

預期信貸虧損分兩個階段確認。就初步確認以來信貸風險並無顯著上升的信貸敞口而言，會為未來12個月(12個月預期信貸虧損)可能發生的違約事件所產生的信貸虧損計提預期信貸虧損撥備。就初步確認以來信貸風險顯著上升的信貸敞口而言，須就預期於敞口的餘下年期產生的信貸虧損計提減值撥備，不論違約的時間(整個可使用年期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險是否自初步確認後顯著上升。評估時，本集團比較金融工具於報告日期的違約風險與金融工具於初步確認日期的違約風險，並考慮合理及具有憑證且無需耗費高昂成本或精力可取得的資料，包括過往及前瞻性資料。

當合約付款逾期超過90日時，本集團會將金融資產視為違約。然而，在若干情況，在計及本集團所持的任何信貸增強時前，當內部或外部資料指出本集團不大可能悉數收回尚未償還合約金額，則本集團亦可能將金融資產視為違約。金融資產在合理預期不可收回合約現金流量時予以撇銷。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 重大會計政策概要(續)

金融資產減值(續)

一般法(續)

按攤銷成本列賬的按公平值計入其他綜合收益的債務投資根據一般方法進行減值，且分類於下列預期信貸虧損計量階段，惟貿易應收款項及合約資產應用簡化法除外，詳情如下。

第一階段 — 自初步確認以來信貸風險未有顯著上升的金融工具及該等按相當於12個月預期信貸虧損的金額計量虧損減值的金融工具

第二階段 — 自初步確認以來信貸風險顯著上升惟不屬於未作信貸減值的金融資產的金融工具及該等按相等於整個可使用年期預期信貸虧損的金額計量虧損減值的金融工具

第三階段 — 於報告日期已作信貸減值的金融資產(惟不是已購買或源頭信貸減值)及該等按相等於整個可使用年期預期信貸虧損的金額計量虧損減值的金融資產

簡化法

就並無重大融資部分或本集團應用可行權宜方法未調整重大融資部分影響的貿易應收款項及應收票據及合約資產而言，本集團於計算預期信貸虧損時應用簡化法。根據簡化法，本集團並無追溯信貸風險變動，而是根據各報告日期的整個可使用年期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2.4 重大會計政策概要(續)

金融負債

初步確認及計量

金融負債於初步確認時分類為貸款及借貸，或應付款項。

所有金融負債初步按公平值確認，而倘為貸款及借貸以及應付款項，則應減去直接應佔交易成本。

本集團之金融負債包括貿易應付款項及應付票據、其他應付款項及應計費用，以及計息銀行借款。

其後計量

金融負債的其後計量取決於其分類，載列如下：

按攤銷成本列賬的金融負債(貸款及借貸)

於初步確認後，計息貸款及借貸隨後以實際利率法按攤銷成本計量，除非貼現影響並不重大，在該情況下則按成本列賬。當負債終止確認以及按實際利率法進行攤銷程序時，其收益及虧損在損益表內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率組成部分的費用或成本後計算。實際利率攤銷計入損益表中的融資成本內。

金融負債的終止確認

金融負債於負債項下的責任解除或取消或屆滿時終止確認。

倘現有金融負債被同一債務人以幾乎完全不同的條款提供的另一項負債交換，或現有負債的條款作出重大修訂，則上述交換或修訂視為終止確認原有負債及確認新負債處理，而各自賬面值的差額於損益表內確認。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 重大會計政策概要(續)

抵銷金融工具

倘有現行可予執行之法律權利以抵銷確認金額及有意按淨額基準償付，或變現資產與清償負債同時進行，則抵銷金融資產與金融負債並於財務狀況表內呈報淨額。

存貨

存貨按成本與可變現淨值兩者中的較低者列賬。成本按加權平均法釐定，而在製品及製成品包括直接材料、直接勞工及按適當比例計算的間接費用。可變現淨值基於估計售價減估計完工及出售時產生的任何成本計算。

現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括庫存現金及活期存款，以及可即時兌換為已知金額現金、所涉價值變動風險不高且一般自取得起計三個月內到期的短期高流動性投資，扣除須按要求償還且構成本集團現金管理組成部分的銀行透支。

就合併財務狀況表而言，現金及現金等價物包括庫存現金及銀行存款(包括定期存款)以及用途不受限制且性質與現金類似的資產。

撥備

倘因過往事件須承擔現時責任(法定或推定)，而承擔該責任可能導致日後資源外流，且能夠可靠地估計責任金額，則確認撥備。

倘若貼現影響重大，則所確認之撥備數額為預計履行責任所需之未來開支於每個報告期末之現值。隨時間流逝使貼現現值增加之款項計入損益表的融資成本。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 重大會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。於損益賬外確認的項目相關的所得稅於損益外確認，即於其他綜合收益或直接於權益確認。

即期稅項資產及負債乃按預期可收回的數額或支付予稅務機關的數額計算，其根據於報告期末已頒佈或實質上已頒佈的稅率(及稅法)計算，並考慮到本集團經營所在國家的現行詮釋及慣例。

我們就於資產及負債的稅項基準及其於財務報告中的賬面值的全部暫時性差額以負債法對遞延稅項作出撥備。

所有應課稅暫時性差額均被確認為遞延稅項負債，惟：

- 倘遞延稅項負債來自在一宗屬非業務合併的交易中初步確認商譽或資產或負債，而且在交易時對會計溢利或應課稅溢利或虧損均無影響，則屬例外；及

- 就於附屬公司、聯營公司及合營企業的投資的相關應課稅暫時性差額而言，倘撥回暫時性差額的時間可控及暫時性差額有可能不會在可見將來撥回，方會確認遞延稅項資產。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 重大會計政策概要(續)

所得稅(續)

遞延所得稅資產乃就所有可扣稅暫時差額、未動用稅項抵免及任何未動用稅項虧損的結轉而確認。遞延所得稅資產以將有應課稅利潤以動用可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損的結轉以作對銷為限確認，惟下列情況除外：

- 與可扣稅暫時差額有關的遞延所得稅資產乃因在一項並非業務合併的交易中初步確認資產或負債而產生，且於交易時並不影響會計溢利或應課稅溢利或虧損；及

- 就與於附屬公司、聯營公司及合營公司的投資有關的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回以及將有應課稅溢利以動用暫時差額以作對銷的情況下，方予確認。

遞延稅項資產的賬面值在各報告期末審閱。若不再可能有足夠應課稅溢利用以抵扣全部或部分遞延稅項資產，則扣減遞延稅項資產賬面值。未確認的遞延稅項資產於每個報告期末重新評估，並於可能有足夠應課稅溢利用以收回全部或部分遞延稅項資產時確認。

遞延稅項資產及負債乃按預期應用於該期間(當資產被變現或負債被清償時)的稅率計量，根據於報告期末已頒佈或實質上已頒佈的稅率(及稅法)計算。

倘及僅當本集團具有合法可行使權力將即期稅項資產與即期稅項負債對銷，且遞延稅項資產及遞延稅項負債與同一稅務機關對以下任何一項所徵收的所得稅相關：同一應課稅實體，或計劃於預期清償或收回大額遞延稅項負債或資產的各未來期間以淨額基準清償即期稅項負債及資產，或同時變現資產及清償負債的不同應課稅實體，則遞延稅項資產可與遞延稅項負債相抵銷。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.4 重大會計政策概要(續)

政府補貼

政府補貼於可合理確定可收取有關補貼且本公司已符合所有附帶條件時，按公平值確認。該項補貼如與開支項目有關，則按該項補貼擬補貼成本予以支出的期間內有系統地確認為收入。

收益確認

來自客戶合約收益

來自客戶合約的收益乃於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素得到解決時，確認的累積收益金額極有可能不會發生重大收益回撥。

當合約中包含融資部分，該融資部分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收益按應收款項的現值計量，使用貼現率貼現，該貼現率將反映在本集團與客戶在合同開始時的單獨融資交易中。當合約中包含融資部分，該融資部分為在本集團提供了一年以上的重大財務利益時，合約項下確認的收益包括按實際利息法在合約負債上加算的利息。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用香港財務報告準則第15號中的可行權宜方法，不會對重大融資部分的影響作出調整。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

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 receipt of the goods.

Some contracts for the sale of goods provide customers with rights of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

(i) 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 HKFRS 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.

(ii) 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.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

2.4 重大會計政策概要(續)

收益確認(續)

來自客戶合約收益(續)

銷售商品

銷售商品的收益於該資產控制權轉移予客戶時確認，通常為接獲商品時。

部分銷售商品合約提供客戶退貨權及銷售獎勵回贈。退貨權及銷售獎勵回贈產生可變動代價。

(i) 退貨權

倘合約向客戶提供可於特定期間的退貨權，預期價值法用以估計不會被退貨的商品，因為此方法最能預測本集團有權收取的可變動代價金額。本集團應用香港財務報告準則第15號，限制可變動代價的估計，以釐定可包含於交易價格的可變動代價金額。就預期會退貨的商品而言，則確認退款負債，而非收益。本集團亦就向客戶收回產品確認退貨權資產(及銷售成本相應調整)。

(ii) 銷售獎勵回贈

當期內採購的產品數量超出合約訂明的限度，可向若干客戶提供追溯性銷售獎勵回贈。回贈抵銷客戶應付金額。為估計預期未來回贈的可變動代價，所定數量合約應用「最可能的金額方法」，而批量合約則應用預期價值方法。最能預測可變動代價金額的選定方法主要受合約所載數量限制影響。本集團應用限制可變動代價的估計規定，並就預期未來回贈確認退款負債。

其他來源收益

租金收入於租期內按時間比例基準確認。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

2.4 重大會計政策概要(續)

收益確認(續)

其他收入

利息收入按應計基準以實際利率法，透過採用將金融工具在預期年期或較短期間(如適用)的估計未來現金收款準確貼現至金融資產賬面淨值的比率予以確認。

合約資產

合約資產乃就換取已向客戶轉讓的貨品或服務而收取代價的權利。倘本集團於客戶支付代價或付款到期前將貨品或服務轉讓予客戶，則就附帶條件的已賺取代價確認合約資產。合約資產須進行減值評估，詳情載於金融資產減值的會計政策。

合約負債

合約負債乃在本集團轉移相關貨品或服務前，在向客戶收取款項或到期收取款項(以較早者為準)時確認。合約負債在本集團履行合約(即將相關貨品或服務的控制權轉移至客戶)時確認為收益。

合約成本

除資本化作存貨、物業、廠房及設備以及無形資產的成本外，為履行與客戶的合約而招致的成本在符合下列條件時資本化作資產：

(a) 有關成本與實體可明確識別之合約或預期合約有直接關係。

(b) 有關成本令實體將用於履行(或持續履行)日後履約責任之資源得以產生或有所增加。

(c) 有關成本預期可收回。

資本化合約成本予以攤銷及有系統地於損益表中扣除，方式與轉讓予客戶與該資產有關的貨物或服務一致。其他合約成本在產生時支銷。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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.

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.

Employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 重大會計政策概要(續)

退貨權資產

退貨權資產乃就收回預期將由客戶退回的貨品的權利確認。該資產按退回貨品的前賬面值，減收回貨品的任何預期成本及退回貨品價值的任何潛在跌幅計量。本集團就預期退貨水平的任何修訂及退回貨品價值的任何額外跌幅更新資產的計量。

退款負債

退款負債乃就退回已收(或應收)客戶的若干或全部代價的責任確認，並按本集團最終預期需退回予客戶的金額計量。本集團於各報告期末更新其退款負債估計(及交易價格的相應變動)。

僱員福利

養老金計劃

本集團於中國內地經營的附屬公司的僱員須參與地方市政府運作的中央養老金計劃。該等附屬公司須按薪金成本的某個百分比向中央養老金計劃供款。供款將根據中央養老金計劃規則於應付時從損益表中扣除。

借貸成本

倘借貸成本直接屬於收購、興建或生產合資格資產(即須經一段時間作準備方可投放作擬定用途或銷售的資產)，則撥充資本作為該等資產成本的一部分。而當有關資產大致可投放作擬定用途或銷售時，即終止將該等借貸成本撥充資本。將待用於合資格資產的指定借貸進行臨時投資所賺取的投資收入，從資本化借貸成本中扣除。所有其他借貸成本均於其產生期間支銷。借貸成本包括利息及實體因借取資金而產生的其他成本。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

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

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

2.4 重大會計政策概要(續)

股息

末期股息於獲股東於股東大會上批准時確認為負債。建議末期股息披露於財務報表附註。

同時建議及宣派中期股息，是因為本公司的組織章程大綱及細則授予董事權力可宣派中期股息。因此，中期股息於建議及宣派時立即確認為負債。

外幣

此等財務報表均以人民幣呈列。本集團旗下各實體自行確定功能貨幣，且各實體財務報表中的項目均使用該功能貨幣計量。本集團旗下實體錄得之外幣交易初步按交易日期通行的相關功能貨幣匯率列賬。以外幣計值的貨幣資產與負債按於報告期末通用的功能貨幣匯率換算。結算或換算貨幣項目產生之差額於損益表內確認。

按歷史成本列賬、以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公平值列賬、以外幣計量的非貨幣項目，採用計量公平值日期的匯率換算。換算按公平值計量的非貨幣項目產生的收益或虧損按與確認項目公平值變動的收益或虧損一致的方式處理(即公平值收益或虧損於其他綜合收益或損益內確認的項目的換算差額亦分別於其他綜合收益或損益內確認)。

為了確定涉及預付代價及終止非貨幣資產或非貨幣負債的相關資產、開支或收入於初步確認時的匯率，初始交易日期為本集團初步確認因支付或收到預付代價而產生的非貨幣性資產或負債的日期。倘於確認相關項目之前有多個付款或收據，則應以這種方式確定每筆預付代價付款或收據的交易日期。

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

The functional currencies of the Company and certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's 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.

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 financial statements:

Withholding tax arising from the distribution of dividends

The Group's determination, as to whether to accrue withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distribution of dividends.

2.4 重大會計政策概要(續)

外幣(續)

本公司及若干境外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產與負債按報告期末的匯率換算為人民幣，其損益表則按年內的加權平均匯率換算為人民幣。

因此而產生的匯兌差額於其他綜合收益內確認，並累計為匯兌波動儲備。出售海外業務時，與該項特定海外業務有關的其他綜合收益的部分於損益表確認。

收購海外業務產生的任何商譽及對收購產生的資產及負債賬面金額作出的任何公平值調整作海外業務的資產及負債處理，並按收市匯率換算。

3. 重大會計判斷及估計

本集團財務報表的編製需要管理層作出會影響所呈報收益、開支、資產及負債的金額及其隨附披露以及或然負債披露的判斷、估計及假設。由於有關該等假設及估計的不明朗因素，可能導致須就日後受影響的資產或負債的賬面金額作出重大調整。

判斷

於應用本集團的會計政策過程中，除作出涉及估計的判斷外，管理層已作出對財務報表內已確認金額構成最大影響的以下判斷：

股息分派產生的預扣稅

本集團於釐定是否根據司法權區頒佈的有關稅務條例計算若干附屬公司分派股息產生的預扣稅時，須對股息分派計劃作出判斷。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

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.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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 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 is disclosed in note 19 to the financial statements.

3. 重大會計判斷及估計(續)

估計的不確定因素

下文所討論者為於報告期末有關未來的主要假設及估計不確定因素的其他主要來源，其涉及導致下個財政年度對資產及負債賬面值作出重大調整的重大風險。

貿易應收款項預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率乃基於具有類似虧損模式的不同客戶分部組合逾期日數釐定。

撥備矩陣初步基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損經驗。舉例而言，倘預測經濟環境(即本地生產總值)預期將於未來一年惡化，導致製造分部違約事件增加，則會調整過往違約率。於各報告日期，過往觀察所得違約率將予更新，並會分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟環境及預期信貸虧損之間的關連性進行的評估屬重大估計。預期信貸虧損金額對情況變化及預測經濟環境相當敏感。本集團過往信貸虧損經驗及預測經濟環境亦未必能代表客戶日後的實際違約情況。有關本集團貿易應收款項預期信貸虧損的資料已於財務報表附註19披露。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Provision for slow-moving inventories and net realisable value of inventories

Management reviews the ageing analysis of inventories of the Group at the end of each reporting period, and makes a provision for slow-moving inventory items. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. A write-down of inventories to net realisable value is made based on the estimated net realisable value of inventories. The assessment of the write-down amount requires management's estimates and judgement. Where the actual outcome or expectation in the future is different from the original estimate, such differences will impact the carrying value of inventories and the write-down/write-back of inventories in the period in which such estimate has been changed.

3. 重大會計判斷及估計(續)

估計的不確定因素(續)

租賃 — 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率(「增量借款利率」)計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時(如就並無訂立融資交易之附屬公司而言)或當須對利率進行調整以反映租賃之條款及條件時(如當租賃並非以附屬公司之功能貨幣訂立時)，則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據(如市場利率)估算增量借款利率並須作出若干實體特定的估計(例如附屬公司的單獨信貸評級)。

滯銷存貨撥備及存貨的可變現淨值

管理層於各報告期末審閱本集團存貨的賬齡分析，並就滯銷存貨項目計提撥備。管理層主要依據最近期的發票價格及現行市況，估計該等存貨的可變現淨值。管理層將存貨撇減至可變現淨值乃按存貨的估計可變現淨值作出。對撇減金額的評估需要管理層作出估計及判斷。倘實際結果或未來預計結果有別於原先估計，則該等差額將影響改變有關估計期間的存貨賬面值及存貨的撇減／撥回。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has four reportable operating segments as follows:

(a) Manufacture and sale of household consumption;

(b) Manufacture and sale of snacks;

(c) Manufacture and sale of ready-to-drink beverage; and

(d) Others.

The "Others" segment comprises the sale of packing materials in relation to the production of food and beverage, and rental income from the investment property's prime office space.

Management monitors the gross profit of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision-maker for review.

4. 經營分部資料

為便於管理，本集團按其產品劃分業務單元，分為四個可呈報經營分部，詳情如下：

(a) 生產及銷售家庭消費；

(b) 生產及銷售休閒食品；

(c) 生產及銷售即飲飲料；及

(d) 其他。

「其他」分部包括銷售與食品及飲料生產有關的包裝物料，以及來自投資物業的優質辦公室空間的租金收入。

管理層監察本集團經營分部的毛利，旨在作出有關資源分配及業績評估的決策。概無披露本集團經營分部資產及負債的分析，此乃由於有關分析並無定期提交予最高營運決策者審閱。

4. OPERATING SEGMENT INFORMATION (continued) 4. 經營分部資料(續)

Year ended December 31, 2020	截至二零二零年十二月三十一日止年度	Household consumption 家庭消費 RMB'000 人民幣千元	Snacks 休閒食品 RMB'000 人民幣千元	Ready-to-drink beverage 即飲飲料 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue (note 5)	**分部收益(附註5)**					
Sales to external customers	銷售予外部客戶	2,963,312	10,213,400	6,175,648	1,594,901	20,947,261
Other revenue	其他收益	–	–	–	14,447	14,447
						20,961,708
Segment gross profit	**分部毛利**	1,391,215	3,852,449	2,955,755	41,477	8,240,896
Reconciliation:	*對賬:*					
Other income and gains	其他收入及收益					1,036,617
Selling and distribution expenses	銷售及經銷開支					(3,555,237)
Administrative expenses	行政開支					(606,092)
Finance costs	融資成本					(9,574)
Profit before tax	除稅前溢利					5,106,610
Other segment information	**其他分部資料**					
Depreciation and amortisation	折舊及攤銷	146,052	163,587	344,710	9,468	663,817
Capital expenditure *	資本開支*					
Allocated	已分配	282,527	234,731	191,966	1,370	710,594
Unallocated	未分配					47,948
						758,542

4. OPERATING SEGMENT INFORMATION (continued) 4. 經營分部資料(續)

Year ended December 31, 2019	截至二零一九年十二月三十一日止年度	Household consumption 家庭消費 RMB'000 人民幣千元	Snacks 休閒食品 RMB'000 人民幣千元	Ready-to-drink beverage 即飲飲料 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue (note 5)	**分部收益(附註5)**					
Sales to external customers	銷售予外部客戶	2,656,546	10,153,891	7,141,644	1,412,118	21,364,199
Other revenue	其他收益	–	–	–	11,049	11,049
						21,375,248
Segment gross profit	**分部毛利**	1,315,810	3,794,956	3,335,513	45,184	8,491,463
Reconciliation:	*對賬:*					
Other income and gains	其他收入及收益					886,733
Selling and distribution expenses	銷售及經銷開支					(3,677,450)
Administrative expenses	行政開支					(553,032)
Finance costs	融資成本					(1,413)
Profit before tax	除稅前溢利					5,146,301
Other segment information	**其他分部資料**					
Depreciation and amortisation	折舊及攤銷	118,011	167,011	365,047	9,719	659,788
Capital expenditure *	資本開支*					
Allocated	已分配	588,257	172,793	231,620	2,688	995,358
Unallocated	未分配					45,695
						1,041,053

* Capital expenditure consists of additions to property, plant and equipment, right-of-use assets, investment property and intangible assets.

* 資本開支包括添置物業、廠房及設備、使用權資產、投資物業以及無形資產。

Geographical information

Since over 90% of the Group's revenue and operating profit were generated from the sale of food and beverage in Mainland China and over 90% of the Group's non-current assets were located in Mainland China, no geographical information is presented in accordance with HKFRS 8 *Operating Segments*.

地理資料

由於本集團的90%以上收益及經營溢利來自在中國內地銷售食品及飲料，且本集團逾90%的非流動資產位於中國內地，故並無根據香港財務報告準則第8號*經營分部*呈列地理資料。

Information about a major customer

Since no revenue from sales to a single customer of the Group amounted to 10% or more of the Group's total revenue, no major customer information is presented in accordance with HKFRS 8 *Operating Segments*.

有關一名主要客戶的資料

由於概無本集團向單一客戶的銷售佔本集團總收益的10%或以上，故並無根據香港財務報告準則第8號*經營分部*呈列主要客戶資料。

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

5. 收入、其他收入及收益

收入的分析如下：

(a) Revenue:

(a) 收入：

		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
Revenue from contracts with customers	*來自客戶合約的收益*	**20,947,261**	21,364,199
Revenue from other sources	*來自其他來源的收益*		
Gross rental income from investment property operating leases	投資物業經營租賃的租金收入總額	**14,447**	11,049
		20,961,708	21,375,248

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended December 31, 2020

來自客戶合約的收益

(i) 分項收益資料

截至二零二零年十二月三十一日止年度

Segments	分部	Household consumption 家庭消費 RMB'000 人民幣千元	Snacks 休閒食品 RMB'000 人民幣千元	Ready-to-drink beverage 即飲飲料 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Type of goods	**貨物種類**					
Sale of goods	銷售貨物	2,963,312	10,213,400	6,175,648	1,594,901	20,947,261
Timing of revenue recognition	**收益確認時間**					
Goods transferred at a point in time	於某一時間點	2,963,312	10,213,400	6,175,648	1,594,901	20,947,261

5. REVENUE, OTHER INCOME AND GAINS (continued)

(a) Revenue: (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the year ended December 31, 2019

5. 收入、其他收入及收益(續)

(a) 收入:(續)

來自客戶合約的收益(續)

(i) 分項收益資料(續)

截至二零一九年十二月三十一日止年度

Segments	分部	Household consumption 家庭消費 RMB'000 人民幣千元	Snacks 休閒食品 RMB'000 人民幣千元	Ready-to-drink beverage 即飲飲料 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Type of goods	**貨物種類**					
Sale of goods	銷售貨物	2,656,546	10,153,891	7,141,644	1,412,118	21,364,199
Timing of revenue recognition	**收益確認時間**					
Goods transferred at a point in time	於某一時間點轉讓貨物	2,656,546	10,153,891	7,141,644	1,412,118	21,364,199

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods
The performance obligation is satisfied upon receipt of the food and beverage and payment is generally due within 30 to 90 days from receipt, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

(ii) 履約責任

有關本集團履約責任的資料概述如下:

銷售貨物
履約責任於簽收食品及飲料後即告完成,而付款一般會於簽收後30至90天內到期,惟我們一般會要求新客戶提前付款。部分合約規定客戶在若干條件的限制下有權退貨及獲提供銷售獎勵回贈(此情況會引致可變代價)。

5. REVENUE, OTHER INCOME AND GAINS (continued)

5. 收入、其他收入及收益(續)

(b) Other income and gains

(b) 其他收入及收益

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Bank interest income (note 6)	銀行利息收入(附註6)	**544,150**	457,750
Government grants*	政府補貼*	**429,120**	342,604
Income from sales of scrap, net	銷售邊角料的收入淨額	**62,243**	69,055
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	**605**	371
Foreign exchange differences, net	匯兌差額淨額	**–**	16,709
Others	其他	**499**	244
		1,036,617	886,733

* Government grants include various subsidies received by the Company's subsidiaries from relevant government bodies in connection with enterprise expansion and efficiency enhancement. There are no unfulfilled conditions or contingencies related to these grants.

* 政府補貼包括本公司的附屬公司自相關政府機關收到的與企業擴張及效率提高有關的各類補貼。該等補貼並無未達成條件或者或然事項。

6. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived after charging/(crediting):

6. 除稅前溢利

本集團持續經營業務的除稅前溢利乃經扣除／(計入)以下各項後達致：

		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
(a) Cost of sales:	**(a) 銷售成本：**		
Cost of inventories sold	存貨銷售成本	**10,694,963**	10,905,556
(b) Employee benefit expenses (including directors' and chief executive's remuneration (note 8)):	**(b) 僱員福利開支(包括董事及行政總裁薪酬(附註8))：**		
Wages and salaries	工資及薪金	**2,067,971**	1,997,316
Pension scheme contributions, social welfare and other welfare	退休金計劃供款、社會福利及其他福利	**235,880**	236,275
		2,303,851	2,233,591
(c) Other items:	**(c) 其他項目：**		
Depreciation of property, plant and equipment (note 13)	物業、廠房及設備折舊(附註13)	**737,810**	699,786
Depreciation of investment property (note 14)	投資物業折舊(附註14)	**9,468**	9,719
Depreciation of right-of-use assets (note 15(a))	使用權資產折舊(附註15(a))	**32,824**	31,244
Amortisation of intangible assets (note 16)	無形資產攤銷(附註16)	**823**	1,146
Promotion and advertising expenses	推廣及廣告開支	**1,993,466**	2,122,478
Auditor's remuneration	核數師酬金	**4,500**	4,500
Research and development costs	研發成本	**65,352**	62,030
Foreign exchange differences, net	匯兌差額淨額	**11,412**	(16,709)
Bank interest income (note 5)	銀行利息收入(附註5)	**(544,150)**	(457,750)
Net loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損淨額	**2,180**	2,449
Government grants (note 5(b))	政府補貼(附註5(b))	**(429,120)**	(342,604)
Impairment of trade and bills receivables (note 19)	貿易應收款項及應收票據減值(附註19)	**497**	1,434
Impairment of inventories	存貨減值	**295**	1,268

6. PROFIT BEFORE TAX (continued)

The depreciation of property, plant and equipment, investment property and right-of-use assets, and amortisation of right-of-use assets and intangible assets are included in "administrative expenses", "selling and distribution expenses" and "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

Research and development costs are included in "administrative expenses" and "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

6. 除稅前溢利(續)

物業、廠房及設備、投資物業及使用權資產折舊，以及使用權資產及無形資產攤銷計入合併損益及其他綜合收益表的「行政開支」、「銷售及分銷開支」及「銷售成本」。

研發成本計入合併損益及其他綜合收益表的「行政開支」及「銷售成本」。

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

7. 融資成本

持續經營業務的融資成本分析列載如下：

		2020 **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
Interest on bank loans	銀行貸款利息	**9,053**	–
Interest on lease liabilities	租賃負債利息	**521**	1,413
		9,574	1,413

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及最高行政人員薪酬

根據上市規則、香港公司條例383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露董事及最高行政人員薪酬如下：

		2020 **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
Fees	袍金	**572**	564
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	**8,685**	8,846
Pension scheme contributions and social welfare	退休計劃供款及社會福利	**21**	16
		8,706	8,862

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

(a) 獨立非執行董事

年內已付獨立非執行董事的袍金如下：

		2020 **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
Mr. Cheng Hanchuan	程漢川先生	**143**	141
Mr. Liu Xiaobin	劉小斌先生	**143**	141
Dr. Lin Zhijun	林志軍博士	**286**	282
		572	564

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

年內並無其他應付獨立非執行董事酬金(二零一九年：零)。

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

8. 董事及最高行政人員薪酬(續)

(b) Executive directors and non-executive directors

(b) 執行董事及非執行董事

		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 RMB'000 人民幣千元	Pension scheme contributions and social welfare 退休金計劃供款及社會福利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2020	**二零二零年**				
Executive directors:	執行董事：				
Mr. Xu Shihui (Chief executive)	許世輝先生（最高行政人員）	–	2,082	–	2,082
Ms. Xu Yangyang	許陽陽女士	–	2,368	8	2,376
Mr. Zhuang Weiqiang	莊偉強先生	–	3,847	8	3,855
Ms. Huang Jiaying (appointed as an executive director on February 8, 2021)	黃佳瑩女士（於二零二一年二月八日獲委任）	–	388	5	393
		–	8,685	21	8,706
Non-executive directors:	非執行董事：				
Ms. Xu Biying	許碧英女士	–	–	–	–
Ms. Hu Xiaoling	胡曉玲女士	–	–	–	–
		–	–	–	–

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors (continued)

8. 董事及最高行政人員薪酬(續)

(b) 執行董事及非執行董事(續)

		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 RMB'000 人民幣千元	Pension scheme contributions and social welfare 退休金計劃供款及社會福利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2019	二零一九年				
Executive directors:	執行董事：				
Mr. Xu Shihui (Chief executive)	許世輝先生（最高行政人員）	–	2,150	–	2,150
Ms. Xu Yangyang	許陽陽女士	–	2,430	8	2,438
Mr. Zhuang Weiqiang	莊偉強先生	–	4,266	8	4,274
		–	8,846	16	8,862
Non-executive directors:	非執行董事：				
Ms. Xu Biying	許碧英女士	–	–	–	–
Ms. Hu Xiaoling	胡曉玲女士	–	–	–	–
		–	–	–	–

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內並無董事據此放棄或同意放棄任何薪酬的安排。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2019: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2019: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

9. 五名最高薪酬僱員

年內五名最高薪酬僱員包括三名董事（二零一九年：三名董事），彼等的薪酬詳情載於上文附註8。其餘兩名（二零一九年：兩名）最高薪酬僱員並非本公司董事或最高行政人員，其年內薪酬詳情如下：

		2020 **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	**4,449**	4,734
Pension scheme contributions and social welfare	退休金計劃供款及社會福利	**15**	17
		4,464	4,751

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

薪酬在下列範圍內的非董事及非最高行政人員的最高薪酬僱員的人數如下：

		Number of employees **僱員人數** **2020** **二零二零年**	2019 二零一九年
HKD1,000,001 to HKD1,500,000	1,000,001港元至1,500,000港元	**–**	–
HKD1,500,001 to HKD2,000,000	1,500,001港元至2,000,000港元	**1**	1
HKD2,000,001 to HKD2,500,000	2,000,001港元至2,500,000港元	**–**	–
HKD2,500,001 to HKD3,000,000	2,500,001港元至3,000,000港元	**–**	–
HKD3,000,001 to HKD3,500,000	3,000,001港元至3,500,000港元	**1**	1
		2	2

10. INCOME TAX

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 and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2019: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2019: 8.25%) and the remaining assessable profits are taxed at 16.5% (2019: 16.5%).

Under the Income Tax Law of the People's Republic of China (the "PRC"), the Company's subsidiaries that are established in the PRC are subject to income tax at a base rate of 25%, except for some subsidiaries which are subject to income tax at a preferential rate of 15% in different periods between January 1, 2014 and December 31, 2030.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from January 1, 2008 and applies to earnings after December 31, 2007. In addition, under the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and its relevant regulations, a qualified Hong Kong tax resident will be liable for withholding tax at the rate of 5% for dividend income derived from the PRC if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interests of the PRC company. For the Group, the applicable rate is 5%. Deferred tax liabilities have been provided for based on the expected dividends to be distributed from these subsidiaries in the foreseeable future in respect of the profits generated since January 1, 2008.

10. 所得稅

本集團須就本集團成員公司在所在及經營的司法權區產生或源自該等司法權區的溢利按實體方式繳納所得稅。

根據開曼群島及英屬維京群島的規則及規例，本集團毋須繳納任何開曼群島及英屬維京群島所得稅。

香港利得稅已就年內在香港產生的估計應課稅溢利按16.5%（二零一九年：16.5%）的稅率作出撥備，惟根據利得稅兩級制，本集團一間附屬公司為合資格法團除外。該附屬公司首2,000,000港元（二零一九年：2,000,000港元）應課稅溢利的稅率為8.25%（二零一九年：8.25%），餘下應課稅溢利則按16.5%（二零一九年：16.5%）徵稅。

根據中華人民共和國（「中國」）所得稅法，在中國成立的本公司附屬公司須按25%的稅率繳納所得稅，惟部分附屬公司除外，於二零一四年一月一日至二零三零年十二月三十一日的不同期間按15%的優惠稅率繳納所得稅。

根據《中國企業所得稅法》，就向外資企業投資者宣派來自於中國大陸成立之外資企業的股息徵收10%預扣稅。有關規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後所產生之盈利。此外，根據《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》及其相關法規，倘一名合資格香港稅務居民為中國公司的「實益擁有人」並持有其25%或以上股權，則該名香港稅務居民自中國產生的股息收入須按5%稅率繳納預扣稅。對本集團而言，適用稅率為5%。遞延稅項負債已根據該等附屬公司就二零零八年一月一日以後產生的溢利於可見未來將分派的預期股息計提撥備。

10. INCOME TAX (continued)

The major components of income tax expense are as follows:

10. 所得稅(續)

所得稅開支的主要組成部分如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current tax:	即期稅項：		
Income tax in PRC for the year	年內中國內地所得稅	**1,311,084**	1,193,496
Deferred tax (note 25)	遞延稅項(附註25)	**(53,127)**	112,234
Total tax charge for the year	年內稅項支出總額	**1,257,957**	1,305,730

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

按本公司及其大多數附屬公司所在司法權區應用於除稅前溢利的法定稅率的稅項開支與按實際稅率的稅項開支的對賬如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	**5,106,610**	5,146,301
Tax at the statutory tax rate (25%)	按法定稅率繳納的稅項(25%)	**1,276,653**	1,286,575
Effect of tax relief enjoyed by certain subsidiaries	若干附屬公司享有減免稅項的影響	**(120,029)**	(125,540)
Effect of tax concessions and exemption	稅項優惠及豁免的影響	**(4,749)**	–
Tax losses utilised from previous periods	動用過往期間的稅項虧損	**(4,103)**	–
Income not subject to tax*	毋須納稅的收入*	**(9,591)**	(16,023)
Expenses not deductible for tax	不可扣稅的開支	**1,282**	1,666
Unrecognised tax losses	未確認稅項虧損	**11,717**	12,028
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	本集團的中國附屬公司可分派利潤的5%預扣稅的影響	**106,777**	147,024
Tax charge at the Group's effective rate	按本集團實際稅率繳稅的稅項支出	**1,257,957**	1,305,730

* Income not subject to tax mainly includes the profit from the primary agricultural product processing, which is exempted from income tax in accordance with the PRC tax law.

* 毋須納稅的收入主要包括根據中國稅法免徵所得稅的來自初級農產品加工的溢利。

11. DIVIDENDS

11. 股息

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interim — HKD0.075 (2019: HKD0.168) per ordinary share	中期 — 每股普通股0.075港元（二零一九年：0.168港元）	**902,744**	2,076,233
Proposed final — HKD0.085 (2019: HKD0.140) per ordinary share	建議末期 — 每股普通股0.085港元（二零一九年：0.140港元）	**986,228**	1,736,732
		1,888,972	3,812,965

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

建議派付的本年度末期股息須待本公司股東於應屆股東週年大會上批准後，方可作實。

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 13,694,117,500 (2019: 13,694,117,500) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended December 31, 2020 and 2019.

The calculation of basic and diluted earnings per share is based on:

12. 母公司普通股權益持有人應佔每股盈利

每股基本盈利金額乃根據母公司普通股權益持有人應佔年內溢利及年內已發行13,694,117,500股（二零一九年：13,694,117,500股）普通股的加權平均數計算。

本集團於截至二零二零年及二零一九年十二月三十一日止年度並無具潛在攤薄影響的已發行普通股。

每股基本及攤薄盈利的計算乃基於下表：

		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
Earnings	**盈利**		
Profit attributable to ordinary equity holders of the parent	母公司普通股權益持有人應佔溢利	**3,848,653**	3,840,571

		Number of shares 股份數目 2020 二零二零年	2019 二零一九年
Shares	**股份**	**–**	–
Weighted average number of ordinary shares in issue during the year	年內已發行普通股的加權平均數	**13,694,117,500**	13,694,117,500
Earnings per share	每股盈利		
Basic and diluted (RMB)	基本及攤薄（人民幣元）	**0.28**	0.28

13. PROPERTY, PLANT AND EQUIPMENT 13. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Plant and machinery 生產設備及機器 RMB'000 人民幣千元	Other equipment 其他設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
December 31, 2020	**於二零二零年十二月三十一日**						
At January 1, 2020:	於二零二零年一月一日：						
Cost	成本	1,638,759	119,645	6,668,378	757,316	598,160	9,782,258
Accumulated depreciation and impairment	累計折舊及減值	(597,403)	(78,535)	(3,564,579)	(400,235)	–	(4,640,752)
Net carrying amount	賬面淨值	1,041,356	41,110	3,103,799	357,081	598,160	5,141,506
At January 1, 2020, net of accumulated depreciation and impairment	於二零二零年一月一日，扣除累計折舊及減值	1,041,356	41,110	3,103,799	357,081	598,160	5,141,506
Additions	添置	20,233	9,526	185,526	48,054	450,463	713,802
Depreciation provided during the year (note 6)	年內計提的折舊（附註6）	(80,238)	(13,478)	(545,678)	(98,416)	–	(737,810)
Transfers	轉撥	290,406	525	389,025	90,044	(770,000)	–
Disposals	出售	–	(549)	(5,702)	(237)	–	(6,488)
At December 31, 2020, net of accumulated depreciation and impairment	於二零二零年十二月三十一日，扣除累計折舊及減值	1,271,757	37,134	3,126,970	396,526	278,623	5,111,010
At December 31, 2020:	於二零二零年十二月三十一日：						
Cost	成本	1,949,398	129,147	7,237,227	895,177	278,623	10,489,572
Accumulated depreciation and impairment	累計折舊及減值	(677,641)	(92,013)	(4,110,257)	(498,651)	–	(5,378,562)
Net carrying amount	賬面淨值	1,271,757	37,134	3,126,970	396,526	278,623	5,111,010

13. PROPERTY, PLANT AND EQUIPMENT (continued) 13. 物業、廠房及設備(續)

		Buildings 樓宇 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Plant and machinery 生產設備及機器 RMB'000 人民幣千元	Other equipment 其他設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
December 31, 2019	**於二零一九年十二月三十一日**						
At January 1, 2019:	於二零一九年一月一日：						
Cost	成本	1,668,903	98,457	5,964,176	622,855	497,890	8,852,281
Accumulated depreciation and impairment	累計折舊及減值	(521,805)	(66,063)	(3,044,053)	(309,045)	–	(3,940,966)
Net carrying amount	賬面淨值	1,147,098	32,394	2,920,123	313,810	497,890	4,911,315
At January 1, 2019, net of accumulated depreciation and impairment	於二零一九年一月一日，扣除累計折舊及減值	1,147,098	32,394	2,920,123	313,810	497,890	4,911,315
Additions	添置	8,776	21,351	317,399	88,563	614,039	1,050,128
Depreciation provided during the year (note 6)	年內計提的折舊（附註6）	(75,598)	(12,472)	(520,526)	(91,190)	–	(699,786)
Transfers	轉撥	75,074	–	392,295	45,905	(513,274)	–
Transfers to investment property	轉撥至投資物業	(113,994)	–	–	–	–	(113,994)
Disposals	出售	–	(163)	(5,492)	(7)	(495)	(6,157)
At December 31, 2019, net of accumulated depreciation and impairment	於二零一九年十二月三十一日，扣除累計折舊及減值	1,041,356	41,110	3,103,799	357,081	598,160	5,141,506
At December 31, 2019:	於二零一九年十二月三十一日：						
Cost	成本	1,638,759	119,645	6,668,378	757,316	598,160	9,782,258
Accumulated depreciation and impairment	累計折舊及減值	(597,403)	(78,535)	(3,564,579)	(400,235)	–	(4,640,752)
Net carrying amount	賬面淨值	1,041,356	41,110	3,103,799	357,081	598,160	5,141,506

As at December 31, 2020, the Group had yet to obtain property ownership certificates for certain buildings with an aggregate net book value of RMB182,408,000 (2019: RMB70,903,000). Notwithstanding this, the directors are of the opinion that the Group owned the beneficial titles to these buildings at the end of the reporting period. As at December 31, 2020, nil of the group's property, plant and equipment was pledged.

於二零二零年十二月三十一日，本集團尚未就賬面淨值合共人民幣182,408,000元(二零一九年：人民幣70,903,000元)的若干樓宇取得物業所有權證。儘管如此，董事認為本集團於報告期末擁有該等樓宇的實益業權。於二零二零年十二月三十一日，本集團並無抵押物業、廠房及設備。

14. INVESTMENT PROPERTY

14. 投資物業

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At January 1	於一月一日		
Cost	成本	**269,259**	47,225
Accumulated depreciation and impairment	累計折舊及減值	**(35,497)**	(4,833)
Net carrying amount	賬面淨值	**233,762**	42,392
At January 1, net of accumulated depreciation and impairment	於一月一日，扣除累計折舊及減值	**233,762**	42,392
Addition	添置	**1,370**	2,688
Transfer from owner-occupied property (note 13)	轉撥自自用物業（附註13）	**–**	113,994
Transfer from right-of-use assets (note 15(a))	轉撥自使用權資產（附註15(a)）	**–**	84,407
Depreciation provided during the year (note 6)	年內計提的折舊（附註6）	**(9,468)**	(9,719)
At December 31, net of accumulated depreciation and impairment	於十二月三十一日，扣除累計折舊及減值	**225,664**	233,762
At December 31:	於十二月三十一日：		
Cost	成本	**270,629**	269,259
Accumulated depreciation and impairment	累計折舊及減值	**(44,965)**	(35,497)
Net carrying amount	賬面淨值	**225,664**	233,762

The Group's investment property consists of one investment property in Mainland China. The directors of the Company have determined that the investment property consists of one class of asset, which is commercial, based on the nature, characteristics and risks of the property. The Company applies the cost model. At December 31, 2020, the Group's investment property was not pledged.

本集團的投資物業包括一項位於中國內地的投資物業。根據物業的性質、特點及風險，本公司董事釐定投資物業包括一類資產，即商業。本公司應用成本模式。於二零二零年十二月三十一日，本集團的投資物業並無質押。

The investment property is leased to third parties under operating leases, further summary details of which are included in note 15 to the financial statements.

投資物業根據經營租賃出租予第三方，其他概括詳情載於財務報表附註15。

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant, property and land used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and property generally have lease terms of 3 years. Other leases generally have lease terms of 12 months or less and/or are individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

15. 租賃

本集團作為承租人

本集團就其業務所用的多項廠房、物業及土地項目訂有租賃合約。本集團就向擁有人收購租期50年的租賃土地預付一筆過付款，且根據該等土地租約條款，將不會繼續支付款項。廠房及物業租約的一般租期為3年。其他租約的一般租期為12個月或以下及／或就個別而言屬低價值。本集團通常不得於集團外轉讓及分租租賃資產。多項租賃合約包含延長及終止選擇權以及浮動租賃付款，詳情於下文進一步討論。

(a) 使用權資產

本集團於年內的使用權資產賬面值及變動如下：

		Prepaid land lease payments 預付土地租賃付款 RMB'000 人民幣千元	Plant and property 廠房及物業 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at January 1, 2019	於二零一九年一月一日	557,422	36,022	593,444
Additions	添置	130,879	–	130,879
Transfer to investment properties (note 14)	轉撥至投資物業（附註14）	(84,407)	–	(84,407)
Depreciation charge	折舊開支	(13,428)	(17,816)	(31,244)
Exchange adjustment	匯兌調整	–	74	74
As at December 31, 2019 and January 1, 2020	於二零一九年十二月三十一日及二零二零年一月一日	**590,466**	**18,280**	**608,746**
Additions	添置	**65,818**	**49,755**	**115,573**
Depreciation charge	折舊開支	**(15,053)**	**(17,771)**	**(32,824)**
Exchange adjustment	匯兌調整	**–**	**(70)**	**(70)**
As at December 31, 2020	於二零二零年十二月三十一日	**641,231**	**50,194**	**691,425**

The carrying amount of the Group's prepaid lease payments represents the carrying amount of land use rights in Mainland China. The Group was in process of applying for the land certificates with a carrying amount of RMB16,118,000 as at December 31, 2020 (The Group was in process of applying for the land certificates with a carrying amount of RMB16,276,000 as at December 31, 2019).

本集團的預付租賃付款賬面值指中國內地土地使用權的賬面值。於二零二零年十二月三十一日，本集團正申請賬面值為人民幣16,118,000元的土地證明（本集團於二零一九年十二月三十一日正申請賬面值為人民幣16,276,000元的土地證明）。

15. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

15. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

年內租賃負債賬面值及變動如下：

		2020 **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
Carrying amount at January 1	於一月一日的賬面值	**19,763**	37,985
New leases	新租賃	**49,755**	–
Accretion of interest recognised during the year	年內已確認累計利息	**521**	1,413
Payments	付款	**(19,698)**	(19,709)
Exchange adjustment	匯兌調整	**(119)**	74
Carrying amount at December 31	於十二月三十一日的賬面值	**50,222**	19,763
Analysed into:	分析為：		
Current portion	流動部分	**17,844**	19,289
Non-current portion	非流動部分	**32,378**	474
		50,222	19,763

The maturity analysis of lease liabilities is disclosed in note 35 to the financial statements.

租賃負債的到期日分析披露於財務報表附註35。

(c) The amounts recognised in profit or loss in relation to leases are as follows:

(c) 就租賃於損益確認的金額如下：

		2020 **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	**521**	1,413
Depreciation charge of right-of-use assets	使用權資產折舊開支	**32,824**	31,244
Total amount recognised in profit or loss	於損益確認的總金額	**33,345**	32,657

15. LEASES (continued)

The Group as a lessor

The Group leases its investment property (note 14) consisting of one commercial property in Mainland China under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB14,447,000 (2019: RMB11,049,000), details of which are included in note 5 to the financial statements.

At December 31, 2020, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

15. 租賃(續)

本集團作為出租人

本集團租賃其投資物業(附註14)，包括經營租賃安排下中國內地的一項商業物業。租賃條款通常要求租戶支付抵押按金及根據其時現行的市場狀況作出定期租金調整撥備。本集團於年內確認的租金收入為人民幣14,447,000元(二零一九年：人民幣11,049,000元)，詳情載於財務報表附註5。

於二零二零年十二月三十一日，本集團於未來期間根據與其租戶訂立的不可撤銷經營租賃應收的未貼現租賃付款如下：

		2020 **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
Within one year	一年內	**10,412**	15,406
After one year but within two years	一年後但兩年內	**6,370**	7,111
After two years but within three years	兩年後但三年內	**2,840**	3,864
After three years but within four years	三年後但四年內	**163**	3,239
After four years but within five years	四年後但五年內	**–**	230
		19,785	29,850

16. INTANGIBLE ASSETS 16. 無形資產

		Software 軟件 RMB'000 人民幣千元	Pipeline rights 管道權利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
December 31, 2020	**二零二零年十二月三十一日**			
Cost at January 1, 2020, net of accumulated amortisation	於二零二零年一月一日的成本，扣除累計攤銷	**814**	**1,180**	**1,994**
Amortisation provided during the year (note 6)	年內計提的攤銷（附註6）	**(372)**	**(451)**	**(823)**
At December 31, 2020	於二零二零年十二月三十一日	**442**	**729**	**1,171**
At December 31, 2020:	於二零二零年十二月三十一日：			
Cost	成本	**4,922**	**4,670**	**9,592**
Accumulated amortisation	累計攤銷	**(4,480)**	**(3,941)**	**(8,421)**
Net carrying amount	賬面淨值	**442**	**729**	**1,171**
December 31, 2019	**二零一九年十二月三十一日**			
At January 1, 2019:	於二零一九年一月一日：			
Cost	成本	5,023	4,406	9,429
Accumulated amortisation	累計攤銷	(3,798)	(2,756)	(6,554)
Net carrying amount	賬面淨值	1,225	1,650	2,875
Cost at January 1, 2019, net of accumulated amortisation	於二零一九年一月一日的成本，扣除累計攤銷	1,225	1,650	2,875
Additions during the year	年內添置	–	265	265
Amortisation provided during the year (note 6)	年內計提的攤銷（附註6）	(411)	(735)	(1,146)
At December 31, 2019	於二零一九年十二月三十一日	814	1,180	1,994
At December 31, 2019 and at January 1, 2020:	於二零一九年十二月三十一日及二零二零年一月一日：			
Cost	成本	**4,922**	**4,670**	**9,592**
Accumulated amortisation	累計攤銷	**(4,108)**	**(3,490)**	**(7,598)**
Net carrying amount	賬面淨值	**814**	**1,180**	**1,994**

17. PREPAYMENTS

17. 預付款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Prepayments for the purchase of land use rights	購買土地使用權的預付款項	–	34,920
Prepayments for the purchase of property, plant and equipment	購買物業、廠房及設備的預付款項	87,184	61,125
		87,184	96,045

Prepayments are unsecured and non-interest-bearing. None of the above assets is either past due or impaired.

預付款項為無抵押及不計息。上述資產均非逾期或減值。

18. INVENTORIES

18. 存貨

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Raw materials and packaging materials	原材料及包裝材料	846,394	919,673
Finished goods	成品	228,210	342,682
		1,074,604	1,262,355

19. TRADE AND BILLS RECEIVABLES

19. 貿易應收款項及應收票據

		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
Trade receivables	貿易應收款項	**904,950**	740,189
Bills receivable	應收票據	**2,500**	4,079
Impairment	減值	**(7,891)**	(7,394)
		899,559	736,874

The credit periods range from 30 to 90 days. The ageing analysis of trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

信用期介乎30至90天。於報告期末，按發票日期及扣除虧損撥備後作出的貿易應收款項及應收票據的賬齡分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 90 days	90天內	**841,332**	670,371
91 to 180 days	91至180天	**48,399**	47,196
181 to 365 days	181至365天	**9,828**	19,307
		899,559	736,874

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

貿易應收款項及應收票據虧損撥備變動如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At beginning of year	年初	**7,394**	5,960
Impairment losses (note 6(c))	減值虧損(附註6(c))	**497**	1,434
At end of year	年末	**7,891**	7,394

19. TRADE AND BILLS RECEIVABLES (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighed 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.

Bills receivable are bank acceptance bills that are unconditionally accepted by banks within the maturity period, and there is no loss allowance for impairment of bills receivable.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

19. 貿易應收款項及應收票據(續)

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。

應收票據為獲銀行於期限內無條件接納的銀行承兌票據，且並無就應收票據減值計提虧損撥備。

下表採用撥備矩陣，載列本集團貿易應收款項所承受的信貸風險資料：

As at December 31, 2020 **於二零二零年十二月三十一日**

		Within 90 days 90天內	91 to 180 days 91至180天	181 to 365 days 181至365天	Total 總計
Expected credit loss rate	預期信貸虧損率	**0.59%**	**1.05%**	**19.57%**	**0.87%**
Gross carrying amount (RMB'000)	賬面總值(人民幣千元)	**846,347**	**46,384**	**12,219**	**904,950**
Expected credit losses (RMB'000)	預期信貸虧損(人民幣千元)	**5,015**	**485**	**2,391**	**7,891**

As at December 31, 2019 **於二零一九年十二月三十一日**

		Within 90 days 90天內	91 to 180 days 91至180天	181 to 365 days 181至365天	Total 總計
Expected credit loss rate	預期信貸虧損率	0.93%	2.31%	0.22%	1.00%
Gross carrying amount (RMB'000)	賬面總值(人民幣千元)	672,528	48,311	19,350	740,189
Expected credit losses (RMB'000)	預期信貸虧損(人民幣千元)	6,236	1,115	43	7,394

20. PREPAYMENTS AND OTHER RECEIVABLES

20. 預付款項及其他應收款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Prepayments to suppliers	向供應商作出的預付款項	**383,502**	382,373
Interest receivables	應收利息	**115,141**	191,380
Other receivables	其他應收款項	**74,331**	83,509
VAT recoverable (i)	待抵扣增值稅 (i)	**44,972**	39,388
Prepayments for advertising services	廣告服務預付款項	**12,345**	8,740
Deposits	押金	**2,077**	4,313
		632,368	709,703

(i) The Group's sales of goods are subject to Value Added Tax ("VAT") in Mainland China. Input VAT on purchases can be deducted from output VAT payable. The VAT recoverable is the net difference between output VAT and deductible input VAT. The applicable tax rate for domestic sales of the Group was 13% in 2020 (2019: 16% before April 1, 2019 and 13% effective from April 1, 2019).

(i) 本集團的食品銷售須繳納中國增值稅(「增值稅」)。採購的進項增值稅可自應付銷項增值稅中扣減。待抵扣增值稅為銷項增值稅與可扣減進項增值稅的淨差額。本集團國內銷售的適用稅率於二零二零年為13%(二零一九年:於二零一九年四月一日前為16%,於二零一九年四月一日後為13%。

Prepayments and other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment. The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at December 31, 2020 and 2019, the loss allowance was assessed to be minimal.

預付款項及其他應收款項均為無抵押、不計息及無固定還款期。計入上述結餘的金融資產與近期並無違約及逾期款項的應收款項有關。於二零二零年及二零一九年十二月三十一日,虧損撥備評估為微不足道。

21. CASH AND BANK BALANCES AND PLEDGED DEPOSITS

21. 現金及銀行結餘及質押存款

		Note 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cash at banks and on hand	銀行及庫存現金		**12,334,926**	10,669,710
Bank deposits	銀行存款		**1,590,293**	422,699
			13,925,219	11,092,409
Less: Pledged short-term deposits	減：質押短期存款	22	**(100,072)**	(141)
Cash and bank balances	現金及銀行結餘		**13,825,147**	11,092,268

The Group's cash and bank balances at December 31, 2020 and 2019 were denominated in the following currencies:

本集團於二零二零年及二零一九年十二月三十一日的現金及銀行結餘以下列貨幣計值：

		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
RMB	人民幣	**13,745,464**	10,994,058
HKD	港元	**34,593**	49,860
USD	美元	**45,090**	48,350
		13,825,147	11,092,268

The 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.

人民幣不得自由兌換為其他貨幣。然而，根據中國內地的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權經營外匯業務的銀行將人民幣兌換為其他貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Bank deposits are made for varying periods of between one day and twelve months depending on the cash requirements of the Group, and earn interest at the respective bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

銀行現金根據每日銀行存款利率按浮息利率賺取利息。銀行存款為期一日至十二個月不等，視乎本集團的現金需要而定並以有關銀行存款利率賺取利息。銀行結餘及質押存款存放於信譽良好且無近期拖欠款項記錄的銀行。

22. TRADE AND BILLS PAYABLES

22. 貿易應付款項及應付票據

		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
Trade payables	貿易應付款項	**817,407**	938,368
Bills payable	應付票據	**166,580**	409,400
		983,987	1,347,768

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the transaction date, is as follows:

於報告期末，根據交易日期劃分的貿易應付款項及應付票據的賬齡分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 90 days	90 天內	**827,297**	937,946
91 to 365 days	91 至 365 天	**148,664**	402,461
1 to 2 years	1 至 2 年	**4,457**	2,346
Over 2 years	2 年以上	**3,569**	5,015
		983,987	1,347,768

Certain bills payable were secured by the pledge of the Group's short-term deposits of RMB100,000,000 at December 31, 2020 (December 31, 2019: Nil) (note 21).

部分應付票據以本集團於二零二零年十二月三十一日質押的短期存款人民幣100,000,000元作抵押(二零一九年十二月三十一日：無) (附註21)。

The trade payables are non-interest-bearing and are normally settled within 30 days. The bills payable are non-interest-bearing and are normally settled within 365 days.

貿易應付款項不計息，一般於30 天內結算。應付票據不計息，一般於365 天內結算。

23. OTHER PAYABLES AND ACCRUALS

23. 其他應付款項及應計費用

		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
Contract liabilities	合約負債	**511,667**	538,787
Payroll and welfare payables	應付工資及福利	**332,283**	308,350
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付款項	**205,982**	192,395
Other tax payable	其他應付稅項	**172,534**	156,090
Other payables	其他應付款項	**145,201**	144,284
Accruals	應計費用	**142,054**	145,697
Payables for purchase of prepaid land lease payments	購買預付土地租賃款項的應付款項	**87,150**	87,150
		1,596,871	1,572,753

Details of contract liabilities are as follows:

合約負債詳情如下：

		December 31, 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元	December 31, 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	January 1, 2019 二零一九年 一月一日 RMB'000 人民幣千元
Short-term advances received from customers	*已收客戶短期墊款*			
Sale of goods	銷售貨品	**510,855**	538,787	348,266
Rental	租金	**812**	–	–
Total contract liabilities	合約負債總額	**511,667**	538,787	348,266

Other payables are unsecured, non-interest-bearing and repayable on demand.

其他應付款項為無抵押、不計息及須於要求時償還。

24. INTEREST-BEARING BANK BORROWINGS

24. 計息銀行借貸

		2020 二零二零年 Effective interest rate (%) 實際利率 (%)	Maturity 到期日	RMB'000 人民幣千元	2019 二零一九年 Effective interest rate (%) 實際利率 (%)	Maturity 到期日	RMB'000 人民幣千元
Current	**即期**						
Bank loans	銀行貸款						
— unsecured	— 無抵押	**2–3**	**2021**	**1,917,681**	**–**	–	–

25. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

25. 遞延稅項

年內遞延稅項負債及資產的變動如下：

Deferred tax liabilities

遞延稅項負債

		2020 二零二零年 Withholding taxes 預扣稅 RMB'000 人民幣千元
At January 1, 2020	於二零二零年一月一日	(122,793)
Deferred tax charged to the statement of profit or loss during the year (note 10)	年內扣除自損益表的遞延稅項(附註10)	54,793
Gross deferred tax liabilities at December 31, 2020	於二零二零年十二月三十一日的遞延稅項負債總額	(68,000)

Deferred tax assets

遞延稅項資產

		2020 二零二零年				
		Unrealised internal sales profit 未變現內部銷售溢利 RMB'000 人民幣千元	Losses available for offsetting against future taxable profits 可供抵銷未來應課稅溢利的虧損 RMB'000 人民幣千元	Accruals 應計費用 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2020	於二零二零年一月一日	11,329	4,250	34,640	13,999	64,218
Deferred tax (charged)/ credited to the statement of profit or loss during the year (note 10)	年內(扣除自)／計入損益表的遞延稅項(附註10)	(197)	(130)	(1,390)	51	(1,666)
Gross deferred tax assets at December 31, 2020	於二零二零年十二月三十一日的遞延稅項資產總額	11,132	4,120	33,250	14,050	62,552

25. DEFERRED TAX (continued)

25. 遞延稅項(續)

Deferred tax liabilities

遞延稅項負債

		2019 二零一九年 Withholding taxes 預扣稅 RMB'000 人民幣千元
At January 1, 2019	於二零一九年一月一日	–
Deferred tax credited to the statement of profit or loss during the year (note 10)	年內計入損益表的遞延稅項(附註10)	(122,793)
Gross deferred tax liabilities at December 31, 2019	於二零一九年十二月三十一日的遞延稅項負債總額	(122,793)

Deferred tax assets

遞延稅項資產

		2019 二零一九年 Unrealised internal sales profit 未變現內部銷售溢利 RMB'000 人民幣千元	Losses available for offsetting against future taxable profits 可供抵銷未來應課稅溢利的虧損 RMB'000 人民幣千元	Accruals 應計費用 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2019	於二零一九年一月一日	10,202	8,085	21,289	14,083	53,659
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	年內計入/(扣除自)損益表的遞延稅項(附註10)	1,127	(3,835)	13,351	(84)	10,559
Gross deferred tax assets at December 31, 2019	於二零一九年十二月三十一日的遞延稅項資產總額	11,329	4,250	34,640	13,999	64,218

Deferred tax assets have not been recognised in respect of tax losses of RMB58,415,000 as at December 31, 2020 (2019: RMB13,017,000), as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

遞延稅項資產尚未就於二零二零年十二月三十一日的人民幣58,415,000元的稅項虧損(二零一九年:人民幣13,017,000元)確認,原因為該等虧損已於一直錄得虧損的附屬公司內產生了一段時間,不認為可能會有應課稅溢利可用作抵銷稅項虧損。

25. DEFERRED TAX (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from January 1, 2008 and applies to earnings after December 31, 2007. In addition, under the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and its relevant regulations, a qualified Hong Kong tax resident will be liable for withholding tax at the rate of 5% for dividend income derived from the PRC if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interests of the PRC company. For the Group, the applicable rate is 5%. Deferred tax liabilities have been provided for based on the expected dividends to be distributed from these subsidiaries in the foreseeable future in respect of the profits generated since January 1, 2008.

25. 遞延稅項(續)

根據中國企業所得稅法，於中國內地成立的外資企業向境外投資者宣派股息將被徵收10%預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日之後產生的盈利。此外，根據《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》及其相關法規，合資格香港稅務居民倘為「實益擁有人」及持有中國公司股權25%或以上，則其須就源自中國的股息收入按稅率5%繳交預扣稅。就本集團而言，適用稅率為5%。自二零零八年一月一日起產生的溢利所涉的遞延稅項負債乃根據該等附屬公司在可預見未來預期將予分派的股息計提撥備。

26. DEFERRED INCOME

26. 遞延收入

		2020 **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
At beginning of year	年初	**370,925**	370,218
Additions during the year	年內添置	**19,042**	29,263
Released to profit or loss	撥至損益	**(31,660)**	(28,556)
At end of year	年末	**358,307**	370,925

Government grants have been awarded for the construction of certain items of property, plant and equipment and prepaid land lease payments of the Company's subsidiaries. There are no unfulfilled conditions and contingencies relating to these grants.

本公司附屬公司的若干物業、廠房及設備項目的建設及預付土地租賃款項已獲發政府補貼。概無有關該等補貼的未達成條件及或然事件。

27. SHARE CAPITAL

Shares

27. 股本

股份

		2020 **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
Authorised:	法定：		
50,000,000,000 ordinary shares of HKD0.01 each	50,000,000,000股每股0.01港元的普通股	**409,085**	409,085
Issued and fully paid:	已發行及繳足：		
13,694,117,500 ordinary shares of HKD0.01 each	13,694,117,500股每股0.01港元的普通股	**112,712**	112,712

27. SHARE CAPITAL (continued)

Shares (continued)

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

27. 股本(續)

股份(續)

以下為本公司已發行股本及股份溢價變動的概要：

		Number of issued and fully paid ordinary shares 已發行及悉數支付的普通股數目	Equivalent nominal value of ordinary shares 等額面值的普通股 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2019	於二零一九年一月一日	13,694,117,500	112,712	1,260,189	1,372,901
Final 2018 dividend declared	已宣派二零一八年末期股息	–	–	(906,308)	(906,308)
Interim 2019 dividend declared	已宣派二零一九年中期股息	–	–	(353,881)	(353,881)
At December 31, 2019 and January 1, 2020	於二零一九年十二月三十一日及二零二零年一月一日	13,694,117,500	112,712	–	112,712
At December 31, 2020	於二零二零年十二月三十一日	**13,694,117,500**	**112,712**	**–**	**112,712**

28. 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 on pages 152 to 153 of the financial statements.

Share premium

The share premium of the Group represents the amount paid by shareholders for capital injection in excess of its nominal value. Details of the movements in the share premium are set out in the consolidated statement of changes in equity.

Merger reserve

The merger reserve of the Group represents capital contributions from the equity holders of the Company. The additions in prior years represent the injections of additional paid-in capital by the equity holders of the subsidiaries to the respective companies. The deductions in prior years represent the acquisitions of paid-in capital of the subsidiaries by the Group from the Controlling Shareholders which are accounted for as distributions to the Controlling Shareholders.

28. 儲備

於本年度及過往年度，本集團的儲備金額及相關變動呈列於財務報表第152至153頁的合併權益變動表。

股份溢價

本集團的股份溢價相當於股東就注資而支付的金額超出其面值的部分。股份溢價的變動詳情載於合併權益變動表。

合併儲備

本集團的合併儲備指來自本公司權益持有人的資本出資。過往年度添置指附屬公司權益持有人向各公司注入額外實繳資本。過往年度減少指本集團向最終控股股東收購附屬公司的實繳資本(按向最終控股股東分派入賬)。

28. RESERVES (continued)

Statutory reserve

In accordance with the relevant PRC regulations applicable to wholly-foreign-owned companies, certain entities within the Group are required to allocate a certain portion (not less than 10%), as determined by their boards of directors, of their profit after tax in accordance with the PRC Generally Accepted Accounting Principles to the statutory reserve fund (the "SRF") until such reserve reaches 50% of the registered capital.

The SRF is non-distributable except in the event of liquidation and, subject to certain restrictions set out in the relevant PRC regulations, can be used to offset accumulated losses or be capitalised as issued capital.

In accordance with relevant regulations and the articles of association, a subsidiary registered in the PRC as a domestic company is required to appropriate 10% of its net profit (after offsetting accumulated losses from prior years) to the SRF. After the balance of such reserve reaches 50% of the entity's capital, any further appropriation is at the discretion of the company. The SRF can be utilised to offset accumulated losses or increase capital. However, the balance of the SRF must be maintained at a minimum of 25% of the capital after such usages.

28. 儲備(續)

法定儲備

根據外商獨資企業適用的相關中國法規，本集團內的若干實體須分配一定比例(不少於10%，由其董事會釐定)的根據中國公認會計準則計算的彼等除稅後溢利至法定儲備公積金(「法定儲備公積金」)，直至有關儲備達註冊資本的50%。

法定儲備公積金除發生清盤外均不可分派，在符合相關中國法規載列的若干限制後，可用於抵銷累計虧損或資本化作已發行股本。

根據相關法規及組織章程細則，在中國註冊為內資公司的附屬公司須撥出10%的純利(經抵銷往年累計虧損後)至法定儲備公積金。倘該儲備金結餘達該實體資本的50%，則公司可酌情作出任何額外撥款。法定儲備公積金可用作抵銷累計虧損或增資。然而，作上述用途後，該法定儲備公積金結餘須維持為不少於資本的25%。

29. CONTINGENT LIABILITIES

As at December 31, 2020, the Group did not have significant contingent liabilities (December 31, 2019: Nil).

29. 或然負債

截至二零二零年十二月三十一日，本集團概無重大或然負債(二零一九年十二月三十一日：無)。

30. PLEDGE OF ASSETS

Details of the Group's bills payable and letters of credit, which are secured by the assets of the Group, are included in note 21 to the financial statements.

30. 資產質押

本集團的應付票據及信用證(以本集團資產作抵押)詳情載於財務報表附註21。

31. COMMITMENTS

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

31. 承擔

於報告期末，本集團的資本承擔如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但尚未計提撥備：		
Property, plant and equipment	物業、廠房及設備	**297,177**	236,781

32. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

(i) Sales of products

32. 關聯方交易

(a) 與關聯方的交易：

(i) 銷售產品

		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
Hui'an Dali Century Hotel Co., Ltd.	惠安縣達利世紀酒店有限公司	**180**	116

The sales to Hui'an Dali Century Hotel Co., Ltd., which is a company controlled by the Controlling Shareholders, were made according to the published prices and conditions offered to the major customers of the Group.

向惠安縣達利世紀酒店有限公司（為最終控股股東控制的公司）作出的銷售乃根據提供予本集團主要客戶的已發佈價格及條件進行。

(ii) Rental expenses

Rental expenses represent expenses from leases of properties and prepaid land lease payments which are charged in accordance with the terms of the agreements made between the Group and Fujian Dali Foods Group Co., Ltd., which is a company controlled by the Controlling Shareholders.

The operating leases have been recognised as right-of-use assets and lease liabilities in the financial statements, upon the adoption of HKFRS 16 *Leases* effective from January 1, 2019. The rental expense for the twelve months ended December 31, 2020 was RMB19,928,000 (for the twelve months ended December 31, 2019: RMB19,885,000).

(ii) 租金開支

租金開支指租賃物業的開支及預付土地租賃款項，按本集團與福建達利食品集團有限公司（一間由最終控股股東控制的公司）所作協議的條款收費。

自二零一九年一月一日起採納香港財務報告準則第16號*租賃*後，經營租賃於財務報表確認為使用權資產及租賃負債。截至二零二零年十二月三十一日止十二個月的租金開支為人民幣19,928,000元（截至二零一九十二月三十一日止十二個月：人民幣19,885,000元）。

32. RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties: (continued)

(iii) Services purchased

32. 關聯方交易(續)

(a) 與關聯方的交易:(續)

(iii) 已購服務

		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
Hui'an Dali Century Hotel Co., Ltd.	惠安縣達利世紀酒店有限公司	**654**	6,007
Hubei Sky Island Lake Eco&Culture-Tourism Co., Ltd (former name: Hubei Dali Estate Co., Ltd.)	湖北天嶼湖生態文旅有限公司(曾用名:湖北達利地產有限公司)	**404**	2,757
		1,058	8,764

The purchases from Hui'an Dali Century Hotel Co., Ltd. and Hubei Sky Island Lake Eco&Culture-Tourism Co., Ltd, which are companies controlled by the Controlling Shareholders, were made according to the published prices and conditions offered by the associates to their major customers.

向惠安縣達利世紀酒店有限公司及湖北天嶼湖生態文旅有限公司(由控股股東控制的公司)作出的採購乃根據已公佈價格及聯營公司提供予其主要客戶的條件進行。

(b) Compensation of key management personnel of the Group:

(b) 本集團主要管理人員薪酬:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries	薪金	**16,916**	16,508
Pension scheme contributions and social welfare	養老金計劃供款及社會福利	**57**	51
		16,973	16,559

Further details of directors' emoluments are included in note 8 to the financial statements.

有關董事酬金的進一步詳情載於財務報表附註8。

The related party transactions in respect of items (a)(i), (a)(ii) and (a)(iii) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

有關上文(a)(i)、(a)(ii)及(a)(iii)項目的關聯方交易亦構成上市規則第十四A章下的關連交易或持續關連交易。

33. 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:

33. 按類別劃分的金融工具

於報告期末各類金融工具的賬面值如下：

2020 **二零二零年**

Financial assets **金融資產**

		Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	899,559
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款項的金融資產	191,549
Pledged deposits	質押存款	100,072
Cash and bank balances	現金及銀行結餘	13,825,147
		15,016,327

Financial liabilities **金融負債**

		Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	983,987
Interest-bearing bank borrowings	計息銀行借貸	1,917,681
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	580,387
		3,482,055

33. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

33. 按類別劃分的金融工具(續)

2019 二零一九年

Financial assets **金融資產**

		Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	736,874
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款項的金融資產	279,202
Pledged deposits	質押存款	141
Cash and bank balances	現金及銀行結餘	11,092,268
		12,108,485

Financial liabilities **金融負債**

		Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	1,347,768
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	569,526
		1,917,294

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments reasonably approximate to fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments and other receivables, financial liabilities included in other payables and accruals and amounts due from/to subsidiaries approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at December 31, 2020 were assessed to be insignificant.

34. 金融工具的公平值及公平值層級

本集團金融工具的賬面值與公平值合理相若。

管理層已評估現金及現金等價物、質押存款、貿易應收款項及應收票據、貿易應付款項及應付票據、計入預付款項及其他應收款項的金融資產以及計入其他應付款項及應計費用的金融負債以及應收／付附屬公司款項，其公平值在很大程度上與其賬面值相若，乃由於此等工具於短期內到期所致。

計息銀行借貸的公平值乃以具有類似條款、信貸風險及剩餘到期日的工具的現有利率貼現預期未來現金流量計算。於二零二零年十二月三十一日，本集團對計息銀行借貸的自身不履約風險導致的公平值變動被評估為不重大。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans, cash and bank balances and pledged deposits. 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 receivables and trade 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 board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group's businesses are located in Mainland China and nearly all transactions are conducted in RMB. As nearly all of the Group's assets and liabilities were denominated in RMB, the subsidiaries of the Company in Mainland China were not subject to significant foreign currency risk. As at December 31, 2020, the Group's assets and liabilities denominated in HKD were mainly held by the Company and certain subsidiaries incorporated outside Mainland China which had currencies other than RMB as their functional currencies. The Company and those subsidiaries incorporated outside Mainland China also held bank balances denominated in RMB, from which foreign currency exposures arise.

35. 金融風險管理目標及政策

本集團的主要金融工具包括銀行貸款、現金及銀行結餘及質押存款。此等金融工具的主要目的是為本集團的營運籌集資金。本集團擁有多項直接從其營運產生的其他金融資產及負債，如貿易應收款項及貿易應付款項等。

本集團金融工具涉及的主要風險為外幣風險、信貸風險及流動資金風險。董事會審核並批准管理各項風險的政策，有關政策概述如下。

外幣風險

本集團的業務主要位於中國內地，及幾乎全部交易乃以人民幣進行。因本集團幾乎全部資產及負債乃以人民幣計值，本公司的中國內地附屬公司不存在重大外幣風險。於二零二零年十二月三十一日，本集團以港元計值的資產及負債乃主要由本公司及若干附屬公司（於中國內地以外地區註冊成立）持有，彼等以人民幣以外的其他貨幣作為功能貨幣。本公司及該等附屬公司（於中國內地以外地區註冊成立）亦持有以人民幣計值的銀行結餘，從中產生外幣風險。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the HKD exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

35. 金融風險管理目標及政策(續)

外幣風險(續)

下表列示於報告期末，本集團除稅前溢利及本集團的權益對港元匯率合理可能變動的敏感度(所有其他變量保持恒定)。

		Increase/ (decrease) in HKD rate 港元匯率 上漲／(下跌) % 百分比	Increase/ (decrease) in profit before tax 除稅前溢利 增加／(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity* 權益 增加／(減少)* RMB'000 人民幣千元
2020	**二零二零年**			
If RMB weakens against HKD	倘人民幣對港元貶值	**1**	**8**	**156**
If RMB strengthens against HKD	倘人民幣對港元升值	**(1)**	**(8)**	**(156)**

* Excluding retained profits

* 不包括保留溢利

		Increase/ (decrease) in HKD rate 港元匯率 上漲／(下跌) % 百分比	Increase/ (decrease) in profit before tax 除稅前溢利 增加／(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity* 權益 增加／(減少)* RMB'000 人民幣千元
2019	**二零一九年**			
If RMB weakens against HKD	倘人民幣對港元貶值	1	(1,100)	312
If RMB strengthens against HKD	倘人民幣對港元升值	(1)	1,100	(312)

* Excluding retained profits

* 不包括保留溢利

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

Maximum exposure and year-end staging

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 December 31.

The accounts presented are gross carrying amounts for financial assets.

35. 金融風險管理目標及政策(續)

信貸風險

本集團僅與獲認可且信貸記錄良好之第三方進行交易。本集團之政策為所有擬按信貸期進行買賣之客戶，均須經過信貸核證程序。此外，本集團持續監察應收款項餘額，故本集團之壞賬風險並不重大。就並非以相關經營單位之功能貨幣計值之交易，本集團在未經信貸監控主管批准的情況下不會提供信貸期。

最高風險及年結日級別

下表展示於十二月三十一日根據本集團信貸政策之信貸質素及承受之最高信貸風險，其主要根據逾期資料(除非有毋須額外成本或人力可得之其他資料)，以及年結日級別分類。

呈示金額為金融資產之總賬面值。

As at December 31, 2020

於二零二零年十二月三十一日

		12-month ECLs 12 個月 預期信貸虧損	Lifetime ECLs 整個可使用 年期預期 信貸虧損	
		Stage 1 第一級 RMB'000 人民幣千元	Simplified approach 簡化法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	–	899,559	899,559
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款項的金融資產			
— Normal	— 正常	191,549	–	191,549
Pledged deposits	質押存款			
— Not yet past due	— 尚未逾期	100,072	–	100,072
Cash and bank balances	現金及銀行結餘			
— Not yet past due	— 尚未逾期	13,825,147	–	13,825,147
		14,116,768	899,559	15,016,327

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

As at December 31, 2019

35. 金融風險管理目標及政策(續)

信貸風險(續)

於二零一九年十二月三十一日

		12-month ECLs 12 個月 預期信貸虧損	Lifetime ECLs 整個可使用 年期預期 信貸虧損	
		Stage 1 第一級 RMB'000 人民幣千元	Simplified approach 簡化法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	–	736,874	736,874
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款項的金融資產			
— Normal	— 正常	279,202	–	279,202
Pledged deposits	質押存款			
— Not yet past due	— 尚未逾期	141	–	141
Cash and bank balances	現金及銀行結餘			
— Not yet past due	— 尚未逾期	11,092,268	–	11,092,268
		11,371,611	736,874	12,108,485

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

* 就本集團應用簡化法以評估減值之貿易應收款項及應收票據而言，基於撥備矩陣的資料於財務報表附註19披露。

有關本集團源自貿易應收款項之信貸風險之更多量化數據於財務報表附註19披露。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

35. 金融風險管理目標及政策(續)

流動資金風險

本集團使用循環流動資金計劃工具監察其資金短缺風險。此工具考慮其金融工具及金融資產(如貿易應收款項)的到期日及預計經營的現金流量。

於報告期末，本集團金融負債按合約未貼現付款的到期情況如下：

2020 **二零二零年**

		On demand 按要求 RMB'000 人民幣千元	Less than 3 months 少於3個月 RMB'000 人民幣千元	3 to 12 months 3至12個月 RMB'000 人民幣千元	1 to 5 years 1至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	–	983,987	–	–	–	983,987
Interest-bearing bank borrowings	計息銀行借貸	–	–	1,956,118	–	–	1,956,118
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	287,255	293,132	–	–	–	580,387
		287,255	1,277,119	1,956,118	–	–	3,520,492

2019 **二零一九年**

		On demand 按要求 RMB'000 人民幣千元	Less than 3 months 少於3個月 RMB'000 人民幣千元	3 to 12 months 3至12個月 RMB'000 人民幣千元	1 to 5 years 1至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	–	1,347,768	–	–	–	1,347,768
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	289,981	279,545	–	–	–	569,526
		289,981	1,627,313	–	–	–	1,917,294

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 and the risk characteristics of the underlying assets. 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 is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is total liabilities divided by capital plus total liabilities. Capital represents equity attributable to the owners of the parent. The gearing ratio as at the end of each reporting period was as follows:

35. 金融風險管理目標及政策(續)

資本管理

本集團資本管理的主要目標是確保本集團能持續經營及維持健康的資本比率，以支持業務並實現股東價值的最大化。

本集團管理其資本結構並根據經濟狀況變動及有關資產的風險特徵對其作出調整。要維持或調整資本結構，本集團或須調整對股東的股息支付、向股東歸還資本或發行新股份。本集團並無面臨任何外部施加的資本要求。

本集團以資產負債比率監察資本，其乃按負債除以資本加上負債總額計算。資本指母公司擁有人應佔權益。於各報告期末的資產負債比率如下：

		2020 **二零二零年** **RMB'000** **人民幣千元**	2019 二零一九年 RMB'000 人民幣千元
Total liabilities	負債總額	**5,245,320**	3,670,986
Equity attributable to owners of the parent	母公司擁有人應佔權益	**17,465,436**	16,276,626
Capital and total liabilities	資本及負債總額	**22,710,756**	19,947,612
Gearing ratio	資產負債比率	**23.1%**	18.4%

36. 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:

36. 本公司財務狀況表

以下為於報告期末有關本公司財務狀況表的資料：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
NON-CURRENT ASSETS	**非流動資產**		
Investment in a subsidiary	於附屬公司的投資	**1**	1
Total non-current assets	非流動資產總值	**1**	1
CURRENT ASSETS	**流動資產**		
Cash and bank balances	現金及銀行結餘	**71,742**	200,953
Due from subsidiaries	應收附屬公司款項	**586,461**	–
Other receivables	其他應收款項	**11**	5
Total current assets	流動資產總值	**658,214**	200,958
CURRENT LIABILITIES	**流動負債**		
Interest-bearing bank borrowings	計息銀行借貸	**417,681**	–
Due to subsidiaries	應付附屬公司款項	**–**	38,648
Other payables and accruals	其他應付款項及應計費用	**17,898**	18,412
Total current liabilities	流動負債總額	**435,579**	57,060
NET CURRENT ASSETS	**流動資產淨值**	**222,635**	143,898
TOTAL ASSETS LESS CURRENT LIABILITIES	**資產總值減流動負債**	**222,636**	143,899
Net assets	資產淨值	**222,636**	143,899
EQUITY	**權益**		
Share capital	股本	**112,712**	112,712
Reserves (note)	儲備 (附註)	**109,924**	31,187
Total equity	權益總額	**222,636**	143,899

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

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

36. 本公司財務狀況表(續)

附註：

本公司儲備概要如下：

		Exchange premium 股份溢價 RMB'000 人民幣千元	Share fluctuation reserve 匯兌波動儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2019	**於二零一九年一月一日**	1,260,189	411,159	241,638	1,912,986
Total comprehensive income for the year	年內綜合收益總額	–	58,464	1,042,278	1,100,742
Final 2018 dividend declared	己宣派二零一八年末期股息	(906,308)	–	–	(906,308)
Interim 2019 dividend	二零一九年中期股息	(353,881)	(439,722)	(1,282,630)	(2,076,233)
At December 31, 2019 and January 1, 2020	**於二零一九年十二月三十一日及二零二零年一月一日**	–	29,901	1,286	31,187
Total comprehensive income for the year	年內綜合收益總額	**–**	**(54,704)**	**2,772,917**	**2,718,213**
Final 2019 dividend declared	己宣派二零一九年末期股息	**–**	**–**	**(1,736,732)**	**(1,736,732)**
Interim 2020 dividend	二零二零年中期股息	**–**	**–**	**(902,744)**	**(902,744)**
At December 31, 2020	**於二零二零年十二月三十一日**	**–**	**(24,803)**	**134,727**	**109,924**

37. EVENTS AFTER THE REPORTING PERIOD

There was no material subsequent event undertaken by the Group after the year ended December 31, 2020.

37. 報告期後事項

本集團於截至二零二零年十二月三十一日止年度結束後並無發生重大報告期後事項。

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on March 29, 2021.

38. 核准財務報表

財務報表乃由董事會於二零二一年三月二十九日核准及授權。

Definitions
釋義

"AGM" 「股東週年大會」	the annual general meeting of the Company 本公司股東週年大會
"Articles" or "Articles of Association" 「細則」或「章程細則」	the articles of association of the Company which became effective on the Listing Date and as amended from time to time 於上市日期生效及經不時修訂的本公司章程細則
"Audit Committee" 「審核委員會」	the audit committee of the Board 董事會審核委員會
"Board" or "Board of Directors" 「董事會」	the board of directors of the Company 本公司董事會
"BVI" 「英屬維京群島」	the British Virgin Islands 英屬維京群島
"China" or "PRC" 「中國」	the People's Republic of China excluding for the purpose of this annual report, Hong Kong, the Macau Special Administrative Region and Taiwan 中華人民共和國，就本年報而言，不包括香港、澳門特別行政區及台灣
"Company" 「本公司」	Dali Foods Group Company Limited (達利食品集團有限公司), an exempted company incorporated in the Cayman Islands on November 4, 2014 達利食品集團有限公司，一家於二零一四年十一月四日在開曼群島註冊成立的獲豁免公司
"Corporate Governance Code" or "CG Code" 「企業管治守則」	code on corporate governance practices contained in Appendix 14 to the Listing Rules 上市規則附錄十四所載企業管治常規的守則
"Director(s)" 「董事」	the director(s) of the Company 本公司董事
"ESG" 「ESG」	Environmental, Social and Governance 環境、社會及管治
"Group", "our Group", "we" or "us" 「本集團」或「我們」	collectively, the Company and its subsidiaries 本公司及其附屬公司的統稱
"HK$" or "HKD" 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣
"Hong Kong" 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區

"Listing Date" 「上市日期」	November 20, 2015, the date on which the Shares were listed on the Stock Exchange 二零一五年十一月二十日，股份於聯交所上市的日期
"Listing Rules" 「上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange 聯交所證券上市規則
"Model Code" 「標準守則」	the model code for securities transactions by directors of listed issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄十所載上市發行人董事進行證券交易的標準守則
"Prospectus" 「招股章程」	the prospectus of the Company dated November 10, 2015 本公司日期為二零一五年十一月十日的招股章程
"RMB" 「人民幣」	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
"Securities Dealing Code" 「證券買賣守則」	a code of conduct adopted by the Company 本公司採納的行為守則
"SFO" 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章《證券及期貨條例》
"Share(s)" 「股份」	share(s) in the capital of our Company with a nominal value of HK$0.01 each 本公司股本中每股面值0.01港元的股份
"Shareholder(s)" 「股東」	holder(s) of the Shares 股份持有人
"Share Option Scheme" 「購股權計劃」	the share option scheme adopted by our Company on August 25, 2015 for the benefit of its employees, Directors, customers and suppliers of our Group, business or joint venture partners and certain advisors of our Group and their respective employees, a summary of the principal terms of which is set forth in "Appendix IV — Statutory and General Information — D. Share Option Scheme" to the Prospectus 本公司就本集團僱員、董事、客戶及供應商、業務或合營夥伴及本集團若干顧問及彼等各自的僱員的利益於二零一五年八月二十五日採納的購股權計劃，其主要條款的概要載於招股章程「附錄四－法定及一般資料－D.購股權計劃」
"Stock Exchange" 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
"%" 「%」	per cent 百分比

達利食品集團有限公司
DALI FOODS GROUP COMPANY LIMITED